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As filed with the Securities and Exchange Commission on January 18, 2005

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SYNTA PHARMACEUTICALS CORP.

(Exact name of registrant as specified in its charter)

Delaware	**2834**	**04-3508648**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification No.)

45 Hartwell Avenue
Lexington, Massachusetts 02421
(781) 274-8200
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Safi R. Bahcall, Ph.D.
President and Chief Executive Officer
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Approximate date of commencement of proposed sale to public: As soon as practicable after this Registration Statement becomes effective.

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

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

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

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

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Common Stock, $0.0001 par value per share	$115,000,000	$13,536

(1) Estimated solely for the purpose of calculating the amount of registration fee pursuant to Rule 457(o) under the Securities Act.

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

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

PROSPECTUS (Subject to Completion)

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and we are not soliciting offers to buy these securities, in any state where such offer or sale is not permitted.

Issued January 18, 2005

Shares

COMMON STOCK

We are offering shares of its common stock. This is our initial public offering and no public market currently exists for our shares. We anticipate the initial public offering price will be between $ and $ per share.

We have applied to have our common stock approved for listing on the Nasdaq National Market under the symbol "SNTA."

Investing in our common stock involves risks. See "Risk Factors" beginning on page 7.

PRICE $ A SHARE

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Synta
Per Share	*$*	*$*	*$*
Total	*$*	*$*	*$*

We have granted the underwriters the right to purchase up to an additional shares of common stock to cover over-allotments.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Morgan Stanley & Co. Incorporated expects to deliver the shares to purchasers on , 2005.

MORGAN STANLEY

LEHMAN BROTHERS

LAZARD

, 2005

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of common stock.

Until , 2005 (25 days after the date of this prospectus), all dealers that buy, sell or trade our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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

PROSPECTUS SUMMARY

The following summary highlights information appearing elsewhere in this prospectus. It may not contain all of the information that may be important to you in deciding whether to invest in our common stock. You should read the entire prospectus carefully, including the "Risk Factors" section and the financial statements and related notes appearing at the end of this prospectus, before making an investment decision.

Synta Pharmaceuticals Corp.

We are a product-focused biopharmaceutical company developing novel, small-molecule drugs for inflammatory diseases, cancer, and diabetes. Our product pipeline is diverse – each of our seven clinical and preclinical small-molecule drug programs is based on a unique chemical class with a distinct mechanism of action – and our drug candidates address some of the largest pharmaceutical markets in the world. All of our drug candidates were discovered and developed using internal assets and capabilities built over the twelve-year history of Synta, our predecessor companies, and acquired research programs. We use these chemistry, biology, and pharmaceutical development capabilities to discover and develop new drugs, and to enhance and protect the value of our clinical programs. We have retained worldwide rights to all of our drug candidates in all indications.

We have three drug candidates in human clinical trials and four additional programs in preclinical studies. For our two most advanced drug candidates, we are conducting six Phase 2 clinical trials across five therapeutic indications, including Crohn's disease, psoriasis, and multiple cancer types. We have enrolled over 450 patients in these Phase 2 trials at over 90 trial sites. STA-5326, an orally administered, small-molecule inhibitor of interleukin-12, or IL-12, and interleukin-23, or IL-23, is currently in Phase 2 clinical development for the treatment of Crohn's disease and psoriasis. STA-4783, a small-molecule anticancer therapeutic, is in three separate Phase 2 trials for the treatment of non-small cell lung cancer, malignant melanoma, and soft tissue sarcoma. STA-5312, a small-molecule anticancer agent we are developing initially for the treatment of chemotherapy-resistant cancers, is currently in two Phase 1 trials for the treatment of solid-tumor cancers and cancers of the blood. These programs are described in greater detail below.

STA-5326

STA-5326 is a novel, orally administered, small-molecule drug candidate that selectively and potently inhibits the production of the IL-12 family of proteins, including IL-12 and IL-23. Over-production of these proteins plays a central role in chronic inflammatory diseases, driving the body's immune system to infiltrate and damage tissues and organs. In particular, IL-12 has been recognized as a key regulator of a type of immune cell known as T_H1. Inflammatory diseases known to be mediated by T_H1 cells include Crohn's disease, psoriasis, rheumatoid arthritis, and multiple sclerosis. A category of approved drugs, including Remicade, Enbrel, and Humira, that inhibit a protein known as tumor necrosis factor-alpha, or TNFα, has achieved significant commercial success as a treatment for certain T_H1-biased diseases. However, for many patients these TNFα-antagonist drugs are ineffective or poorly tolerated.

Recent results have shown that inhibiting IL-12 is a promising therapeutic strategy. Two antibody drug candidates that target IL-12 are currently in development. Data from recent clinical trials involving these antibodies have indicated significant therapeutic benefit to patients, and offer promise that inhibiting IL-12 activity may be a more advantageous therapeutic approach for the treatment of T_H1-biased inflammatory diseases than inhibiting TNFα activity. We believe that STA-5326, as an orally administered, small-molecule IL-12 inhibitor, may offer additional advantages over both the TNFα-antagonists and anti-IL-12 antibodies, which require intravenous or subcutaneous injection.

Our initial therapeutic focus for STA-5326 has been on the treatment of Crohn's disease and psoriasis. We have completed enrollment of a 57-patient Phase 2a clinical trial in moderate-to-severe Crohn's disease. This trial was designed as an open-label, dose-escalating study to assess the safety,

pharmacokinetics, and efficacy of STA-5326. Patients were assigned to one of four dose levels of STA-5326 – 14 mg twice-a-day, 35 mg once-a-day, 28 mg twice-a-day, and 35 mg twice-a-day – and treated for four weeks. Efficacy was assessed using the Crohn's Disease Activity Index, or CDAI, which is a composite index of symptomatic and other parameters that has been the basis of pivotal studies for previously approved Crohn's disease therapies.

We currently have data for the 37 patients comprising the first three dose cohorts of this Phase 2a trial. To date, STA-5326 has demonstrated an acceptable safety profile over four weeks of treatment. In addition, we observed clinical improvement at all but the lowest dose level and an onset of therapeutic benefit within two weeks of initiation of treatment. Based on these preliminary safety and efficacy results, we have added two cohorts to the Phase 2a trial to evaluate higher doses, and we expect to complete enrollment of these additional cohorts in early 2005. Assuming continued favorable results from our ongoing Phase 2a trial, we plan to initiate a Phase 2b clinical trial in Crohn's disease in the second half of 2005.

In the second half of 2004, we initiated two Phase 2 trials for the treatment of chronic plaque psoriasis, the most common form of psoriasis. These trials will enroll a total of approximately 230 patients. Results from both trials are expected to be available in the second half of 2005. If the data are favorable, we expect to initiate a pivotal Phase 3 clinical trial for the treatment of chronic plaque psoriasis by the end of 2005.

STA-4783

STA-4783 is a novel, small-molecule compound that we are currently evaluating in three separate Phase 2 trials for the treatment of non-small cell lung cancer, malignant melanoma, and soft tissue sarcoma, in combination with taxanes, a leading class of anticancer therapeutic agents. STA-4783 induces the expression of heat shock protein 70, or Hsp70, on the surface of tumor cells, which flags the cells for destruction and elimination by the immune system. STA-4783 also disrupts the function of the centrosome, a critical component of cellular infrastructure. Preclinical studies demonstrated that the combination of STA-4783 with a taxane achieved superior antitumor activity compared to the taxane alone, with minimal or no increase in toxicity. Based on the positive results we have seen during the initial stages of the ongoing Phase 2 trials, we have begun the second-stage, randomized portion of each of the non-small cell lung cancer and malignant melanoma trials. In January 2005, we completed enrollment of 87 patients in the second stage of the non-small cell lung cancer trial. We expect to report data from our Phase 2 cancer trials in the second half of 2005. If supported by continued favorable clinical data, we expect to initiate a pivotal Phase 3 clinical trial of STA-4783 for the treatment of one of these cancer types by the end of 2005.

STA-5312

STA-5312 is a novel, small-molecule anticancer agent that we are initially developing for the treatment of chemotherapy-resistant cancers. STA-5312 inhibits the assembly of microtubules, fibers inside cells which play an essential role in cell division. By inhibiting microtubule assembly, STA-5312 disrupts the process of cell division, thereby causing cell death. This inhibition is more pronounced in rapidly dividing cells, such as cancer cells. In preclinical studies, STA-5312 has been shown to have considerably higher anticancer activity in chemotherapy-resistant cancer cells than standard treatments and to significantly increase animal survival in chemotherapy-resistant cancer models. We have initiated two dose-escalating Phase 1 trials of STA-5312 for the treatment of solid-tumor cancers and cancers of the blood. Results from these trials are expected by the end of 2005.

Our Business Strategy

Our mission is to extend and enhance the lives of patients by discovering, developing, and commercializing novel pharmaceutical products for treating severe medical conditions. To achieve this objective, we intend to continue to:

- *Focus on novel therapies for severe diseases with large market potential* . Our clinical and discovery programs are focused on severe or life-threatening diseases, including Crohn's disease, psoriasis, and cancer, each of which represents a large therapeutic market and an attractive commercial opportunity.

- *Use our drug discovery capabilities to maximize the value of our ongoing clinical-stage programs* . We apply our discovery capabilities to improve, expand, and protect the value of our ongoing clinical programs.

- *Expand our pipeline of unique drug candidates, with a focus on inflammatory diseases and cancer.* Applying our discovery capabilities to rapidly and efficiently develop new drug candidates enhances the value of our pipeline through increased market potential and through diversification of our product, regulatory, and market risks.

- *Maximize the retained value of our drug candidates* . At present, we own worldwide rights to all of our drug candidates in development. Based on our strong financial position, we intend to independently develop and commercialize certain drug candidates, and for other candidates, to develop them to a more advanced clinical stage before entering into development and commercial agreements. We believe this approach will allow us to retain a higher share of product value.

- *Maintain our focus on small-molecule drug development* . We discover and develop small-molecule drug candidates, not large molecule biologic agents such as proteins or antibodies. Small-molecule drugs have the potential for development into orally administered drugs, thereby offering patients greater convenience. They also typically require lower infrastructure investment, face fewer manufacturing constraints, and may enable us to realize greater potential profit margins.

- *Build on the strength of our intellectual property estate* . We are continuing to strengthen our intellectual property estate, which provides us with the ability to maximize the value of our internal discoveries and to protect these discoveries from competition. As of January 10, 2005, we had a total of 237 issued patents and pending patent applications worldwide, including issued U.S. composition-of-matter patents for our drug candidates in Phase 2 clinical development.

Risks Associated with Our Business

Our business is subject to numerous risks, as more fully described in the section entitled "Risk Factors" immediately following this prospectus summary. We have a limited operating history and have incurred substantial net losses. We expect to continue to incur substantial losses for the foreseeable future. All of our drug candidates are undergoing clinical trials or are in early stages of development, and failure is common and can occur at any stage of development. Our ability to generate product revenue in the future will depend heavily on the successful development and commercialization of these drug candidates, particularly our clinical drug candidates, STA-5326, STA-4783, and STA-5312. Even if we succeed in developing and commercializing one or more of our drug candidates, we may never generate sufficient revenue to achieve and then sustain profitability.

Company History and Information

We commenced operations in July 2001. In September 2002, we acquired Principia Associates, Inc., which had previously acquired Shionogi BioResearch Corp., a U.S.-based research company created by the Japanese pharmaceutical company, Shionogi & Co., Ltd. Through the acquisition of Principia, we acquired

a unique chemical compound library, an integrated set of drug discovery capabilities, and a pipeline of preclinical and research drug candidates. To date, we have raised approximately $196 million from private investors to support our growth strategy.

Our principal executive offices are located at 45 Hartwell Avenue, Lexington, Massachusetts 02421, and our telephone number is (781) 274-8200. Our website address is www.syntapharma.com. The information contained on our website is not incorporated by reference into, and does not form any part of, this prospectus. We have included our website address as a factual reference and do not intend it to be an active link to our website. Our trademarks include Synta Pharmaceuticals and our logo. Other service marks, trademarks and trade names appearing in this prospectus are the property of their respective owners. Unless the context requires otherwise, references in this prospectus to "the company," "the Company," "we," "our," "us," and "Synta" refer to Synta Pharmaceuticals Corp.

The Offering

Common stock offered by Synta	shares
Common stock to be outstanding after this offering	shares
Over-allotment option	shares
Use of proceeds	To fund clinical trials, preclinical testing and other research and development activities, general and administrative expenses, working capital needs, and other general corporate purposes. See "Use of Proceeds."
Proposed Nasdaq National Market symbol	SNTA

The information above is based on the number of shares of common stock outstanding as of January 12, 2005. It does not include:

- 10,228,099 shares of common stock issuable upon the exercise of stock options outstanding as of January 12, 2005 at a weighted average exercise price of $3.00 per share; and
- 3,325,964 shares of common stock reserved for future awards under our stock plans.

Unless otherwise indicated, all information contained in this prospectus:

- assumes that the underwriters do not exercise their over-allotment option to purchase up to shares of our common stock;
- reflects a one-for- reverse split of our common stock to be effected prior to the completion of this offering; and
- assumes the adoption of our restated certificate of incorporation and restated bylaws upon the completion of this offering.

Summary Financial Data
(in thousands, except per share data)

The following tables summarize our consolidated financial data for the periods presented. We prepared this information using our consolidated financial statements for each of the periods presented. You should read this information in conjunction with our audited and unaudited consolidated financial statements and related notes, "Selected Historic Consolidated Financial and Operating Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. Results for the nine months ended September 30, 2004 are not necessarily indicative of results expected for the year ended December 31, 2004 or for any future period. The pro forma consolidated balance sheet data reflects the issuance by us of 16,000,000 shares of common stock at a purchase price of $5.00 per share in November 2004, net of issuance costs. The unaudited pro forma as adjusted balance sheet data set forth below gives further effect to our sale of shares of common stock in this offering at an assumed initial public offering price of $ per share, after deducting estimated underwriting discounts and commissions and offering expenses payable by us.

	Period from inception (March 10, 2000) to December 31	Years ended December 31			Nine months ended September 30	
	2000	2001	2002(1)	2003	2003	2004
	(unaudited)				(unaudited)	
Consolidated Statement of Operations Data:						
Revenues	—	—	—	$ 1,304	$ 874	$ 173
Operating expenses						
Research and development	—	$ 277	$ 7,292	24,337	16,690	24,311
In-process research and development	—	—	18,088	—	—	1,583
General and administrative	$ 78	124	1,569	5,261	3,812	5,597
Other compensation expense	—	—	9,315	—	—	—
Total operating expenses	78	401	36,264	29,598	20,502	31,491
Loss from operations	(78)	(401)	(36,264)	(28,294)	(19,628)	(31,318)
Investment income, net	—	20	110	416	257	605
Net loss	$ (78)	$ (381)	$ (36,154)	$ (27,878)	$ (19,371)	$ (30,713)
Basic and diluted net loss per common share	—	$ (0.03)	$ (1.09)	$ (0.46)	$ (0.34)	$ (0.42)
Weighted average shares used in computing basic and diluted net loss per share	—	12,156	33,115	60,096	57,198	72,470

(1) In September 2002 and December 2002 Synta acquired Principia Associates, Inc. and Diagon Genetics, Inc., respectively. See footnote 3 to Synta's audited consolidated financial statements.

	September 30, 2004		
	Actual	Pro forma	Pro forma as adjusted
		(unaudited)	
Consolidated Balance Sheet Data:			
Cash, cash equivalents and marketable securities	$ 56,256	$ 136,156	
Working capital	48,166	128,066	
Total assets	62,172	142,072	
Capital lease obligations, net of current portion	326	326	
Common stock	7	9	
Additional paid-in capital	150,219	230,117	
Accumulated deficit	(95,204)	(95,204)	
Total stockholders' equity	52,660	132,560	

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully read and consider the risks and uncertainties described below together with all of the other information contained in this prospectus, including the consolidated financial statements and the related notes appearing at the end of this prospectus, before deciding to invest in our common stock. If any of these risks actually occur, our business, business prospects, financial condition, results of operations, or cash flows could be materially harmed. In any such case, the trading price of our common stock could decline, and you could lose all or part of your investment.

Risks Related to Our Financial Position and Need for Additional Capital

We have incurred significant losses since our inception, and we expect to incur losses for the foreseeable future and may never reach profitability.

Since inception we have incurred significant operating losses and, as of September 30, 2004, we had an accumulated deficit of $95.2 million. We expect to incur operating losses for the foreseeable future. We also expect to continue to incur significant operating expenses and capital expenditures and anticipate that our expenses will increase substantially in the foreseeable future as we:

- conduct larger scale clinical trials for our drug candidates, STA-5326, STA-4783, and STA-5312, and our existing preclinical and other new drug candidates;
- discover and develop new drug candidates;
- seek regulatory approvals for our drug candidates;
- commercialize our drug candidates, if approved;
- hire additional clinical, scientific, and management personnel;
- add operational, financial, and management information systems and personnel; and
- identify additional compounds or drug candidates and acquire rights from third parties to those compounds or drug candidates through licenses.

We must generate significant revenue to achieve and maintain profitability. Even if we succeed in developing and commercializing one or more of our drug candidates, we may not be able to generate sufficient revenue and we may never be able to achieve or maintain profitability.

Our operating history may make it difficult for you to evaluate the success of our business to date and to assess our future viability.

We are a development-stage company. Our operations to date have been limited to organizing and staffing our company, acquiring, developing, and securing our technology, and undertaking preclinical studies and clinical trials of our drug candidates. We have not yet demonstrated our ability to obtain regulatory approval, formulate and manufacture a commercial-scale product, or conduct sales and marketing activities necessary for successful product commercialization. Consequently, any predictions you make about our future success or viability may not be as accurate as they could be if we had a longer operating history.

In addition, as a new business, we may encounter unforeseen expenses, difficulties, complications, and delays, and other known and unknown factors, such as the possibility of competition with larger companies. You also should consider that we will need to:

- obtain sufficient capital to support our efforts to develop and commercialize our drug candidates, including STA-5326, STA-4783, and STA-5312; and

- attempt to transition from a company with a research focus to a company capable of supporting commercial activities.

If we fail to obtain the capital necessary to fund our operations, we will be unable to successfully develop our products.

We will require substantial future capital in order to continue to conduct the research and development and clinical and regulatory activities necessary to bring our drug candidates to market. Our future capital requirements will depend on many factors that are currently unknown to us, including:

- the progress and results of clinical trials for our clinical drug candidates, STA-5326, STA-4783, and STA-5312;
- the scope, progress, results, and cost of preclinical development and laboratory testing and clinical trials for other existing and new drug candidates;
- the costs, timing, and outcome of regulatory review of STA-5326, STA-4783, STA-5312, and other existing and new drug candidates;
- the number and development requirements of other drug candidates that we pursue;
- the costs of preparing, filing, and prosecuting patent applications and maintaining, enforcing, and defending intellectual property-related claims;
- the costs of establishing sales and marketing functions and of establishing arrangements for manufacturing;
- our ability to establish 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 STA-5326, STA-4783, STA-5312, and our other potential products.

We may seek the additional capital necessary to fund our operations through public or private equity offerings, debt financings, and collaborative and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted and the terms may include liquidation or other preferences that adversely affect your rights as a stockholder. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions such as incurring additional debt, making capital expenditures, or declaring dividends. If we raise additional funds through collaboration and licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies or drug candidates, or grant licenses on terms that are not favorable to us. We cannot assure you that additional funds will be available when we need them on terms that are acceptable to us, or at all. If adequate funds are not available on a timely basis, we may be required to:

- terminate or delay clinical trials or other development for one or more of our drug candidates;
- delay our establishment of sales and marketing capabilities or other activities that may be necessary to commercialize our drug candidates; or
- curtail significant drug development programs that are designed to identify new drug candidates.

We believe that the proceeds we receive from this offering and our existing cash and investment securities will be sufficient to support our current operating plan through at least . However, our operating plan may change as a result of many factors currently unknown to us, and we may need additional funds sooner than planned. In addition, we may seek additional capital due to favorable market

conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans.

Risks Related to the Development and Regulatory Approval of Our Drug Candidates

If we do not obtain required regulatory approval, we will be unable to market and sell our drug candidates.

Our drug candidates are subject to extensive governmental regulations relating to development, clinical trials, manufacturing, and commercialization. Rigorous preclinical testing and clinical trials and an extensive regulatory approval process are required to be successfully completed in the U.S. and in many foreign jurisdictions before a new drug can be sold. Satisfaction of these and other regulatory requirements is costly, time consuming, uncertain, and subject to unanticipated delays. The time required to obtain approval by the U.S. Food and Drug Administration, or FDA, is unpredictable but typically exceeds five years following the commencement of clinical trials, depending upon the complexity of the drug candidate. It is possible that none of the drug candidates we are developing or may develop in the future will obtain the appropriate regulatory approvals necessary for us to begin selling them.

We have limited experience in conducting and managing the clinical trials necessary to obtain regulatory approvals, including approval by the FDA. In connection with clinical trials, we face risks that:

- a drug candidate may not prove to be efficacious;
- patients may die or suffer other adverse effects for reasons that may or may not be related to the drug candidate being tested;
- the results may not confirm the positive results of earlier trials; and
- the results may not meet the level of statistical significance required by the FDA or other regulatory agencies.

Of the large number of drugs in development, only a small percentage result in the submission of a new drug application, or NDA, to the FDA and even fewer are approved for commercialization. Furthermore, even if we do receive regulatory approval to market a product, any such approval may be subject to limitations on the indicated uses for which we may market the product. These limitations may limit the size of the market for the product.

Our success is largely dependent on the success of our clinical drug candidates, STA-5326, STA-4783, and STA-5312, and we cannot be certain that we will be able to obtain regulatory approval for or successfully commercialize any of these drug candidates.

We have invested a significant portion of our time and financial resources in the development of STA-5326 for the treatment of inflammatory disease, and STA-4783 and STA-5312 for the treatment of cancer. We anticipate that our success will depend largely on the receipt of regulatory approval and successful commercialization of these drug candidates. The future success of these drug candidates will depend on several factors, including the following:

- our ability to provide acceptable evidence of their safety and efficacy;
- receipt of marketing approval from the FDA and any similar foreign regulatory authorities;
- successful reformulation of our drug candidates from the formulation used for early clinical trials to a commercial formulation;
- obtaining and maintaining commercial manufacturing arrangements with third-party manufacturers or establishing commercial-scale manufacturing capabilities;
- establishing an internal sales force or collaborating with pharmaceutical companies or contract sales organizations to market and sell any approved drug; and

- acceptance of any approved drug in the medical community and by patients and third-party payors.

Many of these factors are beyond our control. Accordingly, we cannot assure you that we will ever be able to generate revenues through the sale of STA-5326, STA-4783, or STA-5312.

Because our drug candidates are in an early stage of development, there is a high risk of failure, and we may never succeed in developing marketable products or generating product revenue.

We have no products that have received regulatory approval for commercial sale. Our most advanced drug candidates, STA-5326 and STA-4783, are currently in Phase 2 clinical trials, and STA-5312 is currently in Phase 1 trials. We do not expect to have any products on the market until at least 2008, if at all. We are exploring human diseases at the cellular level and attempting to develop drug candidates that intervene with cellular processes. Trial and error is inherent in science, and we may fail at numerous stages along the way. Success in preclinical studies of a drug candidate may not be predictive of similar results in humans during clinical trials, and successful results from early clinical trials of a drug candidate may not be replicated in later clinical trials. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late stage clinical trials even after achieving promising results in early stage development. Accordingly, the results from the completed and ongoing trials for STA-5326, STA-4783, and STA-5312 may not be predictive of the results we may obtain in later stage trials.

If clinical trials for our drug candidates, including STA-5326, STA-4783, and STA-5312, are prolonged or delayed, we may be unable to commercialize our drug candidates on a timely basis, which would require us to incur additional costs and delay our receipt of any revenue from potential product sales.

We cannot predict whether we will encounter problems with any of our completed, ongoing or planned clinical trials that will cause us or any regulatory authority to delay or suspend those clinical trials or delay the analysis of data derived from them. A number of events, including any of the following, could delay the completion of our ongoing and planned clinical trials and negatively impact our ability to obtain regulatory approval for, and to market and sell, a particular drug candidate, including our clinical drug candidates STA-5326, STA-4783, and STA-5312:

- conditions imposed on us by the FDA or any foreign regulatory authority regarding the scope or design of our clinical trials;
- delays in obtaining, or our inability to obtain, required approvals from institutional review boards or other reviewing entities at clinical sites selected for participation in our clinical trials;
- insufficient supply or deficient quality of our drug candidates or other materials necessary to conduct our clinical trials;
- lower than anticipated retention rate of subjects and patients in clinical trials;
- negative or inconclusive results from clinical trials, or results that are inconsistent with earlier results, that necessitate additional clinical study;
- serious and unexpected drug-related side effects experienced by patients in clinical trials; or
- failure of our third-party contractors to comply with regulatory requirements or otherwise meet their contractual obligations to us in a timely manner.

In addition, clinical trials require sufficient patient enrollment, which is a function of many factors, including the size of the patient population, the nature of the trial protocol, the proximity of patients to clinical sites, the availability of effective treatments for the relevant disease, the eligibility criteria for our clinical trial, and competing studies or trials. Although we have had satisfactory patient enrollment in our clinical trials to date, future delays in patient enrollment can result in increased costs and longer development times. Our failure to enroll patients in our clinical trials could delay the completion of the

clinical trial beyond our current expectations. In addition, the FDA could require us to conduct clinical trials with a larger number of subjects than we have projected for any of our drug candidates. We may not be able to enroll a sufficient number of patients in a timely or cost-effective manner. Furthermore, enrolled patients may drop out of our clinical trials, which could impair the validity or statistical significance of the clinical trials.

We do not know whether our clinical trials will begin as planned, will need to be restructured, or will be completed on schedule, if at all. Delays in our clinical trials will result in increased development costs for our drug candidates. In addition, if our clinical trials are delayed, our competitors may be able to bring products to market before we do and the commercial viability of our drug candidates, including our drug candidates STA-5326, STA-4783, and STA-5312, could be limited.

If we are unable to successfully complete required clinical trials and receive FDA approval of our new formulations of STA-5326 and STA-4783, clinical development may be delayed and our ability to supply commercial quantities of these drug candidates may be adversely affected.

We are currently using a capsule formulation of STA-5326 in our clinical trials. This current capsule formulation was originally developed to increase the water solubility of STA-5326 but has a limited shelf life and is complicated to manufacture. In addition, we would be required to pay a modest royalty if we used this formulation in a commercial product. Accordingly, we do not currently believe that this will be our commercial formulation for STA-5326. We have developed a novel salt form of STA-5326 that allows us to formulate the drug as a tablet. We believe this tablet will serve as our commercial formulation, replacing the current capsule formulation. We also plan to use the tablet formulation of STA-5326 in all future clinical trials. We must first, however, complete a clinical comparative study in healthy volunteers to demonstrate the comparability of pharmacokinetics of the salt form tablet formulation and the capsule formulation and receive no objections from the FDA. Although animal and *in vitro* preclinical studies have confirmed the comparability of the salt form tablet formulation and the capsule formulation, we cannot assure you that the comparative clinical study will do so as well. We plan to initiate this study in the first half of 2005. Similarly, we also do not believe that the current form or formulation of STA-4783 being used in clinical trials will be our commercial formulation. This formulation is not water soluble and requires manual dissolution in an organic solvent prior to administration. We have developed a novel salt form of STA-4783 that is water-soluble and that we expect will replace the current form of STA-4783. We plan to use the new form of STA-4783 in all future clinical trials and believe that it also represents the likely commercial form of the product. Animal and *in vitro* preclinical studies have confirmed the comparability of this novel salt form, but we must also complete a similar clinical comparative study in healthy volunteers and receive no objections from the FDA before this new form may be used. We plan to initiate this study in the second quarter of 2005. If we do not successfully complete these required clinical trials and receive FDA approval of these or other new formulations of these drug candidates, our clinical development may be delayed and our ability to supply commercial quantities of these drug candidates, if approved, may be adversely affected.

Failure to comply with foreign regulatory requirements governing human clinical trials and marketing approval for drugs could prevent us from selling our products in foreign markets, which may adversely affect our operating results and financial condition.

The requirements governing the conduct of clinical trials, product licensing, pricing, and reimbursement for marketing our products outside the U.S. vary greatly from country to country and may require additional testing. The time required to obtain approvals outside the U.S. may differ from that required to obtain FDA approval. We may not obtain foreign regulatory approvals on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries, and approval by one foreign regulatory authority does not ensure approval by regulatory authorities in other countries or by the FDA. Failure to comply with these regulatory requirements or obtain required

approvals could impair our ability to develop foreign markets for our products and may have a material adverse effect on our results of operations and financial condition.

Our drug candidates will remain subject to ongoing regulatory review even if they receive marketing approval, and if we fail to comply with continuing regulations, we could lose these approvals and the sale of our products could be suspended.

Even if we receive regulatory approval to market a particular drug candidate, the manufacturing, labeling, packaging, adverse event reporting, storage, advertising, promotion, and record keeping related to the product will remain subject to extensive regulatory requirements. If we fail to comply with the regulatory requirements of the FDA and other applicable U.S. and foreign regulatory authorities or previously unknown problems with our products, manufacturers, or manufacturing processes are discovered, we could be subject to administrative or judicially imposed sanctions, including:

- restrictions on the products, manufacturers or manufacturing processes;
- untitled or warning letters;
- civil or criminal penalties;
- fines;
- injunctions;
- product seizures or detentions;
- import bans;
- voluntary or mandatory product recalls and related publicity requirements;
- suspension or withdrawal of regulatory approvals;
- total or partial suspension of production; and
- refusal to approve pending applications for marketing approval of new products or supplements to approved applications.

If we or others identify side effects after our products are on the market, we may be required to perform lengthy additional clinical trials, change the labeling of our products, or withdraw our products from the market, any of which would hinder or preclude our ability to generate revenues.

If we or others identify side effects after any of our products are on the market:

- regulatory authorities may withdraw their approvals;
- we may be required to reformulate our products, conduct additional clinical trials, make changes in labeling of our products, or implement changes to or obtain new approvals of our or our contractors' manufacturing facilities;
- we may experience a significant drop in the sales of the affected products;
- our reputation in the marketplace may suffer; and
- we may become the target of lawsuits, including class action suits.

Any of these events could harm or prevent sales of the affected products or could substantially increase the costs and expenses or commercializing and marketing these products.

We deal with hazardous materials and must comply with environmental laws and regulations, which can be expensive and restrict how we do business.

Our activities involve the controlled storage, use, and disposal of hazardous materials, including infectious agents, corrosive, explosive and flammable chemicals, and various radioactive compounds. We are subject to federal, state, and local laws and regulations governing the use, manufacture, storage, handling, and disposal of these hazardous materials. Although we believe that our safety procedures for handling and disposing of these materials comply with the standards prescribed by these laws and regulations, we cannot eliminate the risk of accidental contamination or injury from these materials.

In the event of an accident, state or federal authorities may curtail our use of these materials, and we could be liable for any civil damages that result, which may exceed our financial resources and may seriously harm our business. While we believe that the amount of insurance we carry is sufficient for typical risks regarding our handling of these materials, it may not be sufficient to cover pollution conditions or other extraordinary or unanticipated events. Additionally, an accident could damage, or force us to shut down, our operations. In addition, if we develop a manufacturing capacity, we may incur substantial costs to comply with environmental regulations and would be subject to the risk of accidental contamination or injury from the use of hazardous materials in our manufacturing process.

Risks Related to Our Dependence on Third Parties

We rely on third parties to conduct our clinical trials, and those third-parties may not perform satisfactorily, including failing to meet established deadlines for the completion of such trials.

We do not have the ability to independently conduct clinical trials for our drug candidates, and we rely on third parties such as contract research organizations, medical institutions, and clinical investigators to perform this function. Our reliance on these third parties for clinical development activities reduces our control over these activities. Furthermore, these third parties may also have relationships with other entities, some of which may be our competitors. To date, our contract research organizations and other similar entities with which we are working have performed well; however, if these third parties do not successfully carry out their contractual duties or meet expected deadlines, we will not be able to obtain or may be delayed in obtaining regulatory approvals for our drug candidates and will not be able to or may be delayed in our efforts to successfully commercialize our drug candidates for targeted diseases.

We have no manufacturing capacity and depend on third-party manufacturers to produce our clinical trial drug supplies.

We do not currently operate manufacturing facilities for clinical or commercial production of our drug candidates under development. We have no experience in drug manufacturing, and we lack the resources and the capabilities to manufacture any of our drug candidates on a clinical or commercial scale. As a result, we currently rely on third-party manufacturers to supply, store, and distribute drug supplies for our clinical trials and anticipate future reliance on a limited number of third-party manufacturers until we increase the number of manufacturers with whom we contract. Any performance failure on the part of our existing or future manufacturers could delay clinical development or regulatory approval of our drug candidates or commercialization of our products, producing additional losses and depriving us of potential product revenue.

Recently, we observed granules in some of the capsules of STA-5326 manufactured by the third-party contractor used in our Phase 2 Crohn's disease and psoriasis trials. We conducted preclinical studies of the capsules containing the granules and determined that the granules consisted of the active pharmaceutical ingredient of STA-5326 rather than impurities. Based on these studies, we believe that the capsules containing the granules are comparable to the capsules without the granules, including with respect to pharmacokinetics and expected absorption in patients. We do not believe that this has had any adverse effect on our trials, but we cannot assure you that it has not. We submitted a summary of our findings from

the preclinical studies on this issue to the FDA, and the FDA has recently requested the data from these studies that support these findings. We do not know whether the FDA will require additional information or require that corrective action be taken. Since the identification of these granules, we have performed a comprehensive investigation and believe we identified the cause of the granule formation. We have made improvements to the manufacturing process, and thereafter, no granules have been observed in these batches. We do not expect any delay in the clinical development of STA-5326 due to this issue, but we cannot assure you that no such delay will occur.

Our drug candidates require precise, high quality manufacturing. Our contract manufacturers' failure to achieve and maintain high manufacturing standards could result in patient injury or death, product recalls or withdrawals, delays or failures in product testing or delivery, cost overruns, or other problems that could seriously hurt our business. Contract manufacturers may encounter difficulties involving production yields, quality control, and quality assurance. These manufacturers are subject to ongoing periodic unannounced inspection by the FDA and corresponding state and foreign agencies to ensure strict compliance with current Good Manufacturing Practice, or cGMP, and other applicable government regulations and corresponding foreign standards; however, we do not have control over third-party manufacturers' compliance with these regulations and standards.

If for some reason our contract manufacturers cannot perform as agreed, we may be unable to replace such third-party manufacturers in a timely manner and the production of our drug candidates would be interrupted, resulting in delays in clinical trials and additional costs. Switching manufacturers may be difficult because the number of potential manufacturers is limited and the FDA must approve any replacement manufacturer prior to manufacturing our drug candidates. Such approval would require new testing and compliance inspections. In addition, a new manufacturer would have to be educated in, or develop substantially equivalent processes for, production of our drug candidates after receipt of FDA approval. It may be difficult or impossible for us to find a replacement manufacturer on acceptable terms quickly, or at all. We have in the past experienced low inventory levels of the capsule formulation of STA-5326 we currently use in our clinical trials. To date, however, our clinical trials for STA-5326 have not been adversely affected, and we believe we have taken sufficient steps to ensure that we will have adequate inventory to complete our current Phase 2 trials for STA-5326 in Crohn's disease and plaque psoriasis. We expect to have completed our clinical comparative study of the tablet form of STA-5326 prior to the commencement of any future clinical trial for STA-5326.

If we do not establish collaborations, we may have to alter our development plans.

Our drug development programs and potential commercialization of our drug candidates will require substantial additional cash to fund expenses. Our strategy includes potentially selectively collaborating with leading pharmaceutical and biotechnology companies to assist us in furthering development and potential commercialization of some of our drug candidates. Although we are not currently a party to any such collaboration, we may enter into one or more of such collaborations in the future, especially for target indications in which the potential collaborator has particular therapeutic expertise or that involve a large, primary care market that must be served by large sales and marketing organizations. We face significant competition in seeking appropriate collaborators and these collaborations are complex and time-consuming to negotiate and document. We may not be able to negotiate collaborations on acceptable terms, or at all. If that were to occur, we may have to curtail the development of a particular drug candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of our sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms, or at all. If we do not have sufficient funds, we will not be able to bring our drug candidates to market and generate product revenue.

We anticipate continued reliance on third-party manufacturers for the production of our products if we are successful in obtaining marketing approval from the FDA and other regulatory agencies.

To date, our drug candidates have been manufactured in small quantities for preclinical testing and clinical trials by third-party manufacturers. If the FDA or other regulatory agencies approve any of our drug candidates for commercial sale, we expect that we would continue to rely, at least initially, on third-party manufacturers to produce commercial quantities of our approved drug candidates. These manufacturers may not be able to successfully increase the manufacturing capacity for any of our approved drug candidates in a timely or economic manner, or at all. Significant scale-up of manufacturing may require additional validation studies, which the FDA must review and approve. If they are unable to successfully increase the manufacturing capacity for a drug candidate or we are unable to establish our own manufacturing capabilities, the commercial launch of any related products may be delayed or there may be a shortage in supply.

If we are unable to establish sales and marketing capabilities or enter into agreements with third parties to market and sell our drug candidates, we may be unable to generate product revenue.

We do not currently have an organization for the sales, marketing, and distribution of pharmaceutical products. In order to market any products that may be approved by the FDA, we must build our sales, marketing, managerial, and other non-technical capabilities or make arrangements with third parties to perform these services. If we are unable to establish adequate sales, marketing, and distribution capabilities, whether independently or with third parties, we may not be able to generate product revenue and may not become profitable.

Risks Related to Our Intellectual Property

If our patent position does not adequately protect our drug candidates or future products, others could compete against us more directly, which would harm our business.

As of January 10, 2005, our patent portfolio includes a total of 237 patents and patent applications worldwide with claims covering the composition of matter and methods of use for all three of our clinical stage compounds. We own or license a total of 13 issued U.S. patents and 54 U.S. patent applications, as well as 170 foreign counterparts to many of these patents and patent applications. We have issued U.S. composition-of-matter patents claiming the chemical structures of STA-5326 and STA-4783 and allowed U.S. patent applications claiming the chemical structure of STA-5312.

Our commercial success will depend in part on our ability to obtain additional patents and protect our existing patent position as well as our ability to maintain adequate protection of other intellectual property for our technologies and products in the U.S. and other countries. If we do not adequately protect our intellectual property, competitors may be able to use our technologies and erode or negate any competitive advantage we may have, which could harm our business and ability to achieve profitability. The laws of some foreign countries do not protect our proprietary rights to the same extent as the laws of the U.S., and we may encounter significant problems in protecting our proprietary rights in these countries.

The patent positions of biotechnology and pharmaceutical companies, including our patent position, involve complex legal and factual questions, and, therefore, validity and enforceability cannot be predicted with certainty. Patents may be challenged, deemed unenforceable, invalidated or circumvented. We will be able to protect our proprietary rights from unauthorized use by third parties only to the extent that our proprietary technologies and products are covered by valid and enforceable patents or are effectively maintained as trade secrets.

The degree of future protection for our proprietary rights is uncertain, and we cannot ensure that:

- we or our licensors were the first to make the inventions covered by each of our pending patent applications;

- we or our licensors were the first to file patent applications for these inventions;
- others will not independently develop similar or alternative technologies or duplicate any of our technologies;
- any of our or our licensors' pending patent applications will result in issued patents;
- any of our or our licensors' patents will be valid or enforceable;
- any patents issued to us or our licensors and collaborators will provide a basis for commercially viable products, will provide us with any competitive advantages or will not be challenged by third parties;
- we will develop additional proprietary technologies or drug candidates that are patentable; or
- the patents of others will not have an adverse effect on our business.

We typically file for patent protection first on the composition-of-matter of our drug candidates and also claim their activities and methods for their production and use to the extent known at that time. As we learn more about the mechanisms of action and new methods of manufacture and use of these drug candidates, we generally file additional patent applications for these new inventions. Although our patents may prevent others from making, using or selling similar products, they do not ensure that we will not infringe the patent rights of third parties. For example, because we sometimes identify the mechanism of action or molecular target of a given drug candidate after identifying its composition-of-matter and therapeutic use, we may not be aware until the mechanism or target is further elucidated that a third party has an issued or pending patent claiming biological activities or targets that may cover our product. If such a patent exists or is granted in the future, we cannot provide assurances that a license will be available on commercially reasonable terms, or at all.

We are aware of an issued U.S. patent held by a third party that claims a method of increasing Hsp70 levels by administering a proteasome inhibitor. Our drug candidate STA-4783 induces the expression of Hsp70 on the surface of tumor cells. We are not certain about the role that proteasome inhibition may have with respect to STA-4783's induction of Hsp70 expression. We cannot guarantee that the patent holder will not assert the patent claims against us, but based on our analysis and the analysis of our outside patent counsel of this patent, we do not believe that the manufacture, use, or sale of STA-4783 would infringe any valid claim of this U.S. patent. However, we cannot guarantee that a court would find this patent to be invalid or would find STA-4783 not to infringe this patent. If the patent were held to be valid and infringed, we would be required to take corrective action, which might include acquiring a license to the patent, paying damages or ceasing infringement. We cannot provide assurances that a license would be available on commercially reasonable terms, or at all.

We may be unable to adequately prevent disclosure of trade secrets and other proprietary information.

We rely on trade secrets to protect our proprietary technologies, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. We rely in part on confidentiality agreements with our employees, consultants, outside scientific collaborators, sponsored researchers, and other advisors to protect our trade secrets and other proprietary information. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover our trade secrets and proprietary information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

Litigation or other proceedings or third-party claims of intellectual property infringement would require us to spend time and money and could prevent us from developing or commercializing products.

Our commercial success will depend in part on not infringing upon the patents and proprietary rights of other parties. Although we are not currently aware of any litigation or other proceedings or third-party claims of intellectual property infringement related to our drug candidates, the pharmaceutical industry is characterized by extensive litigation regarding patents and other intellectual property rights. Other parties may obtain patents in the future and claim that the use of our technologies infringes these patents or that we are employing their proprietary technology without authorization. We could incur substantial costs and diversion of management and technical personnel in defending ourselves against any claims that the use of our technologies infringes upon any patents, defending ourselves against any claim that we are employing any proprietary technology without authorization or enforcing our patents against others. In the event of a successful claim of infringement against us, we may be required to:

- pay substantial damages;
- stop developing, commercializing, and selling the infringing products;
- stop utilizing the infringing technologies and methods in our products;
- develop non-infringing products, technologies, and methods; and
- obtain one or more licenses from other parties, which could result in our paying substantial royalties or our granting of cross licenses to our technologies.

We may not be able to obtain licenses from other parties at a reasonable cost, or at all. If we are not able to obtain necessary licenses at a reasonable cost, or at all, we could encounter substantial delays in product introductions while we attempt to develop alternative technologies, methods, and products, which we may not be able to accomplish. Although third parties may challenge our rights to, or the scope or validity of our patents, to date, we have not received any communications from third parties challenging our patents or patent applications covering our drug candidates.

We may be subject to claims that we or our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

As is commonplace in our industry, we employ individuals who were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although no claims against us are currently pending, we may be subject to claims that these employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

Risks Related to the Commercialization of Our Drug Candidates

If physicians and patients do not accept our products, we may be unable to generate significant revenue, if any.

Even if our drug candidates obtain regulatory approval, resulting drugs, if any, may not gain market acceptance among physicians, healthcare payors, patients, and the medical community. Even if the clinical safety and efficacy of drugs developed from our drug candidates are established, physicians may elect not to recommend these drugs for a variety of reasons including:

- timing of market introduction of competitive products;
- demonstration of clinical safety and efficacy compared to other products;
- cost-effectiveness;

- availability of reimbursement from managed care plans and other third-party payors;
- convenience and ease of administration;
- prevalence and severity of adverse side effects;
- other potential advantages of alternative treatment methods; and
- ineffective marketing and distribution support.

If our approved drugs fail to achieve market acceptance, we may not be able to generate significant revenue and our business would suffer.

If the government and third-party payors fail to provide adequate coverage and reimbursement rates for our future products, if any, our revenue and prospects for profitability will be harmed.

In both domestic and foreign markets, our sales of any future products will depend in part upon the availability of reimbursement from third-party payors. Such third-party payors include government health programs such as Medicare, managed care providers, private health insurers, and other organizations. These third-party payors are increasingly attempting to contain healthcare costs by demanding price discounts or rebates and limiting both coverage and the amounts that they will pay for new drugs, and, as a result, they may not cover or provide adequate payment for our drugs. We might need to conduct post-marketing studies in order to demonstrate the cost-effectiveness of any future products to such payors' satisfaction. Such studies might require us to commit a significant amount of management time and financial and other resources. Our future products might not ultimately be considered cost-effective. Adequate third-party reimbursement might not be available to enable us to maintain price levels sufficient to realize an appropriate return on investment in product development.

U.S. and foreign governments continue to propose and pass legislation designed to reduce the cost of healthcare. For example, in some foreign markets, the government controls the pricing and profitability of prescription pharmaceuticals. In the U.S., we expect that there will continue to be federal and state proposals to implement similar governmental controls. In addition, recent changes in the Medicare program and increasing emphasis on managed care in the U.S. will continue to put pressure on pharmaceutical product pricing. Cost control initiatives could decrease the price that we would receive for any products in the future, which would limit our revenue and profitability. Accordingly, legislation and regulations affecting the pricing of pharmaceuticals might change before our proposed products are approved for marketing. Adoption of such legislation could further limit reimbursement for pharmaceuticals.

If a successful product liability claim or series of claims is brought against us for uninsured liabilities or in excess of insured liabilities, we could be forced to pay substantial damage awards.

The use of any of our drug candidates in clinical trials, and the sale of any approved products, might expose us to product liability claims. We currently maintain product liability insurance coverage to cover us against such claims. However, such insurance coverage might not protect us against all of the claims to which we might become subject. We might not be able to maintain adequate insurance coverage at a reasonable cost or in sufficient amounts or scope to protect us against potential losses. In the event a claim is brought against us, we might be required to pay legal and other expenses to defend the claim, as well as uncovered damages awards resulting from a claim brought successfully against us. Furthermore, whether or not we are ultimately successful in defending any such claims, we might be required to direct financial and managerial resources to such defense and adverse publicity could result, all of which could harm our business.

Risks Related to Our Industry

We may not be able to keep up with the rapid technological change in the biotechnology and pharmaceutical industries, which could make our products obsolete and reduce our revenue.

Biotechnology and related pharmaceutical technologies have undergone and continue to be subject to rapid and significant change. Our future will depend in large part on our ability to maintain a competitive position with respect to these technologies. Our competitors may render our technologies obsolete by advances in existing technological approaches or the development of new or different approaches, potentially eliminating the advantages in our drug discovery process that we believe we derive from our research approach and proprietary technologies. In addition, any products that we develop, including our clinical drug candidates STA-5326, STA-4783, and STA-5312, may become obsolete before we recover expenses incurred in developing those products, which may require that we raise additional funds to continue our operations.

Our competitors may develop products that are less expensive, safer, or more effective, which may diminish or eliminate the commercial success of any products that we may commercialize.

Competition in the pharmaceutical and biotechnology industries is intense and expected to increase. We face competition from pharmaceutical and biotechnology companies, as well as numerous academic and research institutions and governmental agencies, both in the U.S. and abroad. Some of these competitors have products or are pursuing the development of drugs that target the same diseases and conditions that are the focus of our drug development programs.

For example, if approved, we expect STA-5326 to compete against currently approved treatments for chronic inflammatory diseases, including:

- large-molecule, injectable TNFα-antagonists, including: Remicade, marketed by Johnson & Johnson; Enbrel, marketed by Amgen and Wyeth Pharmaceuticals; and Humira, marketed by Abbott Laboratories;
- Tysabri, formerly known as Antegren, the anti-α4 integrin antibody marketed by Biogen Idec and Elan Corporation; and
- immunosuppressive small-molecule agents including methotrexate and azathioprine.

STA-5326 may also compete with CNTO-1275 and ABT-874, two antibody-based clinical candidates targeting IL-12 currently in clinical trials that are being developed by Johnson & Johnson and Abbott Laboratories, respectively.

If approved, we would expect STA-4783 to compete with:

- other agents that are being used or tested in combination with taxanes, including: Herceptin, marketed by Genentech; Tarceva, marketed by OSI Pharmaceuticals, Genentech, and Roche; and Xeloda, marketed by Roche;
- taxane-like molecules such as epothilones; and
- modifications or reformulations of taxanes.

We would expect STA-5312, if approved, to compete against the currently approved therapies for the treatment of cancers, in particular, those being used or tested for the treatment of chemotherapy-resistant cancers.

Many of our competitors and their collaborators have significantly greater experience than we do in the following:

- identifying and validating targets;

- screening compounds against targets;
- preclinical studies and clinical trials of potential pharmaceutical products; and
- obtaining FDA and other regulatory approvals.

In addition, many of our competitors and their collaborators have substantially greater capital and research and development resources, manufacturing, sales, and marketing capabilities, and production facilities. Smaller companies also may prove to be significant competitors, particularly through proprietary research discoveries and collaboration arrangements with large pharmaceutical and established biotechnology companies. Many of our competitors have products that have been approved or are in advanced development and may develop superior technologies or methods to identify and validate drug targets and to discover novel small-molecule drugs. Our competitors, either alone or with their collaborators, may succeed in developing drugs that are more effective, safer, more affordable or more easily administered than ours and may achieve patent protection or commercialize drugs sooner than us. Our competitors may also develop alternative therapies that could further limit the market for any drugs that we may develop. Our failure to compete effectively could have a material adverse effect on our business.

Risks Related to Employee Matters and Managing Growth

Our future success depends on our ability to retain our chief executive officer and other key executives and to attract, retain and motivate qualified personnel.

We are highly dependent on Safi R. Bahcall, Ph.D., our President and Chief Executive Officer, and the other principal members of our executive and scientific teams. Although we do not have any reason to believe that we may lose the services of any of these persons in the foreseeable future, the loss of the services of any of these persons might impede the achievement of our research, development, and commercialization objectives. Recruiting and retaining qualified scientific personnel and possibly sales and marketing personnel will also be critical to our success. We may not be able to attract and retain these personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific personnel from universities and research institutions. We do not maintain "key person" insurance on any of our employees. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us.

We expect to expand our development, clinical research and marketing capabilities, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.

We expect to experience significant growth in the number of our employees and the scope of our operations. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational, and financial systems, expand our facilities, and continue to recruit and train additional qualified personnel. Due to our limited resources, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The physical expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

If we make strategic acquisitions, we will incur a variety of costs and might never realize the anticipated benefits.

We have grown primarily through acquisitions, particularly our 2002 acquisition of Principia Associates, Inc. Currently we are not a party to any acquisition agreements, nor do we have any understanding or commitment with respect to any such acquisition. If appropriate opportunities become available, however, we might attempt to acquire additional products, drug candidates, or businesses that we believe are a strategic fit with our business. If we pursue any transaction of that sort, the process of negotiating the acquisition and integrating an acquired product, drug candidate, or business might result in operating difficulties and expenditures and might require significant management attention that would otherwise be available for ongoing development of our business, whether or not any such transaction is ever consummated. Moreover, we might never realize the anticipated benefits of any acquisition. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities or impairment expenses related to goodwill, and impairment or amortization expenses related to other intangible assets, which could harm our financial condition.

Risks Related to our Common Stock and the Offering

Our stock price is likely to be volatile and the market price of our common stock after this offering may drop below the price you pay.

You should consider an investment in our common stock as risky and invest only if you can withstand a significant loss and wide fluctuations in the market value of your investment. Prior to this offering, there was not a public market for our common stock. We will negotiate and determine the initial public offering price with the representatives of the underwriters based on several factors. This price may vary from the market price of our common stock after this offering. You may be unable to sell your shares of common stock at or above the initial offering price due to fluctuations in the market price of our common stock arising from changes in our operating performance or prospects. In addition, the stock market has recently experienced significant volatility, particularly with respect to pharmaceutical, biotechnology, and other life sciences company stocks. The volatility of pharmaceutical, biotechnology, and other life sciences company stocks often does not relate to the operating performance of the companies represented by the stock. Some of the factors that may cause the market price of our common stock to fluctuate include:

- results of clinical trials conducted by us or on our behalf, or by our competitors;
- failure or delays in entering additional drug candidates into clinical trials;
- failure or discontinuation of any of our research programs;
- issues in manufacturing our drug candidates or drugs;
- regulatory developments or enforcement in the U.S. and foreign countries;
- developments or disputes concerning patents or other proprietary rights;
- introduction of technological innovations or new commercial products by us or our competitors;
- changes in estimates or recommendations by securities analysts, if any cover our common stock;
- public concern over our products;
- litigation;
- future sales of our common stock;
- general market conditions;
- changes in the structure of health care payment systems;

- failure of any of our drug candidates, if approved, to achieve commercial success;
- economic and other external factors or other disasters or crises; and
- period-to-period fluctuations in our financial results.

These and other external factors may cause the market price and demand for our common stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have instituted securities class action litigation against the company that issued the stock. If any of our stockholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management.

There may not be an active, liquid trading market for our common stock.

There is currently no established trading market for our common stock. There is no guarantee that an active trading market for our common stock will develop and be maintained after this offering. If a trading market does not develop or is not maintained, you may experience difficulty in reselling, or an inability to sell, your shares quickly or at the latest market price.

If the ownership of our common stock continues to be highly concentrated, it may prevent you and other stockholders from influencing significant corporate decisions and may result in conflicts of interest that could cause our stock price to decline.

Our executive officers, directors, and their affiliates will beneficially own or control approximately % of the outstanding shares of our common stock following the completion of this offering. Accordingly, these executive officers, directors, and their affiliates, acting as a group, will have substantial influence over the outcome of corporate actions requiring stockholder approval, including the election of directors, any merger, consolidation or sale of all or substantially all of our assets, or any other significant corporate transactions. These stockholders may also delay or prevent a change of control of us, even if such a change of control would benefit our other stockholders. The significant concentration of stock ownership may adversely affect the trading price of our common stock due to investors' perception that conflicts of interest may exist or arise.

Future sales of common stock by our existing stockholders may cause our stock price to fall.

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. After this offering, we will have outstanding shares of common stock based on the number of shares outstanding as of , 2005. This includes the shares that we are selling in this offering, which may be resold in the public market immediately. The remaining shares are currently restricted as a result of securities laws or lock-up agreements but will be able to be sold in the near future as set forth below.

Number of Shares	Date Available for Sale Into the Public Market
	After 180 days* from the date of this prospectus (subject, in some cases, to volume limitations).
	At various times after 180 days* from the date of this prospectus (subject, in some cases, to volume limitations).

* 180 days corresponds to the end of the lock-up period described in "Shares Eligible for Future Sale — Lock-Up Agreement." This lock-up period may be extended under certain circumstances as described in that section.

Moreover, beginning after the lock-up period described in "Shares Eligible for Future Sale — Lock-Up Agreement" expires, the holders of 34,286,089 shares of our common stock and 1,018,750 shares of our common stock issuable upon the exercise of options will have rights, subject to some conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. We also intend to register all shares of common stock that we may issue under our stock plans. For additional information, see "Shares Eligible for Future Sale."

We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

Management will retain broad discretion over the use of the net proceeds from this offering. Stockholders may not agree with such uses, and our use of the proceeds may not yield a significant return or any return at all for our stockholders. The failure by our management to apply these funds effectively could have a material adverse effect on our business.

We intend to use the proceeds from this offering for clinical trials, preclinical testing and other research and development activities, and general and administrative expenses, working capital needs, and other general corporate purposes. Because of the number and variability of factors that will determine our use of the proceeds from this offering, their ultimate use may vary substantially from their currently intended use. For a further description of our intended use of the proceeds of the offering, see "Use of Proceeds."

Provisions of our charter, bylaws, and Delaware law may make an acquisition of us or a change in our management more difficult.

Certain provisions of our restated certificate of incorporation and restated bylaws that will be in effect upon the completion of this offering could discourage, delay or prevent a merger, acquisition or other change in control that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions also could limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. Stockholders who wish to participate in these transactions may not have the opportunity to do so. Furthermore, these provisions could prevent or frustrate attempts by our stockholders to replace or remove our management. These provisions:

- allow the authorized number of directors to be changed only by resolution of our board of directors;
- establish a classified board of directors, providing that not all members of the board be elected at one time;
- authorize our board of directors to issue without stockholder approval blank check preferred stock that, if issued, could operate as a "poison pill" to dilute the stock ownership of a potential hostile acquirer to prevent an acquisition that is not approved by our board of directors;
- require that stockholder actions must be effected at a duly called stockholder meeting and prohibit stockholder action by written consent;
- establish advance notice requirements for stockholder nominations to our board of directors or for stockholder proposals that can be acted on at stockholder meetings;
- limit who may call stockholder meetings; and
- require the approval of the holders of 80% of the outstanding shares of our capital stock entitled to vote in order to amend certain provisions of our restated certificate of incorporation and restated bylaws.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which may, unless certain criteria are met, prohibit

large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a prescribed period of time.

We have never paid dividends on our capital stock, and we do not anticipate paying any cash dividends in the foreseeable future.

We have paid no cash dividends on any of our classes of capital stock to date and we currently intend to retain our future earnings, if any, to fund the development and growth of our businesses. As a result, capital appreciation, if any, of our common stock will be your sole source of gain on your investment for the foreseeable future.

Investors in this offering will pay a much higher price than the book value of our common stock and therefore you will incur immediate and substantial dilution of your investment.

If you purchase common stock in this offering, you will pay more for your shares than the amounts paid by existing stockholders for their shares. You will incur immediate and substantial dilution of $ per share, representing the difference between our pro forma net tangible book value per share after giving effect to this offering an assumed initial public offering price of $ per share. In the past, we issued options to acquire common stock at prices significantly below the assumed initial public offering price. To the extent these outstanding options are ultimately exercised, you will sustain further dilution.

We expect to sell additional equity securities, which would cause dilution.

We expect to sell more equity securities in the future to obtain operating funds. We may sell these securities at a discount to the market price. Any future sales of equity will dilute the holdings of existing stockholders, possibly reducing the value of their investment.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. The forward-looking statements are contained principally in the sections entitled "Prospectus Summary," "Risk Factors," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Business." These statements involve known and unknown risks, uncertainties, and other factors which may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Forward-looking statements include statements about:

- the anticipated progress of our research, development, and clinical programs, including the timing of current and future clinical trials;
- our ability to market, commercialize, and achieve market acceptance for our drug candidates or products that we may develop;
- our anticipated use of the proceeds of this offering; and
- estimates regarding the sufficiency of our cash resources.

In some cases, you can identify forward-looking statements by terms such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would," and similar expressions intended to identify forward-looking statements. Forward-looking statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. We discuss many of these risks in this prospectus in greater detail under the heading "Risk Factors." Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent our estimates and assumptions only as of the date of this prospectus. You should read this prospectus and the documents that we have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

Except as required by law, we assume no obligation to update any forward-looking statements publicly or to update the reasons actual results could differ materially from those anticipated in any forward-looking statements, even if new information becomes available in the future.

USE OF PROCEEDS

We estimate that our net proceeds from the sale of shares of our common stock in this offering will be approximately $ million, or approximately $ million if the underwriters exercise their over-allotment option in full, assuming an initial public offering price of $ per share and after deducting estimated underwriting discounts and commissions and offering expenses payable by us.

The principal purposes of this offering are to obtain additional working capital to fund anticipated operating losses, establish a public market for our common stock, and facilitate future access to the public markets. We expect to use the proceeds of this offering primarily to fund:

- continued clinical development of STA-5326, STA-4783, and STA-5312;
- preclinical testing, and other research and development activities; and
- general and administrative expenses, working capital needs, and other general corporate purposes.

We may also use a portion of the proceeds for the potential acquisition of, or investment in, technologies, products, or companies that complement our business, although we have no current understandings, commitments, or agreements to do so.

As of the date of this prospectus, we cannot specify with certainty all of the particular uses for the proceeds from this offering, or the amounts that we may spend on the uses set forth above. The amounts and timing of our actual expenditures will depend upon numerous factors, including the progress of our research, development, and commercialization efforts, the progress of our clinical trials, and our operating costs and expenditures. Accordingly, our management will have significant flexibility in applying the net proceeds of this offering.

Pending use of the proceeds from this offering as described above or otherwise, we intend to invest the net proceeds in short-term interest-bearing, investment grade securities.

DIVIDEND POLICY

We have never paid or declared any cash dividends on our common stock. We currently intend to retain all available funds and any future earnings to fund the development and expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, and other factors that our board of directors deems relevant. In addition, the terms of any future debt or credit facility may preclude us from paying dividends.

CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2004:

- on an actual basis;
- on a pro forma basis to give effect to the sale of 16,000,000 shares of our common stock at $5.00 per share in a private placement in November 2004, net of offering costs of approximately $100,000 and the increase of authorized common stock approved by our stockholders in October 2004; and
- on a pro forma as adjusted basis to give effect to our sale of shares of common stock in this offering at an assumed initial public offering price of $ per share after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

This table should be read with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the related notes appearing elsewhere in this prospectus.

	As of September 30, 2004		
	Actual	Pro forma	Pro forma as adjusted
	(in thousands, except share and per share data)		
		(unaudited)	
Cash, cash equivalents and marketable securities	$ 56,256	136,156	
Capital lease obligations, long-term	326	326	
Stockholders' equity			
Common stock, par value $.0001 per share Authorized 100,000,000 shares actual, 150,000,000 pro forma and pro forma as adjusted; 72,560,655 shares issued and outstanding actual, 88,560,655 shares issued and outstanding pro forma, and shares issued and outstanding pro forma as adjusted	7	9	
Additional paid-in capital	150,219	230,117	
Deferred compensation	(2,293)	(2,293)	
Accumulated other comprehensive loss	(69)	(69)	
Deficit accumulated during development stage	(95,204)	(95,204)	
Total stockholders' equity	52,660	132,560	
Total capitalization	$ 52,986	132,886	

The outstanding share information excludes:

- 10,103,786 shares of common stock issuable upon the exercise of stock options outstanding as of September 30, 2004 at a weighted average exercise price of $2.93 per share;
- 383,650 shares of common stock issuable upon the exercise of warrants outstanding as of September 30, 2004 at a weighted average exercise price of $0.50 per share; and
- 4,977,464 shares of common stock reserved for future awards under our stock plans.

DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma net tangible book value per share of our common stock after this offering. We calculate pro forma net tangible book value per share by dividing the net tangible book value, tangible assets less total liabilities, by the number of outstanding shares of common stock.

Our historical net tangible book value at September 30, 2004 was $52.7 million, or $0.73 per share, based on 72,560,655 shares of common stock outstanding at September 30, 2004. Our pro forma net tangible book value at September 30, 2004 was $132.6 million, or $1.50 per share, based on 88,560,655 shares of our common stock outstanding after giving effect to the sale of 16,000,000 shares of our common stock at $5.00 per share for a total of $79.9 million, net of offering costs, in a private placement in November 2004. After giving effect to the sale of shares of common stock by us in this offering at an assumed initial public offering price of $ per share, less the underwriting discounts and commissions and the estimated offering expenses payable by us, our pro forma net tangible book value at September 30, 2004, would be $ million, or $ per share. This represents an immediate increase in the pro forma net tangible book value of $ per share to existing stockholders and an immediate dilution of $ per share to new investors purchasing shares in this offering. The following table illustrates this per share dilution:

Assumed initial public offering price per share		$
Pro forma net tangible book value per share as of September 30, 2004	$ 1.50	
Increase per share attributable to new investors		
Pro forma net tangible book value per share after this offering		
Dilution per share to new investors		$

The following table shows on a pro forma basis at September 30, 2004, after giving effect to the sale of 16,000,000 shares of our common stock at $5.00 per share for a total of $79.9 million, net of offering costs, in a private placement in November 2004, the difference between the number of shares of common stock purchased from us, the total consideration paid to us and the average price paid per share by existing stockholders and by new investors purchasing common stock in this offering:

	Shares Purchased		Total Consideration		
	Number	Percent	Amount	Percent	Average Price Per Share
Existing stockholders	88,560,655	%	$ 230,459,721	%	$ 2.60
New investors					$
Total		100%	$	100%	

Assuming the underwriters' over-allotment option is exercised in full, sales by us in this offering will reduce the percentage of shares held by existing stockholders to % and will increase the number of shares held by new investors to , or %.

The information set forth above is based on shares outstanding as of September 30, 2004. It excludes:

- 10,103,786 shares of common stock issuable upon the exercise of stock options outstanding as of September 30, 2004 at a weighted average exercise price of $2.93 per share;
- 383,650 shares of common stock issuable upon the exercise of warrants outstanding as of September 30, 2004 at a weighted average exercise price of $0.50 per share; and
- 4,977,464 shares of common stock reserved for future awards under our stock plans.

To the extent these outstanding options or warrants are exercised, there will be further dilution to the new investors.

SELECTED HISTORICAL FINANCIAL AND OPERATING DATA
(in thousands, except per share amounts)

You should read the following selected financial information together with our financial statements and the related notes appearing at the end of this prospectus and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of this prospectus.

We have derived the Synta Pharmaceutical Corp. consolidated statements of operations data for the nine months ended September 30, 2003 and 2004 and the consolidated balance sheet data at September 30, 2004 from our unaudited consolidated financial statements which are included in this prospectus. The unaudited consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information set forth therein. We have derived the consolidated statements of operations data for the years ended December 31, 2001, 2002 and 2003 and the consolidated balance sheet information at December 31, 2002 and 2003 from our audited consolidated financial statements which are included in this prospectus. We have derived the consolidated balance sheet data at December 31, 2001 from our audited consolidated financial statements, which are not included in this prospectus. We have derived the consolidated statements of operations data for the period from March 10, 2000 (inception) to December 31, 2000 and the consolidated balance sheet data at December 31, 2000 from our unaudited consolidated financial statements, which are not included in this prospectus. Our historical results for any prior period are not necessarily indicative of results to be expected for any future period.

We have derived the Principia Associates, Inc., or Principia, consolidated statement of operations data for the period from June 17, 2002 (inception) to September 20, 2002 and the consolidated balance sheet data at September 20, 2002 from its audited consolidated financial statements which are included in this prospectus. Principia is a predecessor company acquired by us in September 2002.

We have derived the SBR Pharmaceuticals Corp., or SBR, statements of operations data for the year ended December 31, 2001 and for the seven months ended July 31, 2002 and the balance sheet information at December 31, 2001 and July 31, 2002 from its audited financial statements which are included in this prospectus. We have derived the statements of operations data for the years ended December 31, 1999 and 2000 and the balance sheet information as of December 31, 1999 and 2000 from SBR's audited financials statements, which are not included in this prospectus. SBR is a predecessor company to both Principia and Synta, and was acquired by Principia on July 31, 2002.

Synta Pharmaceuticals Corp.

	Period from inception (March 10, 2000) to December 31, 2000	Years ended December 31			Nine months ended September 30	
		2001	2002(1)	2003	2003	2004
	(unaudited)				(unaudited)	
Consolidated Statement of Operations Data:						
Revenues	$ —	$ —	$ —	$ 1,304	$ 874	$ 173
Operating expenses						
Research and development	—	277	7,292	24,337	16,690	24,311
In-process research and development	—	—	18,088	—	—	1,583
General and administrative	78	124	1,569	5,261	3,812	5,597
Other compensation expense	—	—	9,315	—	—	—
Total operating expenses	78	401	36,264	29,598	20,502	31,491
Loss from operations	(78)	(401)	(36,264)	(28,294)	(19,628)	(31,318)
Investment income, net	—	20	110	416	257	605
Net loss	$ (78)	$ (381)	$ (36,154)	$ (27,878)	$ (19,371)	$ (30,713)
Basic and diluted net loss per common share	—	$ (0.03)	$ (1.09)	$ (0.46)	$ (0.34)	$ (0.42)
Weighted average shares used in computing basic and diluted net loss per share	—	12,156	33,115	60,096	57,198	72,470

(1) In September 2002 and December 2002, Synta acquired Principia Associates, Inc. and Diagon Genetics, Inc., respectively. See footnote 3 to Synta's audited consolidated financial statements.

	As of December 31				As of September 30, 2004
	2000	2001	2002	2003	
	(unaudited)				(unaudited)
Consolidated Balance Sheet Data:					
Cash, cash equivalents and marketable securities	$ 4	$ 1,708	$ 28,952	$ 76,226	$ 56,256
Working capital	4	2,697	27,574	73,564	48,166
Total assets	53	2,773	33,173	80,200	62,172
Capital lease obligations, net of current portion	—	—	—	—	326
Common stock	—	3	5	7	7
Additional paid-in capital	—	3,519	68,430	144,149	150,219
Accumulated deficit	(78)	(459)	(36,613)	(64,491)	(95,204)
Total stockholders' equity (deficit)	(78)	2,744	31,151	76,891	52,660

Principia Associates, Inc.

	Period from inception (June 17, 2002) to September 20, 2002
Consolidated Statement of Operations Data:	
Operating expenses	
Research and development	$ 1,949
In-process research and development	9,551
General and administrative	335
Total operating expenses	11,835
Loss from operations	(11,835)
Interest income, net	5
Net loss	$ (11,830)

SBR Pharmaceuticals Corp.

	Years ended December 31			
	1999	2000	2001	Seven months ended July 31, 2002
Statement of Operations Data:				
Revenues	—	—	—	$ 1,000
Operating expenses				
Research and development	7,131	8,173	6,815	5,057
General and administrative	1,415	1,923	2,078	1,344
Total operating expenses	8,546	10,096	8,893	6,401
Loss from operations	(8,546)	(10,096)	(8,893)	(5,401)
Other income (expense), net	(179)	(67)	(6)	1
Net loss	$ (8,725)	$ (10,163)	$ (8,899)	$ (5,400)

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

You should read this discussion together with the financial statements, related notes and other financial information included elsewhere in this prospectus. 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" and elsewhere in this prospectus. These risks could cause our actual results to differ materially from any future performance suggested below.

Overview

We are a product-focused biopharmaceutical company developing novel, small-molecule drugs for inflammatory disease, cancer, and diabetes. Our product pipeline is diverse, and our drug candidates address some of the largest pharmaceutical markets in the world. We currently have three drug candidates in human clinical trials and four additional programs in preclinical studies or discovery. For our two most advanced drug candidates, we are currently conducting six Phase 2 clinical trials across five therapeutic indications, including Crohn's disease, plaque psoriasis, and multiple cancer types. All of our drug candidates were discovered and developed using internal capabilities built over the twelve-year history of Synta and predecessor companies and research programs we have acquired. We use these tightly integrated chemistry, biology and pharmaceutical development capabilities to enhance and protect the value of our clinical programs and expand our product pipeline. We have retained worldwide rights to all of our drug candidates in all indications.

We were incorporated in March 2000 and commenced operations in July 2001. Since that time, we have been principally engaged in raising capital and in the discovery and development of novel pharmaceutical products. In September 2002, we acquired all of the outstanding stock of Principia Associates, Inc., an operating biopharmaceutical company and a related party, in exchange for our common stock, common stock warrants and forgiveness of notes receivable with an aggregate value of $16.9 million. In July 2002, Principia acquired all of the outstanding stock of SBR Pharmaceuticals Corp. (formerly Shionogi BioResearch Corp.), an operating biopharmaceutical company, in exchange for cash of $12.5 million. In December 2002, we acquired all of the outstanding stock of Diagon Genetics, Inc., a related party, whose activities consisted of owning the rights to the development of certain intellectual property, in exchange for cash of $5.0 million and $8.5 million of our common stock. In January 2004, we acquired the assets, consisting principally of rights to intellectual property, and assumed certain liabilities of Cancer Genomics, Inc., Kava Pharmaceuticals, Inc and SinglePixel Biomedical, Inc., collectively referred to herein as CKS, all related parties, in a single transaction in exchange for our common stock with a value of $2.2 million.

Since our inception, we have had no revenues from product sales and have funded our operations primarily through the private placement of common stock. Through September 30, 2004, we raised net cash proceeds of $116.4 million through the private placement of common stock and exercise of common stock options and warrants. In November 2004, we raised net cash proceeds of $79.9 million through the private placement of common stock. We have devoted substantially all of our capital resources to the research and development of our drug candidates and to the acquisitions of Principia and Diagon. We have never been profitable and, as of September 30, 2004, we have an accumulated deficit of $95.2 million. We had net losses of $78,000 for the period from inception (March 10, 2000) through December 31, 2000, $381,000 for the year ended December 31, 2001, $36.2 million for the year ended December 31, 2002, $27.9 million for the year ended December 31, 2003 and $30.7 million for the nine months ended September 30, 2004. We expect to incur significant and increasing operating losses for the foreseeable future as we advance our drug candidates from discovery through preclinical and clinical trials and seek regulatory approval and eventual commercialization. In addition to these increasing research and development expenses, we expect general and administrative costs to increase as we add personnel and

begin to operate as a public company. We will need to generate significant revenues to achieve profitability and may never do so.

Financial Operations Overview

Revenue

We have not yet generated any product revenue and do not expect to generate any product revenue for the foreseeable future. We have recognized, in the aggregate, $1.5 million of revenue from our inception through September 30, 2004. This revenue was derived entirely from government research grants. We will seek to generate revenue from product sales, and possibly from research and development payments, profit sharing payments, milestone payments, and royalties. In the future, we expect that any revenue we generate will fluctuate from quarter-to-quarter as a result of the timing and amount of research and development and other payments received under any future collaborative or strategic relationships, and the amount and timing of payments we receive upon the sale of our products, to the extent any are successfully commercialized.

Research and Development

Research and development expense consists of expenses incurred in connection with developing and advancing our drug discovery technology and identifying and developing our drug candidates. These expenses consist principally of salaries and related expenses, license fees, facility costs, and costs for clinical trials including related contract research, formulation and manufacturing. We charge all research and development expenses to operations as incurred.

Clinical development timelines, likelihood of drug candidate success, and total costs vary widely. We began tracking our internal and external research and development costs and our personnel and related costs on an individual drug candidate basis in 2003. For the nine months ended September 30, 2004, research and development expenses for our STA-5326, STA-4783, and STA-5312 drug candidates were approximately $10.0 million, $6.7 million and $1.9 million, respectively. The remaining $5.7 million of research and development expenses for the nine months ended September 30, 2004 is allocated among our early-stage programs. For the year ended December 31, 2003, research and development expenses for these drug candidates were $7.8 million, $3.8 million and $3.2 million, respectively, with the remaining $9.3 million of research and development expenses allocated among our early-stage programs. While expenses associated with the completion of our current clinical programs are expected to be substantial and increase, we believe that accurately projecting program-specific expenses through commercialization is not possible at this time. There exist numerous factors associated with the successful commercialization of any of our drug candidates, including clinical candidate selection, future trial design, and various regulatory requirements, many of which cannot be determined with any accuracy at this time based on our stage of development. Additionally, future commercial and regulatory factors beyond our control will evolve and therefore impact our clinical development programs and plans over time.

Based on the results of our clinical trials, we expect to selectively advance some drug candidates into late-stage clinical trials. 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.

In-process Research and Development

Our acquisitions of Principia, Diagon and the CKS assets resulted in in-process research and development charges to our consolidated statements of operations in the respective periods of the acquisitions. Under purchase accounting, we allocate the purchase price to assets acquired and liabilities assumed based upon our analysis and estimates of fair values. We generally use the income approach to estimate the fair value of in-process research and development. We utilize the services of an independent

valuation firm to support the valuation of the acquired tangible and intangible assets. If the in-process research and development is incomplete and has no alternative future value, we record the value of the in-process research and development as an expense in our consolidated statement of operations in the period of the acquisition. Generally, in cases where the purchase price exceeds the fair value of net assets acquired, the excess purchase price is allocated to acquired intangible assets, mainly in-process research and development. Acquired in- process research and development is recorded as an expense on our consolidated statement of operations in the period of the acquisition.

General and Administrative

General and administrative expense consists primarily of salaries and related expenses for personnel in administrative, finance, business development, and human resource functions. Other costs include legal costs of pursuing patent protection of our intellectual property, and fees for general legal and other professional services. After this offering, we anticipate increases in general and administrative expense relating to public-company requirements and initiatives. These increases will likely include legal fees, accounting fees, directors' and officers' liability insurance premiums as well as fees for investor relations services.

Critical Accounting Policies and Estimates

Our 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 reporting periods. On an ongoing basis, we evaluate our estimates and judgments, including those related to revenue, accrued expenses, and the fair value of our common stock. 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. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following accounting policies and estimates are most critical to aid you in understanding and evaluating our reported financial results.

Accrued Expenses

As part of the process of preparing financial statements, we are required to estimate accrued expenses. This process involves identifying services which have been performed on our behalf, and estimating the level of service performed and the associated cost incurred for such service as of each balance sheet date in our financial statements. Examples of services for which we must estimate accrued expenses include contract service fees paid to contract manufacturers in conjunction with the production of clinical drug supplies and to contract research organizations in connection with our preclinical studies and clinical trials. In connection with such service fees, our estimates are most affected by our understanding of the status and timing of services provided. The majority of our service providers invoice us in arrears for services performed. In the event that we do not identify certain costs which have begun to be incurred, or we under- or over-estimate the level of services performed or the costs of such services in a given period, our reported expenses for such period would be too low or too high. The date on which certain services commence, the level of services performed on or before a given date, and the cost of such services are often determined based on subjective judgments. We make these judgments based upon the facts and circumstances known to us in accordance with GAAP.

Acquisitions

We apply purchase accounting in our acquisitions. Under purchase accounting, we allocate the purchase price to assets acquired and liabilities assumed based upon our analysis and estimates of fair values. We utilize the services of an independent valuation firm to support the valuation of the acquired tangible and intangible assets. Our analysis generally includes three approaches to estimate the value of acquired assets. The cost approach measures the value of an asset by quantifying the aggregate expenditures that would be required to replace the subject asset, given its future service capability. The market approach employs a comparative analysis of actual transactions in which similar assets have been transferred or in which businesses have been sold whose value is comprised largely of assets similar to the subject assets. The income approach is an estimation of the present value of the future monetary benefits expected to flow to the owner of the asset during its remaining useful life. We generally use the income approach to estimate the fair value of in-process research and development. We perform a discounted cash flow analysis, utilizing anticipated revenues, expenses and net cash flow forecasts related to the technology. Given the high risk associated with the development of new drugs, we probability adjust the revenue and expense forecasts to reflect the risk of advancement through the regulatory approval process based on the stage of development in the regulatory process. Such a valuation requires significant estimates and assumptions. We believe the fair value assigned to the in-process research and development reflected in our consolidated financial statements is based on reasonable assumptions. However, these assumptions may be incomplete or inaccurate, and unanticipated events and circumstances may occur. If the in-process research and development is incomplete and has no alternative future value, we record the full value of the in-process research and development as an expense in the period of the acquisition.

Stock-Based Compensation

We have elected to follow Accounting Principles Board (APB) Opinion No. 25, *Accounting for Stock Issued to Employees,* and related interpretations, in accounting for our stock-based compensation plans, rather than the alternative fair value method provided for under Statement of Financial Accounting Standards (SFAS) No. 123, *Accounting for Stock-Based Compensation.* In the notes to our consolidated financial statements, we provide pro forma disclosures in accordance with SFAS No. 148 *Accounting for Stock-Based Compensation — Transition and Disclosure* (an amendment of FASB Statement No. 123). We account for transactions in which services are received from non-employees in exchange for equity instruments based on the fair value of such services received or of the equity instruments issued, whichever is more reliably measured, in accordance with SFAS No. 123 and the Emerging Issues Task Force (EITF) Issue No. 96-18, *Accounting for Equity Instruments that Are Issued to Other than Employees for Acquiring, or in Conjunction with Selling, Goods or Services.*

Accounting for equity instruments granted or sold by us under APB Opinion No. 25, SFAS No. 123 and EITF Issue No. 96-18 requires fair value estimates of the equity instrument granted or sold. If our estimates of the fair value of these equity instruments are too high or too low, our expenses may be over- or understated. The value of equity instruments granted or sold in exchange for the receipt of goods or services and the value of those goods or services cannot be readily estimated, as is true in connection with most stock options and warrants granted to employees and non-employees. We estimated the fair value of the equity instruments based upon consideration of factors which we deemed to be relevant at the time. Because shares of our common stock have not been publicly traded, market factors historically considered in valuing stock and stock option grants include comparative values of public companies discounted for the risk and limited liquidity provided for in the shares we are issuing, pricing of private sales of our common stock, prior valuations of stock grants, and the effect of events that have occurred between the time of such grants, and economic trends.

The fair value of our common stock is determined by our board of directors. In the absence of a public trading market for our common stock, our board of directors considers objective and subjective factors in determining the fair value of our common stock. In all periods, the board of directors evaluated events that

provided indicators of the fair value of our common stock. These included, depending on the period, the purchase price of our common stock that was issued in December 2003 and throughout 2004 and the impact of our proposed initial public offering of common stock. These factors indicated that the common stock options granted to employees and board members during 2003 and 2004 had a deemed fair value that was equivalent to the exercise price except for one grant of an option for 300,000 shares of common stock to a board member in May 2004 at an exercise price that was below fair value. The difference, or the intrinsic value, is being amortized as compensation expense over the vesting period of the stock option. In addition, these factors indicated that issuance of 1,460,000 shares of restricted stock in December 2004 were at a sales price below fair value and, accordingly, the difference is being amortized as compensation expense over the restriction vesting periods.

Revenue

We follow the revenue recognition guidance of Staff Accounting Bulletin (SAB) No. 104, *Revenue Recognition*. Revenues from research grant contracts are generally recorded as the services are performed. When we are required to defer revenue, the period over which such revenue should be recognized is subject to estimates by management and may change over the course of the agreement.

Consolidated Results of Operations — Synta Pharmaceuticals Corp.

Nine Months Ended September 30, 2004 and 2003

Revenue. Research grant revenues for the nine months ended September 30, 2004 were $173,000 compared to $874,000 for the nine months ended September 30, 2003 as we concluded work on a government research grant that was awarded in 2002.

Research and Development. Research and development expenses increased from $16.7 million in the first nine months of 2003 to $24.3 million in the first nine months of 2004. This increase in research and development expense principally resulted from an increase of $3.9 million for personnel costs and related research supplies and operational overhead due to an increase in research and development headcount and an increase of $3.9 million for external costs of clinical trials, animal studies and other preclinical testing, clinical product manufacturing, and consulting. During the nine months ended September 30, 2003, we paid a one-time technology license fee of cash and stock valued at $0.2 million.

In-process Research and Development. In-process research and development expense of $1.6 million for the nine months ended September 30, 2004 represents the write-off of the value of incomplete research and development acquired in connection with the purchase of the CKS assets in January, 2004.

General and Administrative. General and administrative expenses increased from $3.8 million in the first nine months of 2003 to $5.6 million in the first nine months of 2004. This increase in general and administrative expense was principally due to an increase of $0.8 million for personnel costs and related overhead due to increased headcount, an increase of $0.7 million in legal fees in connection with our intellectual property, and an increase of $0.2 million for external professional fees, principally for legal, accounting, and other consulting services.

Investment Income, Net. Net investment income increased from $0.3 million in the first nine months of 2003 to $0.6 million in the first nine months of 2004. The increase in investment income was principally the result of investment of net proceeds from sale of common stock during late 2003 and early 2004.

Twelve Months Ended December 31, 2003, 2002 and 2001

Revenue. Research grant revenues were $1.3 million for the year ended December 31, 2003 compared to none in the years ended December 31, 2002 and 2001, respectively, as research services were performed beginning in 2003.

Research and Development. Research and development expense for the year ended December 31, 2003 was $24.3 million compared to $7.3 million for the year ended December 31, 2002 and $0.3 million for the year ended December 31, 2001. The increase from 2002 to 2003 principally resulted from an increase of $6.5 million for personnel costs and related research supplies and operational overhead and an increase of $10.2 million for external costs of clinical trials, animal studies and other preclinical testing, clinical product manufacturing, and consulting. These increases were principally the result of the acquisition of Principia in September 2002 and the inclusion of Principia's operations within the operations of Synta for a full year in 2003 compared to approximately three months in 2002 and, to a lesser extent, an increase in research and development headcount. In addition, during 2003 and 2002 we paid one-time technology license fees of cash and stock valued at $0.2 million and $2.1 million, respectively. The increase in research and development expense for the year ended December 31, 2003 as compared to the year ended December 31, 2002 is also due to a charge in the amount of $1.7 million related to a modification to the terms of a former scientific officer's stock option of $1.3 million and $0.4 million in cash payments to be made over 18 months. The increase in research and development expense from 2001 to 2002 was principally due to an increase of $3.2 million for personnel costs and related research supplies and operational overhead and an increase of $1.6 million for external costs of animal studies, other preclinical testing services and consulting, primarily as a result of the inclusion of the operations of Principia following its acquisition in September 2002, as well as the $2.1 million in technology license fees noted above.

In-process Research and Development. In-process research and development expense of $18.1 million for the year ended December 31, 2002 includes the write-off of the $13.9 million value of incomplete research and development acquired in the purchase of Principia in September 2002 and the write-off of the $4.2 million value of incomplete research and development acquired in the purchase of Diagon in December 2002.

General and Administrative. General and administrative expense for the year ended December 31, 2003 was $5.3 million compared to $1.6 million for the year ended December 31, 2002 and $0.1 million for the year ended December 31, 2001. The increase from 2002 to 2003 was principally a result of an increase of $2.5 million for personnel costs and related overhead due primarily to increased headcount and the inclusion of the operations of Principia following its acquisition in September 2002 as well as an increase of $0.5 million in legal fees in connection with our intellectual property. In addition, our costs of corporate communications, legal, audit and tax fees, consulting fees and insurance increased by $0.7 million as our administrative infrastructure was expanded to accommodate growth. The increase in general and administrative expense from 2001 to 2002 was principally due to an increase of $0.6 million for personnel costs and related overhead as a result of the inclusion of the operations of Principia following its acquisition in September 2002, and an increase of $0.2 million in legal fees in connection with our intellectual property. In addition, our costs of corporate communications, legal, audit and tax fees, consulting fees and insurance increased by $0.6 million principally due to the inclusion of the operations of Principia following its acquisition in September 2002.

Other Compensation Expense. Other compensation expense of $9.3 million for the year ended December 31, 2002 reflects the excess purchase price paid for Diagon over the fair value of its net assets. Diagon, a related party, was owned by our Chief Executive Officer and our scientific founder, both of whom are board members and significant shareholders of Synta.

Investment Income, Net. Net investment income increased to $416,000 for the year ended December 31, 2003 from $110,000 for the year ended December 31, 2002 and $20,000 for the year ended December 31, 2001. The increase in net investment income in each year was principally due to increases in the average cash balances invested resulting from sales of our common stock.

Liquidity and Capital Resources — Synta Pharmaceuticals Corp.

Sources of Liquidity

Since our inception in March of 2000, we have funded our operations principally through the private placement of common stock, which provided aggregate net cash proceeds of approximately $116.4 million through September 2004. We have also generated funds from government grant revenues, equipment lease financings and investment income. As of September 30, 2004, we had cash, cash equivalents, and short-term investments of approximately $56.3 million. In November 2004, we raised net cash proceeds of $79.9 million from the sale of common stock to private investors. Our funds are currently invested in investment grade and U.S. government securities with an average duration of less than one year.

Cash Flows

During the nine months ended September 30, 2004 and 2003, our operating activities used cash of $21.8 million and $17.2 million, respectively. Our operating activities used cash of $23.6 million, $6.3 million and $0.3 million in the years ended December 31, 2003, 2002 and 2001, respectively. The use of cash in all periods principally resulted from our losses from operations and changes in our working capital accounts. The sequential increase in cash used in operations in each of the periods was due to our increase in research and development activities and the related expansion of our organizational infrastructure to support the broadened development activities.

During the nine months ended September 30, 2004, our investing activities provided cash of $44,000 compared to $28.2 million of cash used by investing activities for the nine months ended September 30, 2003. The use of cash in the nine months ended September 30, 2003 resulted from the movement of a portion of our cash into marketable securities consisting of U.S. government and investment grade instruments. The net cash provided by investment activities in the nine months ended September 30, 2004 resulted from the excess of sales and maturities of $60.1 million of our marketable securities over the reinvestment of $58.9 million of cash into marketable securities to fund current operations. Our investing activities used cash of $40.4 million, $5.3 million and $1.1 million in the years ended December 31, 2003, 2002 and 2001, respectively. Our investing activities in 2003 consisted of purchases of marketable securities in the amount of $47.9 million and purchases of property and equipment in the amount of $0.8 million. The cash provided by investing activities in 2003 resulted from the sales and maturities of our investment portfolio in the amount of $7.8 million and the repayment to the Company of $0.5 million of advances to a related party. Our investing activities in 2002 consisted of cash paid to acquire Diagon Genetics, Inc. and Principia Associates, Inc. in the amount of $5.6 million, net of cash acquired, purchases of property and equipment in the amount of $0.2 million and the advance of cash to a related party in the amount of $0.5 million. The cash provided by investing activities in 2002 consisted of the repayment to the Company of $1.0 million of advances to related parties. In 2001, investing activities consisted of advances to related parties in the amount of $1.1 million.

During the nine months ended September 30, 2004, financing activities provided cash of $3.1 million compared to $24.7 in the nine months ended September 30, 2003. Our financing activities provided $71.1 million, $38.8 million and $3.2 million in the years ended December 31, 2003, 2002 and 2001, respectively. The cash provided in the nine months ended September 30, 2004, and in the years ended December 31, 2003, 2002 and 2001, is principally a result of the sale and issuance of 0.8 million, 21.2 million, 14.3 million and 6.8 million shares of common stock to private investors and for exercises of common stock options and warrants in each period, respectively. Our financing activities since inception through September 30, 2004 consisted principally of the sale of common stock to private investors and exercise of stock options and warrants in the net amount of $116.4 million and capital lease financings of equipment of $0.6 million less the repayment of $0.2 million of our equipment leases.

In November 2004, we negotiated an equipment lease line of credit. Under the agreement, we may finance up to $3.0 million of equipment, software and leasehold improvements through December 2005

either through direct leasing arrangements or under a sale-leaseback arrangement. Amounts borrowed under the facility are repayable over 36 or 48 months. In November, we sold and leased back approximately $1.3 million of our property and equipment under the lease line.

Results of Operations — Principia Associates, Inc.

Period from Inception (June 17, 2002) to September 20, 2002

Revenue. There was no revenue earned during the period from inception (June 17, 2002) to September 20, 2002.

Research and Development. Research and development operating expense for the period from inception (June 17, 2002) to September 20, 2002 was $1.9 million, which included approximately $1.7 million for personnel costs and related research supplies and operational overhead and approximately $0.2 million for external costs of animal studies, other preclinical testing services and consulting.

In-process Research and Development. The fair value of the in-process research and development assumed in the acquisition of SBR in the amount of $9.6 million was charged to operations during the period from inception (June 17, 2002) to September 20, 2002.

General and Administrative. General and administrative expense for the period from inception (June 17, 2002) to September 20, 2002 was $0.3 million, which included approximately $0.2 million for personnel costs and related overhead and approximately $0.1 million for external professional fees, principally for legal, patent and consulting services.

Liquidity and Capital Resources — Principia Associates, Inc.

Sources of Liquidity

Since its inception in June 2002, Principia funded its operations principally through the private placement of equity securities, which provided aggregate cash proceeds of approximately $13.0 million, cash acquired in its acquisition of SBR in the amount of $0.6 million and short-term loans from Synta in the amount of $1.0 million. At September 20, 2002, Principia had $1.1 million of cash and cash equivalents.

Cash Flows

During the period from inception (June 17, 2002) to September 20, 2002, Principia's operating activities used cash of $1.3 million. During the period from inception (June 17, 2002) to September 20, 2002, Principia's investing activities used cash of $11.6 million, substantially all of which was cash paid for the acquisition of the outstanding stock of SBR, net of cash acquired. During the period from inception (June 17, 2002) to September 20, 2002, Principia's financing activities provided cash of $14.0 million, of which $13.0 million was from the proceeds from the sale and issuance of 1.3 million shares of its common stock and $1.0 million was from proceeds from short-term loans to Principia by Synta, a related party.

On September 20, 2002, Synta acquired all of the outstanding stock of Principia.

Results of Operations — SBR Pharmaceuticals Corp. (formerly Shionogi BioResearch Corp.)

Seven Months Ended July 31, 2002

Revenue. For the seven months ended July 31, 2002, SBR recorded license revenue of $1.0 million related to a license agreement with Synta for patent rights related to the development of the STA-4783 compound.

Research and Development. Research and development expense for the seven months ended July 31, 2002 was $5.1 million, which included approximately $3.2 million for personnel costs and related research

supplies and operational overhead and approximately $1.5 million for external costs of animal studies, other preclinical testing services and consulting.

General and Administrative. General and administrative expense for the seven months ended July 31, 2002 was $1.3 million, which included approximately $0.6 million for personnel costs and related overhead and approximately $0.6 million for external professional fees, principally for legal, patent and consulting services.

Year Ended December 31, 2001

Revenue. There were no revenues earned during the year ended December 31, 2001.

Research and Development. Research and development expense for the year ended December 31, 2001 was $6.8 million, which included approximately $6.3 million for personnel costs and related research supplies and operational overhead and approximately $0.3 million for external costs of animal studies, other preclinical testing services and consulting.

General and Administrative. General and administrative expense for the year ended December 31, 2001 was $2.1 million which included approximately $1.0 million for personnel costs and related overhead and approximately $0.6 million for external professional fees, principally for legal, patent and consulting services.

Interest Income. Interest income for the year ended December 31, 2001 was $0.1 million

Interest Expense. Interest expense for the year ended December 31, 2001 was $0.1 million

Liquidity and Capital Resources — SBR Pharmaceuticals, Inc.

Sources of Liquidity

Since its inception in 1997, SBR funded it operations principally from payments from its majority stockholder, Shionogi & Co. Ltd. under capital and research and development agreements.

Cash Flows

During the year ended December 31, 2001 and the seven months ended July 31, 2002, SBR's operating activities used cash of $7.5 million and $3.6 million, respectively. During the year ended December 31, 2001 and the seven months ended July 31, 2002, SBR's investing activities consisted of the purchase of fixed assets in the amounts of $0.3 million in each period. During the year ended December 31, 2001 and the seven months ended July 31, 2002, SBR's financing activities provided cash of $7.1 million and $2.2 million, respectively. Financing activities during 2001 included receipt of approximately $8.8 million under its capital and research and development agreements with Shionogi & Co. Ltd., $0.5 million of proceeds from the sale of common stock to a related party, and repayment of $2.0 million of long and short-term debt. During the seven months ended July 31, 2002, SBR's financing activities principally provided cash of $2.5 million under its capital and research and development agreements with Shionogi & Co. Ltd.

On July 31, 2002, Principia acquired SBR.

Unaudited Supplemental Information — Combined Entities

The following unaudited supplemental financial data and discussion of the combined results of operations for the years ended December 31, 2001 and 2002 is presented as if the operations of Synta and its predecessor companies, Principia and SBR, were combined for all periods presented. Operating results for the year ended December 31, 2003 reflects the actual results of Synta in accordance with GAAP. For the year ended December 31, 2002, revenues and research and development expenses of $1.0 million related to a licensing agreement between Synta and SBR, together with charges for in-process research and development arising from the acquisition of SBR by Principia and the acquisition of Principia by Synta in the amounts of $9.6 million and $13.9 million, respectively, have been eliminated in the combination of the results for 2002. There are no such adjustments for the year ended December 31, 2001. The following information for the years ended December 31, 2001 and 2002 is presented for analysis purposes only and is not in accordance with GAAP (in thousands).

Statements of Operations Data	2001	2002	2003
Revenues	—	—	$ 1,304
Operating expenses			
Research and development	$ 7,092	$ 13,298	24,337
In-process research and development	—	4,200	—
General and administrative	2,202	3,248	5,261
Other compensation expense	—	9,315	—
Total operating expenses	9,294	30,061	29,598
Investment income, net	14	116	416
Net loss	$ (9,280)	$ (29,945)	$ (27,878)

Results of Operations — Combined Entities

Revenues. There were no revenues earned by the combined entities during the years ended December 31, 2001 and 2002. The combined entities earned $1.3 million of research grant revenues during the year ended December 31, 2003 under grants that were awarded in late 2002.

Research and Development. Research and development expense on a combined basis for the year ended December 31, 2003 was $24.3 million compared to $13.3 million for the year ended December 31, 2002 and $7.1 million for the year ended December 31, 2001. The increase from 2002 to 2003 and from 2001 to 2002 principally resulted from an increase of $1.7 million and $1.9 million, respectively, for personnel costs and related research supplies and operational overhead due to an increase in combined research and development headcount and an increase of $8.5 million and $3.0 million, respectively, for external costs of clinical trials (in 2003), animal studies and other preclinical testing services, and consulting. In addition, during 2003 and 2002 we paid technology license fees of cash and stock valued at $0.2 million and $2.1 million, respectively. The increase in research and development expense in 2003 compared 2002 is also due to a charge in the amount of $1.7 million related to a modification to the terms of a former scientific officer's stock option of $1.3 million and $0.4 million in cash payments to be made over 18 months.

In-process Research and Development. The fair value of the in-process research and development related to the acquisition of Diagon in the amount of $4.2 million was expensed to operations during 2002.

General and Administrative. General and administrative expense on a combined basis for the year ended December 31, 2003 was $5.3 million compared to $3.2 million for the year ended December 31, 2002 and $2.2 million for the year ended December 31, 2001. The increase from 2002 to 2003 and from 2001 to 2002 was principally due to a combined increase of $1.9 million and $0.3 million, respectively, for personnel costs and related overhead due to increased headcount, an increase of $0 and $0.9 million,

respectively, for corporate communications, legal, audit and tax fees, consulting fees and insurance and an increase of $0.4 million and $0, respectively, in legal fees in connection with intellectual property.

Other Compensation Expense. Other compensation expense of $9.3 million for the year ended December 31, 2002 includes the excess purchase price paid for Diagon over the fair value of its net assets. Diagon, a related party, was owned by our Chief Executive Officer and our scientific founder, both of whom are board members and significant shareholders of Synta.

Investment Income, Net. Net investment income on a combined basis increased to $416,000 for the year ended December 31, 2003 from $116,000 for the year ended December 31, 2002 and $14,000 for the year ended December 31, 2001. The increase in net investment income in each year was principally due to increases in the average fund balances available for investment resulting from sales of common stock.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations at September 30, 2004 and the effects such obligations are expected to have on our liquidity and cash flows in future periods (in thousands).

Contractual Obligations	Total	Fourth quarter 2004	2005	2006 through 2007	2008 through 2009
Capital lease obligations	$ 486	$ 40	$ 163	$ 273	$ 10
Operating lease obligations	4,532	376	1,542	2,286	328
Research and development contracts	13,961	4,096	9,807	58	—
Consulting and separation obligations	371	62	163	146	—
Purchase obligations	15	15	—	—	—
Total	$ 19,365	$ 4,589	$ 11,675	$ 2,763	$ 338

Research and development contracts principally include contracts for human clinical studies, animal studies and clinical manufacturing. The future research and development contract obligations in the table of Contractual Obligations above assume that each of the studies and related manufacturing contracts is completed as planned. In the event a study or manufacturing contract is terminated prior to planned completion by mutual agreement between the contractor and us, the amount paid under such contracts may be less than the amounts presented.

Under various license agreements, we may be obligated to pay up to an aggregate of to $5.4 million if specified development and commercialization milestones are met. These amounts are not included in the table of Contractual Obligations above.

In January 2005, we entered into an Agreement and Release with our scientific founder, who is a board member. Pursuant to this Agreement and Release we are paying the founder $500,000 in equal quarterly installments over five years beginning in January 2005.

In January 2005, we entered into a lease for additional office space in Lexington, Massachusetts. The lease is for two years with a one year extension option at the same base rent. The minimum rents payable for 2005 and 2006 are approximately $314,000 and $426,000, respectively. In addition, in January 2005, we have been in negotiations to assume a facilities lease, currently leased by us on a tenant-at-will basis, from a company controlled by our scientific founder, who is also a board member. Annual base rent payable under the lease is expected to be approximately $191,000 through May 2009.

In November 2004, we entered into an agreement for an equipment lease line of credit. Under the agreement, we may periodically directly lease, or sell and lease back up to $3.0 million of equipment with repayment periods of 36 or 48 months and a $1.00 purchase option at the end of each lease period. In November 2004, we sold and leased back under this agreement approximately $1.3 million of our

previously purchased equipment, of which approximately $1.0 million and $0.3 million were capitalized and will be paid over 36 and 48 month periods, respectively.

Based on our operating plans, we expect the proceeds of this offering, together with our existing resources, to be sufficient to fund our planned operations, including our continued research and drug development, through at least . However, we may require significant additional funds earlier than we currently expect to conduct additional clinical trials and seek regulatory approval of our drug candidates. We may seek additional funding through collaboration agreements and public or private financings. 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, further dilution to our existing stockholders may result. If we are unable to obtain funding on a timely basis, we may be required to significantly curtail one or more of our research or development programs. We also could be required to seek funds through arrangements with collaborators or others that may require us to relinquish rights to some of our technologies or drug candidates which we would otherwise pursue on our own.

Funding Requirements

We expect to use the net proceeds from this offering to fund clinical development of STA-5326, STA-4783, and STA-5312, preclinical testing, and other research and development activities, and for general and administrative expenses, working capital needs, and other general corporate purposes.

We expect to incur substantial expenses and generate significant operating losses as we continue to advance our drug candidates into preclinical studies and clinical trials and as we expand our research and development activities. Our funding requirements will depend on numerous factors, including:

- the progress of our research and development programs, including the completion of our preclinical and clinical trials for our current drug candidates and the nature of the results from these studies and trials;
- the number of drug candidates we advance into later-stage clinical trials and the scope of our research and development programs;
- our ability to discover additional drug candidates using our drug discovery technology and advance them into clinical development;
- the costs involved in preparing, filing, prosecuting, maintaining and enforcing patent claims for our drug discovery technology and drug candidates and avoiding the infringement of intellectual property of others;
- the time and costs involved in obtaining regulatory approvals for our drug candidates;
- our ability to establish and maintain collaborative arrangements;
- the potential in-licensing of other products or technologies or the acquisition of complementary businesses;
- the cost of manufacturing, marketing and sales activities, if any; and
- the timing, receipt and amount of revenues, if any, from our drug candidates.

We do not expect to generate significant revenues, other than payments that we may receive from potential future collaborations, until we successfully obtain marketing approval for, and begin selling one or more of our drug candidates. We believe the key factors that will affect our internal and external sources of cash are:

- the success of our preclinical and clinical development programs;

- our ability to successfully develop, manufacture, obtain regulatory approval for and commercialize our drug candidates;
- our ability to enter into strategic collaborations with corporate collaborators and the success of such collaborations; and
- the receptivity of the capital markets to financings by biotechnology companies.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements or relationships with unconsolidated entities of financial partnerships, such as entities often referred to as structured finance or special purpose entities.

Tax Loss Carryforwards

In January 2005, the Company completed an analysis to determine if there were changes in ownership, as defined by Section 382 of the Internal Revenue Code, that would limit our ability to utilize certain net operating loss and tax credit carryforwards. We determined that we experienced a change in ownership, as defined by Section 382, in connection with the acquisition of Principia on September 20, 2002. As a result, the utilization of our federal tax net operating loss carryforwards generated prior to the ownership change is limited. As of September 30, 2004, we have net operating loss carryforwards for U.S. federal tax purposes of approximately $83.5 million, of which $13.1 million will expire unused as a result of this limitation. In addition, as of September 30, 2004, we have state net operating loss carryforwards of approximately $54.8 million. The utilization of these net operating loss carryforwards may be further limited if we experience future ownership changes as defined in Section 382.

Recently Issued Accounting Pronouncements

In January 2003, the FASB issued FIN 46, *Consolidation of Variable Interest Entities,* and in December 2003, issued a revision to FIN 46 (FIN 46R). This interpretation addresses the requirements for business enterprises to consolidate related entities in which they are determined to be the primary beneficiary as a result of their variable economic interest. The interpretation is intended to provide guidance in judging multiple economic interests in an entity and in determining the primary beneficiary. The interpretation outlines disclosure requirements for Variable Interest Entities in existence prior to January 31, 2003, and outlines consolidation requirements for Variable Interest Entities created after January 31, 2003. The Company does not have any entities that require disclosure or entities that would require consolidation under FIN 46 so the interpretation did not have an impact on the Company's financial statements.

In April 2003, the FASB issued SFAS No. 149, *Amendment of Statement 133 on Derivative Instruments and Hedging Activities* (SFAS 149). SFAS 149 amends and clarifies financial accounting and reporting for derivative instruments and for hedging activities under Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities.* The adoption of SFAS 149 in 2003 did not have a material impact on the Company's results of operation or financial position

In May 2003, the FASB issued SFAS No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity.* SFAS No. 150 establishes standards for classifying and measuring certain financial instruments with characteristics of both liabilities and equity. SFAS No. 150 requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances) because that financial instrument embodies an obligation of the issuer. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective for public companies during the first interim period beginning after June 15, 2003. The adoption of this pronouncement did not have a material impact on the Company's financial position, results of operations or liquidity.

In December 2004, the FASB issued SFAS No. 123R, *Share-Based Payment: an amendment of FASB Statements No. 123 and 95* (SFAS 123R), which requires companies to measure and recognize compensation expense for all stock-based payments at fair value. SFAS 123R is effective for all interim and annual periods beginning after June 15, 2005 and, thus, will be effective for us beginning with the third quarter of 2005. Early adoption is encouraged and retroactive application of the provisions of SFAS 123R to the beginning of the fiscal year that includes the effective date is permitted, but not required. We are currently evaluating the impact of SFAS 123R on our financial position and results of operations. See note 3 for information related to the pro forma effects on our reported net loss and net loss per share of applying the fair value recognition provisions of the previous SFAS 123, to stock-based employee compensation.

Qualitative and Quantitative Disclosures About Market Risk

We are exposed to market risk related to changes in interest rates. As of September 30, 2004, we had cash, cash equivalents and marketable securities of $56.3 million consisting of cash and highly liquid, short-term and long-term investments. Our cash is deposited in and invested through highly rated financial institutions in North America. Our marketable securities are subject to interest rate risk and will fall in value if market interest rates increase. If market interest rates were to increase immediately and uniformly by 10% from levels at September 30, 2004, we estimate that the fair value of our investments will decline by an immaterial amount, and therefore, our exposure to interest rate changes is immaterial.

BUSINESS

Overview

We are a product-focused biopharmaceutical company developing novel, small-molecule drugs for inflammatory diseases, cancer, and diabetes. Our product pipeline is diverse – each of our seven clinical and preclinical small-molecule drug programs is based on a unique chemical class with a distinct mechanism of action – and our drug candidates address some of the largest pharmaceutical markets in the world. All of our drug candidates were discovered and developed using internal assets and capabilities built over the twelve-year history of Synta, our predecessor companies, and acquired research programs. We use these chemistry, biology, and pharmaceutical development capabilities to discover and develop new drugs, and to enhance and protect the value of our clinical programs. We have retained worldwide rights to all of our drug candidates in all indications.

We have three drug candidates in human clinical trials and four additional programs in preclinical studies. For our two most advanced drug candidates, we are conducting six Phase 2 clinical trials across five therapeutic indications, including Crohn's disease, psoriasis, and multiple cancer types. We have enrolled over 450 patients in these Phase 2 trials at over 90 trial sites. STA-5326, an orally administered, small-molecule inhibitor of interleukin-12, or IL-12, and interleukin-23, or IL-23, is currently in Phase 2 clinical development for the treatment of Crohn's disease and chronic plaque psoriasis. STA-4783, a small-molecule anticancer therapeutic, is in three separate Phase 2 trials for the treatment of non-small cell lung cancer, malignant melanoma, and soft tissue sarcoma. STA-5312, a small-molecule anticancer agent we are developing initially for the treatment of chemotherapy-resistant cancers, is currently in two Phase 1 trials for the treatment of solid-tumor cancers and cancers of the blood. These programs are described in greater detail below.

- **STA-5326.** STA-5326 is a novel, orally administered, small- molecule drug candidate that selectively and potently inhibits the production of the IL-12 family of proteins, including IL-12 and IL-23. Over-production of these proteins plays a central role in chronic inflammatory diseases, driving the body's immune system to infiltrate and damage tissues and organs. We believe that STA-5326 may provide considerable benefits over existing therapies for inflammatory diseases. In 2003, we completed two Phase 1 trials which enrolled a total of 120 healthy volunteers and suggested a favorable safety profile. Our initial therapeutic focus for STA-5326 has been on the treatment of Crohn's disease and psoriasis. We have completed enrollment of a total of 57 patients across four cohorts in our Phase 2a Crohn's disease trial. Results from this Phase 2a Crohn's trial continue to suggest a favorable safety profile and indicate a rapid onset of therapeutic benefit. Based on these preliminary results, we are expanding the Phase 2a Crohn's trial by approximately 24 patients to investigate two higher dose levels. We expect to complete enrollment of these additional patient groups in the first half of 2005, and, if supported by favorable clinical data, we expect to initiate a Phase 2b clinical trial for the treatment of Crohn's disease in the second half of 2005. In the second half of 2004, we initiated two Phase 2 trials for the treatment of chronic plaque psoriasis: an open-label Phase 2a trial in 30 patients, and a blinded, randomized, placebo-controlled Phase 2b trial in approximately 200 patients. We have nearly completed enrollment of the Phase 2b psoriasis trial and expect to report data from both psoriasis trials in the second half of 2005. If the data are favorable, we expect to initiate a pivotal Phase 3 clinical trial for the treatment of chronic plaque psoriasis by the end of 2005. We may also initiate additional exploratory Phase 2 trials in rheumatoid arthritis and multiple sclerosis.

- **STA-4783.** STA-4783 is a novel, small-molecule compound that we are currently evaluating in three separate Phase 2 trials for the treatment of non-small cell lung cancer, malignant melanoma, and soft tissue sarcoma, in combination with taxanes, a leading class of anticancer therapeutic agents. STA-4783 induces the expression of heat shock protein 70, or Hsp70, on the surface of tumor cells, which flags the cells for destruction and elimination by the immune system. STA-4783 also disrupts

the function of the centrosome, a critical component of cellular infrastructure. Preclinical studies demonstrated that the combination of STA-4783 with a taxane achieved superior antitumor activity compared to taxane alone, with minimal or no increase in toxicity. Based on the positive results we have seen during the initial stages of the ongoing Phase 2 trials, we have begun the second-stage, randomized portion of each of the non-small cell lung cancer and malignant melanoma trials. In January 2005, we completed enrollment of 87 patients in the second stage of the non-small cell lung cancer trial. We expect to report data from our Phase 2 cancer trials in the second half of 2005. If supported by continued favorable clinical data, we expect to initiate a pivotal Phase 3 clinical trial of STA-4783 for the treatment of one of these cancer types by the end of 2005.

- **STA-5312.** STA-5312 is a novel, small-molecule anticancer agent that we are initially developing for the treatment of chemotherapy-resistant cancers. STA-5312 inhibits the assembly of microtubules, fibers inside cells which play an essential role in cell division. By inhibiting microtubule assembly, STA-5312 disrupts the process of cell division, thereby causing cell death. This inhibition is more pronounced in rapidly dividing cells such as cancer cells. In preclinical studies, STA-5312 has been shown to have considerably higher anticancer activity in chemotherapy-resistant cancer cells than standard treatments and to significantly increase animal survival in chemotherapy-resistant cancer models. We have initiated two dose-escalating Phase 1 trials of STA-5312 for the treatment of solid- tumor cancers and cancers of the blood that are refractory, meaning the cancer has not responded to treatment, or relapsed, meaning the cancer has returned after treatment. Results from these trials are expected by the end of 2005.

All of our clinical-stage drug candidates were discovered and developed using our internal assets and capabilities. These capabilities are based on our strength in medicinal chemistry, our unique chemical compound library, and the processes we use to achieve a tight integration and rapid cycle time among our chemistry, biology, and pharmaceutical development functions. These processes, together with our cell-biology expertise and in-house *in vivo* testing capabilities, allow us to rapidly optimize the safety, efficacy, and pharmaceutical profiles of our most promising lead compounds. In certain cases, our approach has led to the identification of new pathways and mechanisms of action, resulting in potentially novel therapeutic categories. We believe that our ability to identify, create and develop novel therapeutic categories is a strong competitive advantage.

We apply our research and development capabilities to maximize the value of our product pipeline in two primary ways. First, we use our accumulated experience with our internally developed clinical-stage programs to improve, expand, and protect the long-term value of these programs. We do so by developing biological assays, generating proprietary knowledge, and identifying new chemical families that strengthen our intellectual property positions, facilitate the interpretation of our clinical trials, and allow us to identify new potential therapeutic applications. Second, we apply our research capabilities to novel drug discovery programs designed to lead to new drug candidates with chemical structures, therapeutic applications, and, potentially, mechanisms of action that are distinct from our current clinical-stage drug candidates. In addition to our three clinical development programs, we have four active discovery programs in inflammatory disease, cancer, and diabetes, each with promising lead candidates in the optimization/preclinical stages.

We commenced operations in July 2001. In September 2002, we acquired Principia Associates, Inc., which had previously acquired Shionogi BioResearch Corp., a U.S.-based drug discovery subsidiary of the Japanese pharmaceutical company, Shionogi & Co., Ltd. In this acquisition, we acquired a unique chemical compound library, an integrated set of drug discovery capabilities, and a pipeline of preclinical and research drug candidates. Since 2002, we have been advancing these drug candidates into later stages of development, discovering and developing additional drug candidates, and expanding our management and scientific teams and capabilities to support more advanced stages of drug development. To date, we have raised approximately $196 million from private investors to support our growth strategy.

Our Business Strategy

Our company mission is to extend and enhance the lives of patients by discovering, developing, and commercializing novel pharmaceutical products for treating severe medical conditions. To achieve this objective, we intend to continue to:

- *Focus on novel therapies for severe diseases with large market potential.* Our clinical and discovery programs are focused on severe or life-threatening diseases, including Crohn's disease, psoriasis, and cancer, each of which represents a large therapeutic market. We develop novel therapeutic class products that target these markets. We believe this approach requires potentially lower development and commercialization costs than approaches which target less severe diseases or which face greater competition from multiple similar products within a therapeutic class. The lower potential costs and large potential markets present an attractive commercial opportunity.

- *Use our drug discovery capabilities to maximize the value of our ongoing clinical-stage programs.* We apply our discovery capabilities to improve, expand, and protect the value of our ongoing clinical programs. We aim to improve our clinical choices and trial designs through a deeper understanding of the biology of our drug candidates and their effects in patients. We seek to expand the market potential of our drug candidates by exploring new potential therapeutic applications. Finally, we continue to strengthen our intellectual property position, as well as our potential future market position, by developing and protecting new chemical compounds and biological assays that complement our programs and increase our competitive advantage.

- *Expand our pipeline of unique drug candidates, with a focus on inflammatory disease and cancer.* Our ability to apply our discovery capabilities to rapidly and efficiently develop promising new chemical compounds is a valuable competitive advantage. New drug candidates enhance the value of our pipeline through increased market potential and through diversification of our product, regulatory, and market risks.

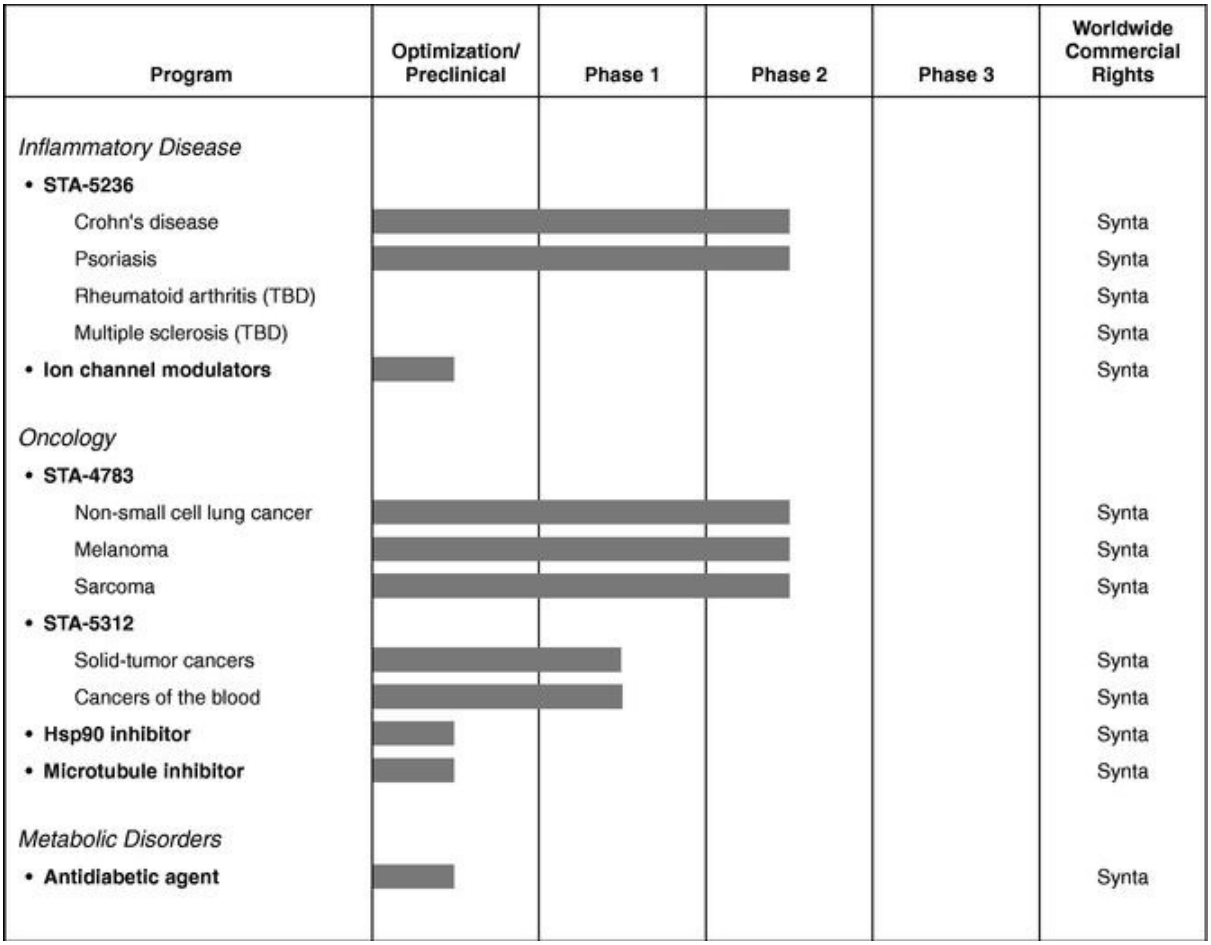
- *Maximize the retained value of our drug candidates.* At present, we own worldwide rights to all of our drug candidates in development. For certain drug candidates, we may in the future establish collaborations with other pharmaceutical companies to assist in the development and commercialization of products and mitigate commercial and financial risk. Based on our strong financial position, however, we intend to independently develop and commercialize certain drug candidates, and for other candidates, to develop them to a more advanced clinical stage before entering into development and commercial agreements. We believe this approach will allow us to retain a higher share of product value.

- *Maintain our focus on small-molecule drug development.* We discover and develop small-molecule drug candidates, not large molecule biologic agents such as proteins or antibodies. By developing small-molecule drugs, we believe we will require lower infrastructure investment, face fewer manufacturing constraints, and realize greater potential profit margins than competitors developing biologic drugs. In addition, small-molecule drugs have the potential for development into orally administered drugs, thereby offering patients greater convenience.

- *Build on the strength of our intellectual property estate.* We are continuing to strengthen our intellectual property estate, which provides us with the ability to maximize the value of our internal discoveries and to protect these discoveries from competition. As of January 10, 2005, we had a total of 237 issued patents and pending patent applications worldwide, including issued U.S. composition-of-matter patents for our drug candidates in Phase 2 clinical development. We believe that our intellectual property estate provides strong protection for all aspects of our drug discovery and development programs, including our drug products, methods of treatment, and manufacturing processes.

Our Product Pipeline

The following table summarizes our most advanced products currently in clinical or preclinical development:



Program	Optimization/ Preclinical	Phase 1	Phase 2	Phase 3	Worldwide Commercial Rights
Inflammatory Disease					
• **STA-5236**					
Crohn's disease					Synta
Psoriasis					Synta
Rheumatoid arthritis (TBD)					Synta
Multiple sclerosis (TBD)					Synta
• **Ion channel modulators**					Synta
Oncology					
• **STA-4783**					
Non-small cell lung cancer					Synta
Melanoma					Synta
Sarcoma					Synta
• **STA-5312**					
Solid-tumor cancers					Synta
Cancers of the blood					Synta
• **Hsp90 inhibitor**					Synta
• **Microtubule inhibitor**					Synta
Metabolic Disorders					
• **Antidiabetic agent**					Synta

In the above chart, Optimization/Preclinical indicates identification and evaluation of compounds in *in vitro* and animal models to allow for Phase 1 clinical trials in humans. Phase 1 indicates initial clinical safety testing and pharmacological profiling in healthy volunteers, with the exception that Phase 1 trials in oncology are performed in patients with cancer. Phase 2 indicates clinical efficacy testing and continued clinical safety testing in patients with a specific disease, and includes both Phase 2a and Phase 2b trials. Phase 2a trials typically represent the first human clinical trial of a drug candidate in a smaller patient population and are designed to provide earlier information on drug safety and efficacy. Phase 2b trials typically involve larger numbers of patients and comparison with placebo, standard treatments, or other active comparators. Phase 3 indicates a confirmatory study of efficacy and safety in an even larger patient population, and typically involves comparison with placebo, standard treatments, or other active comparators.

Clinical Development Programs

We have three drug candidates undergoing human clinical trials in chronic inflammatory disease and oncology. STA-5326, an orally administered, small-molecule IL-12 inhibitor, is currently in Phase 2 clinical development for the treatment of Crohn's disease and chronic plaque psoriasis. STA-4783, a small-molecule anticancer therapeutic, is in three separate Phase 2 trials for the treatment of non-small cell lung

cancer, malignant melanoma, and soft tissue sarcoma. STA-5312, a small-molecule anticancer agent we are developing initially for the treatment of chemotherapy-resistant cancers, is currently in two Phase 1 trials for the treatment of refractory or relapsed solid-tumor cancers and cancers of the blood.

Inflammatory Disease Program

Background

Inflammatory diseases are typically caused by aberrant activity of the immune system. The immune system normally protects the body from injury and infection, but in these diseases it attacks and damages the body's own tissues. Major chronic inflammatory diseases include Crohn's disease, psoriasis, rheumatoid arthritis, and multiple sclerosis. Together, these diseases afflict over 7 million people in the U.S. and over 21 million people worldwide.

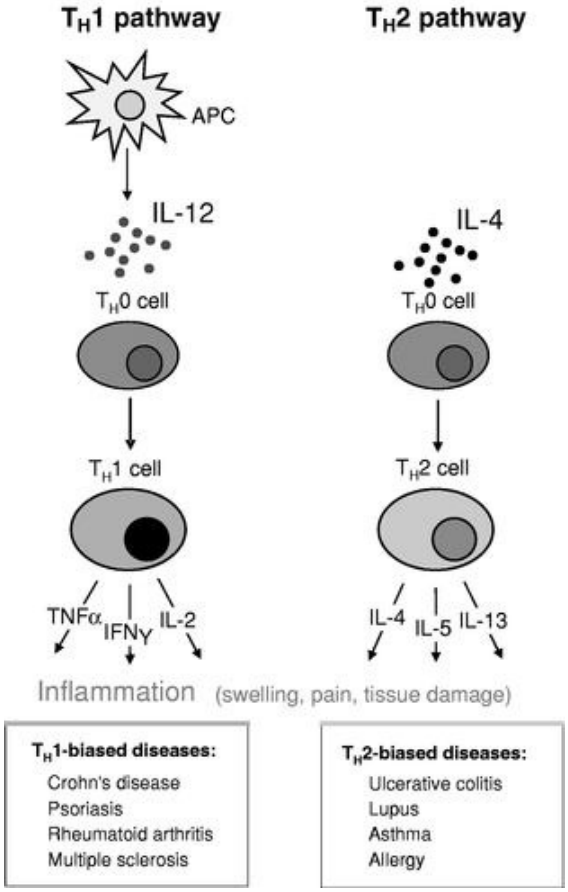
Selected Indications	Worldwide patient population	U.S. patient population
Crohn's disease	1.0 million	500,000
Psoriasis	13.0 million	4.5 million
Rheumatoid arthritis	5.0 million	2.0 million
Multiple sclerosis	2.5 million	400,000

Despite the availability of numerous therapeutic options for these diseases, inflammatory diseases remain major causes of impairment of daily activities, reduced quality of life, significant disability, and sometimes death. Current therapeutic treatments for chronic inflammatory diseases have the potential to cause skeletal, endocrinologic, neurologic, and metabolic side effects, which can limit their long-term use. The limitations of conventional treatments, together with a growing understanding of the pathogenesis of inflammatory diseases, have stimulated significant interest in the development of targeted immune modulators for the management of chronic inflammatory diseases.

The T_H1 Pathway and the Role of IL-12 in Chronic Inflammatory Diseases

T cells play a critical role in the coordination of the body's immune response. T cells secrete cytokines, which are proteins that signal the activity of other cells in the immune system. T helper type 1, or T_H1, and T helper type 2, or T_H2, cells are two important types of T cells that play both a beneficial role in defending against infection and a harmful role in mediating the hyperinflammatory responses underlying immune diseases. T_H1 cells are normally involved in the body's defense against intracellular attack by bacteria and other micro-organisms. T_H2 cells are critical for eliminating extracellular bacteria, parasites, allergens, and toxins, and initiating the production of antibodies. Overactive immune responses by these T cell types, however, can lead to certain inflammatory diseases. For example, an overactive T_H1 response can lead to Crohn's disease, psoriasis, rheumatoid arthritis, and multiple sclerosis, and an overactive T_H2 response can lead to ulcerative colitis, lupus, allergy, and asthma.

The IL-12 cytokine plays a central role in the initiation of the T_H1 response, as highlighted in the figure below. Antigen-presenting cells, or APCs, first present antigens to naïve T cells, which then become T_H0 cells. A T_H0 cell will then become either a T_H1 or a T_H2 cell depending on the cytokine signals the T_H0 cell receives. Production of IL-12 by APCs triggers T_H0 cells to become T_H1 cells, whereas the presence of the IL-4 cytokine triggers T_H0 cells to become T_H2 cells. T_H1 and T_H2 cells themselves also produce cytokines. T_H1 cells produce pro-inflammatory cytokines including interferon-gamma, or IFN g, IL-2, and tumor necrosis factor-alpha, or TNFα. These cytokines initiate the swelling, immune cell invasion of tissues, and tissue damage that underlie T_H1-biased chronic inflammatory diseases, while other cytokines initiate the inflammation underlying T_H2-biased inflammatory diseases.



As illustrated above, because of its early role in the T_H1 pathway, IL-12 is an important "master switch" that triggers the T_H1 immune response. An additional cytokine, IL-23, is critical to the maintenance of the T_H1 response. This cytokine, a member of the IL-12 cytokine family, contributes to the differentiation of T_H1 cells into so-called "memory" T cells that mediate prolonged inflammatory responses. Because STA-5326 inhibits the production of the protein subunit shared by IL-12 and IL-23, STA-5326 inhibits the production of both of these important pro-T_H1 cytokines that drive chronic inflammatory diseases.

Limitations of Current Therapies

The selective inhibition of the T_H1 immune response by STA-5326 contrasts with the inhibition of both T_H1 and T_H2 immune responses by broad-spectrum immunosuppressive agents which lack selectivity. Some of these agents, such as steroids and cyclosporine, lack selectivity because they inhibit the expression of a wide variety of proteins, while others, such as methotrexate and leflunomide, lack selectivity due to their broad inhibition of DNA synthesis and their effects on multiple cell types. These non-selective agents can display significant undesirable side effects, including bone thinning, cataracts, glaucoma, liver damage, kidney dysfunction, diabetes, muscle weakness, and alterations in mental status, including psychosis.

To date, the most successful targeted modulators of the immune system for T_H1-biased diseases have been antibodies and other proteins that provide selective inhibition of TNFα. These TNFα-antagonist therapies have offered a significant improvement over the broad-spectrum immunosuppressive therapies described above. By targeting a single, important cytokine, these drugs can successfully prevent the tissue damage caused by the over-production of TNFα, with fewer side effects than broad-spectrum immunosuppressive agents. As a category, TNFα-antagonist drugs, including Remicade, marketed by

Johnson & Johnson, Enbrel, marketed by Amgen and Wyeth Pharmaceuticals, and Humira, marketed by Abbott Laboratories, generated over $3.0 billion in worldwide sales in 2003. However, for many patients these TNFα-antagonist drugs are ineffective or poorly tolerated. While important, TNFα is not the only potentially destructive cytokine associated with T_H1-biased diseases. Such diseases can therefore persist despite the selective inhibition of TNFα. In addition, many of the side effects of TNFα-antagonist drugs are severe and include tuberculosis and other infections, lupus-like syndromes, lymphomas, congestive heart failure, and adverse neurologic events. The FDA has required "black box" and bolded warnings on the labels for these drugs recommending screening for latent tuberculosis and other infections, and treatment of infections prior to initiation of TNFα-antagonist therapy. In addition, because all TNFα-antagonist therapies are large-molecule biologic agents, they require administration by injection or infusion. This requirement for injection or infusion, sometimes in a hospital setting, can reduce patient convenience and compliance in the treatment of chronic inflammatory diseases.

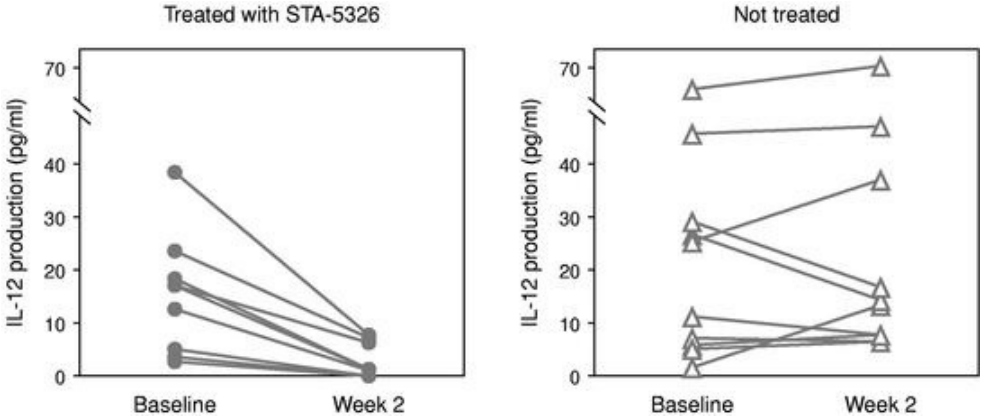
Because IL-12 and IL-23 play critical roles in the initiation and maintenance of chronic T_H1-biased inflammatory diseases, these cytokines represent promising alternative targets to TNFα in the treatment of these conditions. Two monoclonal antibody therapies targeting IL-12 and IL-23 are currently in clinical trials in Crohn's disease, psoriasis, and other inflammatory diseases. According to recently reported results of completed clinical trials, these products have shown promising indications of efficacy in the treatment of Crohn's disease and psoriasis. While the degree of efficacy and safety of these products remains to be confirmed in clinical trials with larger patient populations, the results observed in these clinical trials to date have been received with significant interest by experts in the field.

We believe that the results observed with anti-IL-12 antibody therapies validate the inhibition of IL-12 activity as a promising approach for the treatment of inflammatory diseases. Anti-IL-12 antibody therapies, however, like TNFα-antagonist therapies, require injection or infusion at periodic intervals and have other disadvantages. For example, these antibodies are complex and costly to manufacture. In addition, antibody therapies are also subject to the risk that patients will develop neutralizing antibodies to the drug. Therefore, we believe there is an unmet need and a significant market opportunity for an orally administered, highly selective, small-molecule inhibitor of IL-12.

STA-5326 — IL-12 Inhibitor

We believe we have discovered the first oral, selective inhibitor of IL-12. To our knowledge, no other oral, selective IL-12 inhibitor drug candidates are in clinical development by other companies. Our research indicates that STA-5326 inhibits production of IL-12 by interfering with the activity of c-Rel, a regulator that enables the transcription of genes that encode the two protein subunits that comprise IL-12. Because IL-23 shares a subunit with IL-12, STA-5326 inhibits the production of both of these inflammatory cytokines. In studies performed to date, STA-5326 has demonstrated strong inhibition of IL-12 and IL-23 production without significant inhibition of other cytokines. Preclinical studies have shown substantial efficacy in animal models of Crohn's disease, rheumatoid arthritis, and multiple sclerosis.

We have completed two Phase 1 clinical trials in 120 healthy volunteers. These trials were designed to test the safety, pharmacokinetics, and pharmacodynamics of STA-5326 at escalating doses from 7 mg per day to 210 mg per day. Pharmacokinetics is the determination of how much of a drug is absorbed, distributed, metabolized, and eliminated by the body. Pharmacodynamics is the determination of the processes through which a drug exerts the biological effect observed. In these trials, STA-5326 was well-tolerated, with no serious adverse events or early discontinuations due to adverse events. Treatment with STA-5326 at a dose of 35 mg twice-a-day for two weeks was found to inhibit the production of IL-12 by immune cells in blood samples following antigen stimulation. As shown in the figure below, a decrease in IL-12 production was observed in all of the nine individuals treated, whereas no consistent change in IL-12 production was observed for the ten subjects not treated with STA-5326:



Blood samples were collected from two healthy volunteers untreated with STA-5326 that were part of the Phase 1 study as well as eight additional volunteers outside of the Phase 1 volunteer group. No substantial difference was observed in IL-12 production between these two subgroups. Expanded studies of IL-12 production in blood samples collected during current Phase 2 trials in Crohn's disease and psoriasis are ongoing.

Based on results from these Phase 1 studies, we expanded the clinical development of STA-5326 and initiated multiple Phase 2 clinical trials in Crohn's disease and plaque psoriasis.

Crohn's Disease. Crohn's disease is a chronic inflammatory bowel disease characterized by inflammation throughout the length of the gastrointestinal, or digestive, tract. Symptoms can be severe, and include abdominal pain, frequent diarrhea, and intestinal bleeding. In addition, patients with Crohn's disease may experience malnutrition and an increased risk of gastrointestinal cancers. Although several anti-inflammatory and immunosuppressive agents have been used to treat Crohn's disease, the two FDA-approved therapies for Crohn's disease are Remicade, a TNFα-antagonist marketed by Johnson & Johnson, and Entocort, a coated, corticosteroid capsule marketed by AstraZeneca.

Therapeutic efficacy in clinical trials of treatments for Crohn's disease is assessed using the Crohn's Disease Activity Index, or CDAI. The CDAI is a composite index of symptomatic and other parameters and has been the basis of pivotal studies for previously approved Crohn's disease therapies. A decrease in CDAI of 100 points or more is accepted to represent a clinical response, and a decrease in the CDAI to lower than 150 points is accepted to indicate the induction of remission of the disease. Historically, a decrease in CDAI of 70 points or more was accepted to represent a clinical response; however, an increasing number of clinical trials have been designed with the more stringent 100-point response definition. In the pivotal, 108-patient study of Remicade that formed the basis of its FDA approval, Remicade demonstrated at week four a clinical response, as defined in that trial by a 70-point decrease, in 65% of all patients receiving treatment, and in 81% and 50% of patients receiving 5 mg/kg and 10 mg/kg, respectively. Clinical remission was observed at week four in 33% of all patients receiving treatment, and in 48% and 25% of patients receiving 5 mg/kg and 10 mg/kg, respectively.

We have completed enrollment of a 57-patient Phase 2a clinical trial in moderate-to-severe Crohn's disease. This trial was designed as an open-label, dose-escalating study to assess the safety, pharmacokinetics, and efficacy of STA-5326. Patients were assigned to one of four dose levels – 14 mg twice-a-day, 35 mg once-a-day, 28 mg twice-a-day, and 35 mg twice-a-day – and treated for four weeks. Patients were permitted to continue stable doses of other medications for Crohn's treatment other than a TNFα-antagonist, such as Remicade, but prior therapy with a TNFα-antagonist was allowed. Patients were selected for the trial based on a baseline CDAI score of between 220 and 450 and a diagnosis of Crohn's disease for at least six months. Measurement of clinical response was a secondary objective of the study, with clinical response defined as a decrease in the CDAI of 70 points or more at week two or four. The rates of response using the more stringent definition of at least a 100-point drop in CDAI were also calculated as part of the efficacy analysis.

We currently have preliminary data for the first 37 patients in the first three dose cohorts. To date, STA-5326 has demonstrated an acceptable safety profile over four weeks of treatment; no serious adverse events related to the use of STA-5326 have been reported. In the first two dose cohorts, six patients discontinued treatment due to adverse events. The most common drug-related adverse events observed were dizziness, nausea, fatigue, and headache. Clinical response and remission rates are shown in the table below. For the purposes of this analysis, patients for whom CDAI data are unavailable at weeks two or four due to missing data or discontinued treatment were assumed at these time points not to have achieved clinical response or remission. One patient receiving 35 mg once-a-day, for whom no available CDAI data are available beyond baseline, was excluded from this efficacy analysis as it was prospectively defined.

		Clinical response (≥70-point drop)		Clinical response (≥100-point drop)		Clinical remission CDAI < 150	
Dose level	Patients	Week 2	Week 4	Week 2	Week 4	Week 2	Week 4
14 mg, twice-a-day	13	15%	8%	15%	8%	8%	8%
35 mg, once-a-day	11	64%	82%	55%	64%	36%	36%
28 mg, twice-a-day	12	50%	42%	33%	42%	25%	33%

These preliminary results are based on a small number of patients in an open-label trial which is not designed to show statistically significant evidence of efficacy. However, at all but the lowest dose level, the results suggest substantial clinical improvement following STA-5326 treatment, with an onset of therapeutic benefit within two weeks of initiation of treatment. We anticipate preliminary data from the fourth dose cohort will be available in the first quarter of 2005. Based on these safety and efficacy results, we have added two cohorts to the Phase 2a trial to evaluate higher dosing schedules, and we expect to complete enrollment of these additional cohorts in the first half of 2005. Assuming continued favorable results from our ongoing Phase 2a trial, we plan to initiate a Phase 2b clinical trial of STA-5326 for the treatment of Crohn's disease in the second half of 2005.

Psoriasis. Psoriasis is a chronic, inflammatory skin disorder that is characterized by thickened, red areas of skin that are covered with scales. The area of skin affected can range from discrete, localized patches, to large areas of the body. The joints, nails, and mucous membranes may also be affected by the disease. Chronic plaque psoriasis is the most common form of psoriasis. This disease involves the formation of plaques, which are circular-to-oval, elevated, and often scaly skin lesions that contain swollen blood vessels and infiltrating immune cells. In these affected areas, itching, swelling, and pain are common, all of which can impair daily activities and sleep.

Treatment of psoriasis falls into three general classes: topical agents, phototherapy, and systemic agents. Topical agents include corticosteroids, coal tar, and tazarotene. Phototherapy involves exposure to ultraviolet light, often in combination with a topical or photosensitizing agent. Systemic medications include methotrexate, cyclosporine, and retinoids. These non-specific immunosuppressive agents have serious side effects that can lead to liver toxicity, kidney toxicity, and birth defects. The increasing recognition of psoriasis as an immune-mediated disease has led to the development and adoption of targeted biologic agents for treatment of the disease, such as the TNFα-antagonist Enbrel, marketed by Amgen and Wyeth Pharmaceuticals, Amevive, marketed by Biogen Idec, and Raptiva, marketed by Genentech. These agents require subcutaneous or intravenous injection, which can reduce patient convenience and compliance. In addition, these products have been found to cause severe side effects including liver failure, serious infections requiring hospitalization such as sepsis, new onset or exacerbation of central nervous system disorders including multiple sclerosis, aplastic anemia, reduced platelet count, and reduced white blood cell count. Therefore, we believe there is an unmet need and substantial commercial opportunity for a selective, targeted, orally administered agent.

We are currently conducting two complementary Phase 2 clinical trials of STA-5326 for the treatment of moderate-to-severe chronic plaque psoriasis. Each of these trials will treat patients for 12 consecutive weeks. Results from both trials are expected to be available in the second half of 2005.

The first psoriasis trial is a randomized, double-blind, placebo-controlled Phase 2b trial, expected to enroll approximately 200 patients with participating dermatologists at 30 medical centers throughout the U.S. This trial is the largest ongoing trial of STA-5326 and is designed to provide information on the safety and efficacy profile of three doses of STA-5326 (7 mg, 21 mg, and 35 mg, each twice-a-day) for 12 weeks and guide dose selection for future studies. For inclusion in this trial, patients are required to have greater than 10% of their body surface area affected by psoriasis and to have been diagnosed with psoriasis for at least six months. Patients are not allowed to take any phototherapy or systemic treatments for their psoriasis during the study. We will assess efficacy using the static Physician's Global Assessment, or sPGA, a seven-point scale of disease severity. A secondary efficacy endpoint is the Psoriasis Area and Severity Index, or PASI, a composite, weighted index that measures the severity of certain disease symptoms and the proportion of body surface area affected by psoriasis. If supported by favorable clinical data from this trial, we intend to initiate Phase 3 trials by the end of 2005.

The second psoriasis trial is an open-label Phase 2a trial designed to assess the biological response to STA-5326 through histological studies of skin biopsies. This trial is expected to enroll approximately 30 patients, with the same inclusion criteria as our Phase 2b trial described above. Patients will be treated at one of two doses, 21 mg twice-a-day and 35 mg twice-a-day, for 12 weeks. Skin biopsies will be examined through microscopic visual assessment, as well as through assessments of levels of inflammatory biomarkers. In addition, clinical and pharmacokinetic activity will be assessed, and levels of biological markers of immune activity will be measured in blood samples. The additional information gathered in this trial will help guide future clinical development choices for STA-5326 in this indication.

Clinical Support. Several ongoing clinical, pharmaceutical development, and discovery efforts were designed to support and enhance the STA-5326 development program. First, we have developed a novel salt form of STA-5326 that allows us to formulate the drug candidate as a tablet. We believe this tablet will serve as our commercial formulation, replacing the current capsule formulation. Preclinical studies in animals and *in vitro* have confirmed the comparability of the salt form tablet formulation and the STA-5326 capsule formulation. We plan to use the tablet formulation of STA-5326 in all future clinical trials. We must first, however, complete a clinical comparative study in healthy volunteers to demonstrate the comparability of pharmacokinetics of the salt form tablet formulation and the capsule formulation and receive no objections from the FDA. We plan to initiate this study in the first half of 2005. Second, advanced discovery efforts are also underway to identify additional, next-generation oral inhibitors of IL-12 production. We expect to initiate a Phase 1 trial of the first of these compounds in late 2005 or early 2006. We believe that successful development of follow-on IL-12 inhibitor drug candidates will allow us to maximize the commercial value of our IL-12 inhibitor program. Finally, we have filed for intellectual property protection on the mechanistic pathways through which STA-5326 exerts its action which we believe will strengthen our competitive position in developing orally available IL-12 inhibitor drugs.

Oncology Program

Background

Cancers are diseases characterized by abnormal and uncontrolled cell growth and division, typically leading to tumor formation. As a tumor grows, it can directly disrupt the organ function at its site of origin. In addition these cells can also spread to other organs, such as the brain, bones and liver, by a process called metastasis. The growth of metastatic tumors at these new sites can disrupt the function of these other organs. There are many kinds of cancer, but all are characterized by uncontrollable growth of abnormal cells.

The American Cancer Society estimated that approximately 1.4 million people would be diagnosed with cancer and approximately 560,000 would die of cancer in the U.S. in 2004. Together, non-small cell lung cancer, melanoma, and sarcoma were projected to account for approximately 200,000 new diagnoses and approximately 140,000 deaths in the U.S. in 2004 as described below.

Cancer Type	U.S. Incidence	U.S. Mortality
All cancers	1.3 million	564,000
Non-small cell lung cancer	140,000	128,000
Melanoma	55,000	8,000
Sarcoma	9,000	4,000

STA-4783 — Hsp70 Inducer

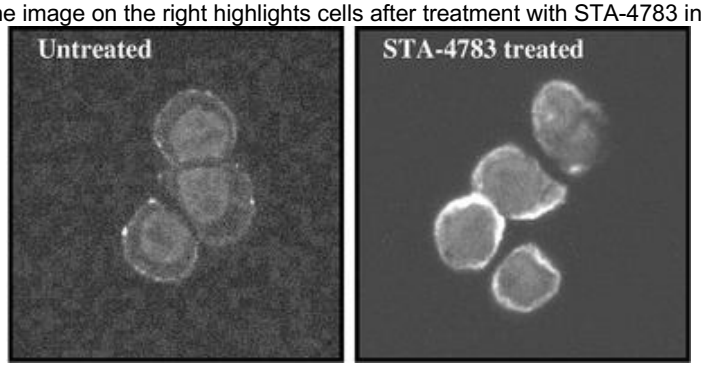
STA-4783 is a novel, small-molecule drug candidate that acts through two distinct pathways to disrupt the function of cancer cells. In preclinical studies, STA-4783 demonstrated an ability to strongly enhance the antitumor activity of taxanes with minimal or no increase in toxicity. We are initially developing STA-4783 to be intravenously administered in combination with taxanes for the treatment of solid-tumor cancers.

The class of drugs known as taxanes, the first of which was approved in 1992, is the market-leading class of anticancer therapeutic drugs, with over $2.0 billion in worldwide sales in 2003. Approved taxanes include Taxol, a formulation of paclitaxel marketed by Bristol-Myers Squibb, Taxotere, marketed by Sanofi-Aventis, and generic equivalents of paclitaxel. The commercial success of taxanes can be attributed in large part to their efficacy across a wide range of cancer types. Taxanes have been approved by the FDA for the treatment of prostate, ovarian, breast, non-small cell lung cancer, and Kaposi's sarcoma. Additionally, we believe taxanes are prescribed off-label for other cancer types, including head and neck, uterine, stomach, esophageal, and bladder cancers. The efficacy of taxanes in many of these cancer types is limited, with response rates ranging from 30% to 40%.

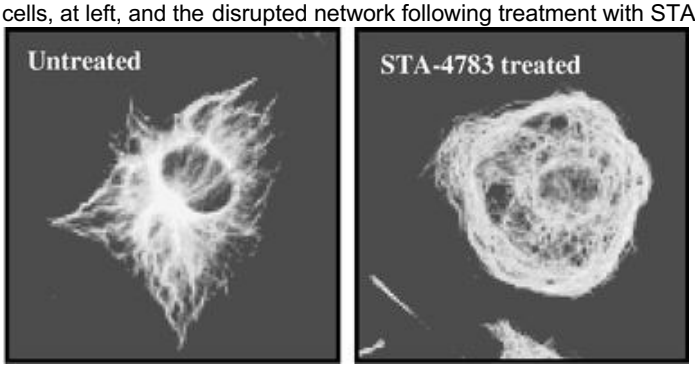
Other anticancer agents are sometimes added to taxanes in attempts to improve efficacy. A common example of such an agent is Paraplatin, a formulation of carboplatin marketed by Bristol-Myers Squibb. While incrementally increasing treatment efficacy, carboplatin has been shown to add significant toxicity as well. As a result, we believe there exists a significant need for agents that can enhance the antitumor effects of taxanes without adding undesirable side effects.

Our research indicates that STA-4783 has two distinct actions that we believe may contribute to the killing of tumor cells: (1) induction of Hsp70 on tumor cell surfaces, which targets the tumor cells for destruction by the body's immune systen and (2) disruption of the cytoskeletal network of tumor cells, a network of fibers essential to cell structure, attachment, movement, and cell division.

- *Hsp70 induction*. Hsp70 is a critical stress protein that serves as a danger signal for the immune system, identifying cells for immune-mediated elimination. The induction of Hsp70 expression on the surface of cancer cells can therefore attract immune cells to attack the cancer cells on which Hsp70 is expressed. The following pictures show staining for Hsp70; the image on the left shows untreated cells, the image on the right highlights cells after treatment with STA-4783 in which the Hsp70 can be observed on the cell surface.



- *Disruption of the cytoskeletal network*. Our research has shown that STA-4783 also has a significant effect on the cytoskeleton of tumor cells by altering the structure and function of the centrosome, a cellular component critical to the organization of the cytoskeleton. This alteration of the cytoskeleton results in changes in tumor cell structure, loss of cell attachment, and death of tumor cells. The following pictures show the centrally organized microtubule network of untreated cells, at left, and the disrupted network following treatment with STA-4783, at right:



Preclinical studies in animal models of a range of cancer types including breast, lung, uterine melanoma, and lymphoma, demonstrated that the combination of STA-4783 with paclitaxel achieved superior antitumor activity than paclitaxel alone. Results included numerous instances of tumor regression, tumor eradication, and increased survival time. Preclinical safety studies showed that this increase in antitumor activity was accompanied by minimal to no increase in toxicity with the compound in combination with taxanes.

We recently completed a Phase 1 clinical trial of STA-4783 with paclitaxel. This trial, which enrolled 35 patients, was designed to assess the safety, pharmacokinetics, and efficacy of STA-4783 with paclitaxel in a broad cancer patient population. The combination of STA-4783 and paclitaxel was well-tolerated, with minimal to no toxicity attributed to STA-4783 at all doses tested. Partial response or disease stabilization was observed in several cancer types, including parotid gland adenocarcinoma, colon, Kaposi's sarcoma, melanoma, ovarian, pancreatic and paraganglioma. In some of these patients, their cancers had previously progressed to more advanced stages during treatment with paclitaxel alone.

In addition to measuring safety, efficacy, and pharmaceutical properties in our Phase 1 trial, we also measured biological markers of activity, including levels of circulating Hsp70 in the blood. We observed time-dependent and dose-dependent increases in levels of Hsp70 following administration of STA-4783. At the lowest doses, the change in circulating Hsp70 from before treatment to after treatment was minimal. However, at the uppermost doses, following treatment with STA-4783, every patient was observed to have substantial increases of circulating Hsp70 ranging from 80% to 850%.

Based on the safety results and the promising signs of activity we observed in our Phase 1 trial, we initiated Phase 2 clinical trials in non-small cell lung cancer, malignant melanoma, and soft tissue sarcoma. Together these trials are expected to ultimately enroll over 280 patients at over 50 medical centers throughout the U.S. and Canada. These trials have been designed to assess response rates and time-to-tumor-progression, and to further expand the safety profile of STA-4783. Results from our Phase 2 clinical trial are expected to be available in the second half of 2005, and, assuming the data support further development, we would expect to initiate a Phase 3 clinical trial for one of these cancers by the end of 2005.

Non-Small Cell Lung Cancer. Lung cancers are diseases characterized by uncontrolled growth where the cancerous cells originate from within the lung. Based on pathology, these tumors are grouped into either small cell or non-small cell lung cancers. Non-small cell lung cancers account for approximately 80% of all lung cancers. The American Cancer Society estimated that approximately 140,000 people would be

diagnosed with non-small cell lung cancer and approximately 128,000 would die of non-small cell lung cancer in the U.S. in 2004. Most non-small cell lung cancer patients are diagnosed with advanced stage disease, where surgery is not a reasonable therapeutic option. Combination chemotherapies, such as carboplatin and paclitaxel, are a common first line treatment for these patients. Responses to these combinations can occur in 20-30% of patients and have been observed in as many as 50%. Despite these response rates, average survival among advanced non-small cell lung cancer patients is less than one year and non-small cell lung cancer continues to be the leading cause of cancer-related deaths for Americans. Additionally, because the toxicity observed with current therapeutic regimens is substantial, we believe there is a need to continue to improve patient outcome without adding to that toxicity.

Our Phase 2 trial for the treatment of non-small cell lung cancer is a two-stage trial, which enrolled over 100 patients. This trial is designed to directly compare the effect of a standard first-line lung combination cancer therapy, paclitaxel and carboplatin, with the effect of this same combination therapy plus STA-4783. We expect this direct assessment of the impact of STA-4783 will provide a more detailed and controlled comparison of treatment effects than other studies which compare the efficacy of drug candidates to historical controls. Patients included in this study were diagnosed with either stage IIIb or stage IV non-small cell lung cancer and had not received prior chemotherapy. In both stages of this trial, patients receive one treatment of paclitaxel and carboplatin, with or without STA-4783, every three weeks. These three-week cycles are repeated until the earlier of disease progression or completion of six cycles. We have recently completed enrollment in both stages of this trial; treatment of patients in the second stage is ongoing. In stage one, a total of 16 patients were treated to establish the safety, tolerability, and pharmacokinetics of the combination therapy plus STA-4783. Three of the 16 patients had serious adverse events that were deemed related to the study drug combination. All three patients experienced decreases in neutrophils, a type of white blood cell. These events were deemed expected by the investigators based on historical occurrence of similar toxicity in patients treated with the carboplatin and paclitaxel combination. Additionally, one of those patients experienced a decrease in platelets that was likely related to the combination, and dehydration that was possibly related to the combination.

We assessed efficacy using the RECIST criteria, which is the unified response assessment criteria agreed to by the World Health Organization, National Cancer Institute, and European Organisation for Research and Treatment of Cancer. In stage one, seven of the 16 patients treated experienced a partial response, defined under the RECIST criteria as a 30% or greater reduction in tumor diameter. An additional six of the 16 patients experienced disease stabilization, defined as between a 30% reduction and a 20% increase in tumor diameter. Two of the 16 patients experienced disease progression, defined as a greater than 20% increase in tumor diameter. The remaining patient died prior to the first follow-up scan; the cause of death was not related to treatment. In addition, preliminary data show that the median time-to-tumor progression in the first 16 patients is currently at least 4.2 months, compared to a historically reported median time-to-tumor progression of 3.1 months in patients with advanced non-small cell lung cancer who receive only the combination of paclitaxel and carboplatin as first-line therapy.

In stage two of the trial, 87 patients have been randomized in a blinded fashion to receive the paclitaxel and carboplatin combination with or without STA-4783 every three weeks for 18 weeks. The two groups will be compared based on endpoints including time-to-tumor-progression, time-to-treatment failure, response rate, duration of response, safety, quality of life, and survival. Data from this trial are expected to be available in the second half of 2005.

Melanoma. Melanoma is a serious form of skin cancer that arises from the pigment producing cells of the skin. Although melanoma accounts for only about 5% of all skin cancers, it causes most skin cancer-related deaths. The American Cancer Society estimated that approximately 55,000 people would be diagnosed with melanoma and approximately 8,000 would die of melanoma in the U.S. in 2004. If melanoma is diagnosed early, surgical treatment may lead to a cure. However, for patients whose disease spreads, the prognosis is poor, with expected survival of roughly seven months. Dacarbazine, or DTIC, has been the standard chemotherapy used in the treatment of melanoma despite never having demonstrated

survival benefit. Immunotherapy with interleukin-2 has been approved by the FDA based on durable responses which occur in a small subset of patients. As such, we believe there is a need for additional therapies with activity against melanoma.

Our Phase 2 malignant melanoma trial is a two-stage trial, which is expected to enroll approximately 100 patients and is designed to directly compare standard treatment with paclitaxel with weekly treatments of paclitaxel plus STA-4783 for three weeks, followed by one week of rest. These four-week cycles are repeated until the earlier of disease progression, or a minimum of four months. We are enrolling patients with metastatic melanoma who have received up to one prior chemotherapy treatment. Prior immunotherapy is also allowed. In stage one, 20 patients receiving the combination were evaluated for disease status after two cycles of treatment, and based on preliminary data, 11 of the 20 patients achieved non-progression of disease.

Based on these results, we initiated the second-stage, randomized, blinded portion of the study, which is expected to enroll approximately 80 patients. The two patient groups in stage two will be compared based on endpoints including time-to-tumor-progression, response rate, duration of response, and safety. Patients will receive cycles of paclitaxel and STA-4783 at the same doses and treatment schedule as stage one. Because paclitaxel alone has been shown to have only limited activity in the treatment of melanoma, this trial is randomizing only one-third of patients to paclitaxel alone, with the remaining two-thirds of the patients to receive paclitaxel plus STA-4783. We believe this weighting has increased the attractiveness of the trial to patients and physicians and contributes more productively to the safety database for STA-4783 than an even randomization, while still allowing for a statistical comparison of treatment effects. As with the non-small cell lung cancer trial, the direct comparison of treatment effects in this melanoma trial should be more informative than the use of historical control comparisons. Data from this trial are expected to be available in the second half of 2005.

Sarcoma. Soft tissue sarcoma is a group of cancers in which the malignant cells originate from any of the body's numerous types of soft tissue, such as muscles, connective tissues, blood vessels, lymph vessels, joints, and fat. Surgery can be curative if the disease is diagnosed early, although almost half of patients eventually die of their disease. The American Cancer Society estimated that approximately 9,000 people would be diagnosed with sarcoma and approximately 4,000 would die of sarcoma in the U.S. in 2004. Drugs commonly used to treat soft tissue sarcoma include doxorubicin and ifosfamide; however, most patients eventually fail these therapies and require other treatments.

Our soft tissue sarcoma trial is an 80-patient, two-stage Phase 2 trial designed to assess activity based on response and non-progression rates. In this trial, since there is no established role for paclitaxel alone in this indication, all patients will receive weekly treatments of the combination of paclitaxel and STA-4783 for three weeks, followed by one week of rest. These four-week cycles are repeated until the earlier of disease progression, or a minimum of four months. We will enroll patients with soft tissue sarcoma who have failed at least one prior chemotherapy treatment. In the first stage, 30 patients will be evaluated for disease response or stabilization after three months. We completed enrollment of these 30 patients in the first stage of this trial in December 2004. If the success criteria in our trial protocol are met, 50 additional patients will be added and the entire group of 80 patients will be assessed on endpoints including time-to-tumor-progression, response rates, and non-progression rates at several time points to further characterize potential efficacy.

Clinical Support. Several ongoing clinical, pharmaceutical development, and discovery efforts were designed to support and enhance the STA-4783 development program. First, we have developed a novel water-soluble salt form of STA-4783 that we expect will replace the current form, which requires manual dissolution in the paclitaxel formulation prior to administration. We plan to use the new form of STA-4783 in all future clinical trials and believe that it also represents the likely commercial form of the product. Preclinical animal and *in vitro* studies have confirmed the comparability of this novel form; however, we must complete a clinical comparative study in patients to demonstrate the comparability of

pharmacokinetics of this form and the current form and receive no objections from the FDA before this new form may be used in future clinical trials. This study is planned for the second quarter of 2005. Second, we have identified certain pathways through which STA-4783 exerts its action, have filed for intellectual property protection of these discoveries, and are developing assays designed to assess the biological activity of STA-4783. Finally, we are actively exploring additional potential uses of STA-4783 in combination with other agents, and in other therapeutic areas where the mechanism of action suggests potential benefit.

STA-5312 — Microtubule Inhibitor

Our microtubule inhibitor, STA-5312, is an intravenously administered small-molecule anticancer agent that we are initially developing for the treatment of chemotherapy-resistant cancers. Resistance to chemotherapy is a major obstacle in cancer treatment and frequently results in metastasis, or spreading of the cancer. The five-year survival rates for patients with metastatic cancers are poor: 34% for prostate cancer and 21% for breast cancer, for example, according to the National Cancer Institute's Surveillance, Epidemiology, and End Results, or SEER, database. These poor survival rates reflect the limitations of current treatments and the fact that cancers develop resistance to currently available therapies. To our knowledge, no currently marketed drugs exist with sufficient activity against chemotherapy-resistant tumors. As a result, we believe that drugs developed to address resistant cancers represent a significant market opportunity.

STA-5312 inhibits the assembly of microtubules, which are essential cellular components for the proliferation of cells. This inhibition disrupts the process of cell division thereby causing cell death. The inhibition of microtubule function is an approach shared with clinically proven drugs such as paclitaxel and vincristine. Over time, however, many tumors become resistant to these drugs. One mechanism of drug resistance involves overexpression of the P-glycoprotein, or P-gp, pump by cancer cells. The P-gp pump has been shown to increase drug efflux from cells and to decrease intracellular drug accumulation. It is believed that effective anticancer agents that are able to evade the P-gp pump could therefore counteract this resistance strategy taken by cancer cells. Our research indicates that STA-5312 is able to evade the P-gp pump and may overcome the resistance faced by other agents. In preclinical studies, STA-5312 has been shown to have considerably higher anticancer activity than paclitaxel and vincristine in chemotherapy-resistant cancer cells and to significantly increase animal survival in chemotherapy-resistant cancer models. STA-5312 inhibited tumor growth, delayed tumor progression, and prolonged survival in models of chemotherapy-resistant cancers against which comparable drugs had limited or no effect. In a chemotherapy-resistant animal model of leukemia, for example, STA-5312 more than doubled survival times, while vincristine increased survival by only 10%.

We have initiated two Phase 1 trials of STA-5312 for the treatment of refractory or relapsed solid-tumor cancers and cancers of the blood. We have enrolled more than 15 patients to date; together these trials are expected to ultimately enroll up to 60 patients. The trials are dose-escalating trials that were designed to assess the safety, pharmacokinetics, and efficacy of STA-5312. Results from these trials are expected by the end of 2005. Assuming that trial results support continued development, we would expect to initiate Phase 2 trials in a number of indications.

Discovery Programs

We are actively expanding our pipeline of drug candidates through internal research activities. Our most advanced research-stage products are described below.

Ion Channel Modulators

We are developing modulators of calcium release-activated calcium, or CRAC, transient-receptor potential, or TRP, and other novel ion channels expressed on immune cells and other non-excitable cells

for the treatment of asthma, transplant rejection, allergies, cancer, and other conditions. For several ion channel targets, we hold exclusive licenses for their sequences and related screening assays.

Ion channel modulators are an extremely successful class of marketed drugs, generating a total of over $12.0 billion in worldwide revenues in 2003. Successful examples of such drugs are the hypertension agent, Norvasc, marketed by Pfizer with approximately $4.3 billion in worldwide sales in 2003, and the sleep and anxiety medication, Ambien, marketed by Sanofi-Aventis with approximately $1.3 billion in worldwide sales in 2003. To date, these drugs target only excitable cells, such as cardiac cells and neurons. We are currently investigating ion channel modulators targeting non-excitable cells, notably immune cells and cancer cells.

CRAC ion channels are critical to the activation of T cells and other immune cells. The channels provide the primary route for calcium entry, which drives multiple cellular processes, including cell proliferation and secretion. Therapies that inhibit these channels could therefore provide a novel approach to modulation of the immune system; however, potent, selective inhibitors of CRAC channels have proven elusive.

We have discovered a family of novel, small-molecule, orally administered CRAC channel inhibitors that are both selective and highly potent. We are currently studying these molecules in multiple disease models. We have demonstrated *in vitro* and *in vivo* that this novel family has promising activity, including inhibition of mast cell degranulation, which may be important for the treatment of allergy and asthma, and potent inhibition of critical pro-inflammatory cytokines including IL-2 and TNFα, which may be important for the treatment of transplant rejection and chronic inflammatory diseases.

Hsp90 Inhibitor

We are using our internal chemistry and drug optimization expertise to develop novel small-molecule inhibitors of heat shock protein 90, or Hsp90, for the treatment of cancer. This program is currently in the lead optimization stage.

Hsp90 is a chaperone protein that regulates the folding, stability, and function of numerous signaling proteins associated with cancer. Through interaction with Hsp90, these signaling proteins can trigger the uncontrolled proliferation of cancer cells. Because of the broad scope of the role of Hsp90, we believe inhibition of Hsp90 may provide a means to simultaneously attack multiple cancer pathways. Furthermore, since cancer cells have far greater levels of active Hsp90 than normal cells, we believe that inhibitors of Hsp90 may selectively halt proliferation and cause cancer cell death.

The Hsp90 inhibitors we have identified have demonstrated far less toxicity *in vitro* than certain other Hsp90 inhibitors in development, while demonstrating similar efficacy in mouse tumor models. Based on our understanding of the mechanism, we believe our Hsp90 inhibitors may also provide additive or synergistic effects in combination with other anticancer treatments. We are continuing optimization of our lead molecules and further characterizing their efficacy in additional animal models of cancer.

Microtubule Inhibitor

We have identified a family of novel small-molecule compounds that shows highly potent antitumor activity *in vitro* and *in vivo*, with little toxicity against normal cells. Like our clinical drug candidate, STA-5312, these compounds inhibit microtubule assembly, thereby disrupting the process of cell division and leading to cancer cell death. These compounds belong to a different chemical class than STA-5312, and, based on certain structural features, we believe that these compounds may act by a unique mechanism. We are currently evaluating a working hypothesis that, in addition to microtubule inhibition, these compounds also act by disrupting blood vessels in tumors that are needed to support tumor cell proliferation.

The lead compound in this novel series has potent antitumor cell activity and is equally effective against both chemo-sensitive and multi-drug-resistant tumor cells. Our *in vivo* data show that the lead compound is effective in multiple mouse tumor models of human cancers and has a favorable toxicological profile. We continue to test the lead compound in additional animal efficacy models and evaluate its activity relative to other anticancer agents.

Antidiabetic Agent

We are actively investigating an orally administered antidiabetic agent that we believe could represent a potentially effective treatment for Type 2 diabetes. Based on its apparent novel mechanism of action and demonstrated effectiveness in animal models in combination with two of the most successful oral antidiabetic agents, we believe that the compound represents an exciting new potential drug candidate for the underserved diabetes market.

Over 140 million people worldwide suffer from Type 2 diabetes, according the International Diabetes Federation. Type 2 diabetics represent over 90% of all diabetics. Type 2 diabetes is most common in obese adults over 45 years of age. The number of Type 2 diabetics is growing, due to the increasing prevalence of obesity and an aging population. Also, as a consequence of increased obesity in the young, Type 2 diabetes is becoming more prevalent among children and young adults. The worldwide market for oral agents for Type 2 diabetes was approximately $9.0 billion in 2003. Glucophage, marketed in the U.S. by Bristol-Myers Squibb, and Avandia, co-marketed by GlaxoSmithKline and Bristol-Myers Squibb, are leading therapies in this class. One driver for the market growth of diabetes therapies is the increasing use of combinations of oral agents.

In Type 2 diabetes, either insufficient amounts of insulin are produced or cells become unresponsive to insulin. Since insulin is necessary for glucose to be taken from the blood into cells, a lack of insulin or unresponsiveness to insulin in diabetics leads to elevated glucose levels in the blood. Elevated blood glucose can lead to muscle weakness, renal failure, blindness, heart abnormalities, and other serious health concerns. Type 2 diabetes is treated primarily with oral, glucose-lowering agents. These agents themselves can cause undesirable side effects including fluid retention, weight gain, and hypoglycemia. According to a recent study published in the *Journal of the American Medical Association*, the vast majority of diabetics using available treatments do not meet treatment goals defined by the American Diabetic Association for blood glucose and other parameters. In addition, for many patients, most oral therapies lose effectiveness after several months or years of treatment. Due to the limited effectiveness of existing treatments, there is a clear need for novel therapies.

We believe we have discovered a novel, oral, glucose-lowering agent for the treatment of Type 2 diabetes. Our compound appears to act through a unique mechanism of action not shared by any existing therapies. In multiple diabetes mouse and rat models, our compound has been shown to reduce blood glucose levels and increase glucose tolerance. In addition, the compound was shown to substantially enhance the activity of both Glucophage and Avandia in a number of preclinical animal models.

Our Drug Discovery Capabilities

Our drug discovery approach is based on the tight integration and rapid cycle times among our chemistry, biology, and pharmaceutical development groups. Drug candidates are typically identified using novel chemical structures as molecular probes in cell-based assays that are designed to preserve the complexity of biological signaling. Early *in vivo* testing and a rapid optimization process allow for high productivity of promising leads, improved profiles for our compounds, and, in some cases, the discovery of novel pathways or mechanisms of action with the potential to define entirely new categories of treatment.

Our approach is based on the integration of the following capabilities and resources:

- *Unique chemical library*. Our chemical library contains over 100,000 small molecules and numerous plant extracts collected from universities, non-profit institutions, other organizations, and

commercial sources. This library represents a diverse and distinct set of chemical structures that was not generated using combinatorial chemistry and continues to be a valuable source of lead compounds for drug discovery. We are continuing our compound collection efforts. In addition, for each of our discovery programs we build focused libraries dedicated to particular drug targets.

- *Broad set of screening assays.* We have high throughput screening capabilities linked to our chemical library that facilitate the rapid identification of new drug candidates. We have developed a wide variety of biochemical and cell-based *in vitro* assays designed to identify promising compounds for treating cancer, immune disorders and other diseases, which form the basis of our initial screening efforts. In addition to assays for identifying new compounds, we have also developed assays we use for early optimization of safety and pharmacokinetic properties.

- *Robust in vivo testing capabilities.* We have a substantial *in vivo* testing facility we use for evaluating the safety, efficacy, and pharmaceutical properties of our compounds, including absorption, distribution, metabolism, excretion, and toxicology properties. The facility is equipped for detailed experimental measurements and surgical tasks, and we have in-house experience with approximately 90 individual animal models of disease, including oncology, inflammatory diseases, metabolic disease, and pain. The early testing of compounds *in vivo*, and our ability to complete these tests internally without dependencies on third parties, is a valuable advantage in our ability to rapidly optimize the pharmaceutical properties of our most promising compounds.

- *Multi-functional chemistry capabilities.* We possess a full range of chemistry capabilities, including medicinal chemistry, analytical chemistry, formulation, process development, natural products isolation, and computational chemistry. Our approach to medicinal chemistry applies the rigorous exploration of permutations of biologically active molecular components to optimize lead compounds. Our in-house process development capability – characterizing and specifying manufacturing processes for our compounds – allows us to reduce dependencies on third parties and is an important advantage in our ability to successfully commercialize our products.

- *Novel target elucidation.* Our scientists use expression profiling, RNA interference, affinity purification, proteomics, and other methods to identify the therapeutic intervention points of novel, promising compounds.

Manufacturing

Our drug candidates and preclinical compounds are small molecules that can be readily synthesized by processes that we have developed. Utilizing our medicinal chemistry and process development capabilities, we have developed the manufacturing process to produce the active ingredients for our drug candidates. We also have the internal capability to synthesize small-molecule compounds in quantities of up to several kilograms for use in our preclinical studies, including proof-of-concept studies in animal models, early pharmacokinetic assays, initial toxicology studies, and formulation development. We currently contract with third parties for the synthesis of all materials used in our clinical trials and rely on third party manufacturers for the supply of our drug candidates in bulk quantities and for the production of suitable dosage forms. We are not dependent on any particular third party manufacturer for these services and anticipate being able to readily contract with additional manufacturers on favorable terms if such a need arises.

The starting materials and reagents required for synthesizing our drug candidates and preclinical compounds are commercially available from multiple sources. We have established a quality control and quality assurance program, including a set of standard operating procedures, analytical methods, and specifications, designed to ensure that our drug candidates are manufactured in accordance with the FDA's current Good Manufacturing Practices, or cGMP, and other applicable domestic and foreign regulations. We have selected manufacturers that we believe comply with cGMP and other applicable regulatory standards. We do not currently expect to internally manufacture cGMP material for our clinical trials nor

undertake the commercial scale manufacture of our drug candidates after approval. We are discussing with our current suppliers and other third party manufacturers the long-term supply and manufacture of these and other drug candidates we may develop.

Sales and Marketing

We currently have no marketing, sales or distribution capabilities. In order to commercialize any of our drug candidates, we must develop these capabilities internally or through collaboration with third parties. In selected therapeutic areas where we feel that our products can be commercialized by a specialty sales force that calls on a limited and focused group of physicians, we currently plan to commercialize our products. In therapeutic areas that require a large sales force selling to a large and diverse prescribing population, we currently plan to partner our drug candidates for commercialization.

Patents and Proprietary Rights

Our success depends in part on our ability to obtain and maintain proprietary protection for our drug candidates, technology, and know-how, to operate without infringing on the proprietary rights of others, and to prevent others from infringing our proprietary rights. Our policy is to seek to protect our proprietary position by, among other methods, filing U.S. and foreign patent applications related to our proprietary technology, inventions, and improvements that are important to the development of our business. We also rely on trade secrets, know-how, continuing technological innovation, and in-licensing opportunities to develop and maintain our proprietary position.

As of January 10, 2005, our patent portfolio includes a total of 237 patents and patent applications worldwide with claims covering the composition of matter and methods of use for all three of our clinical stage compounds. We own or exclusively license a total of 13 issued U.S. patents and 54 U.S. patent applications, as well as 170 foreign counterparts to these patents and patent applications. We have issued U.S. composition-of-matter patents claiming the chemical structures of STA-5326 and STA-4783, and an allowed U.S. patent application claiming the chemical structure of STA-5312. The patents covering our three clinical programs have patent terms that will expire no earlier than 2021. The patent term may be extended under applicable law or regulations, such as the Patent Term Restoration Act. Counterpart filings to these patents and patent applications have been made in a number of other jurisdictions, including Europe and Japan.

We have also in-licensed various technologies to complement our ongoing clinical and research programs. These licenses generally extend for the term of the related patent and contain customary royalty, termination, and other provisions. We have license agreements with Beth Israel Deaconess Medical Center and The Queen's Medical Center, Inc. that provide us with the exclusive commercial right to certain patent filings made by Beth Israel and Queen's Medical in the field of ion channels. We also have an exclusive license with Dana-Farber Cancer Institute for certain patent applications relating to rare event detection, such as circulating cancer cell detection. We do not believe that these license agreements are currently material to our business. We have exclusive license rights to a patent application filed by Dana-Farber covering combinations of ingredients that could potentially cover our STA-4783/taxane combination therapy. We would owe nominal royalty payments to Dana-Farber if any of the claims which ultimately issue under the Dana-Farber patent application or that are pending under such application cover our commercial product.

Regulatory and Legal Matters

Government authorities in the U.S., at the federal, state, and local level, and other countries extensively regulate, among other things, the research, development, testing, manufacture, labeling, promotion, advertising, distribution, marketing, and export and import of products such as those we are developing.

U.S. Government Regulation

In the U.S., the information that must be submitted to the FDA in order to obtain approval to market a new drug varies depending on whether the drug is a new product whose safety and effectiveness has not previously been demonstrated in humans or a drug whose active ingredient(s) and certain other properties are the same as those of a previously approved drug. A new drug will follow the New Drug Application, or NDA, route.

NDA Approval Processes

In the U.S., the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act, and implementing regulations. Failures to comply with the applicable regulatory requirements at any time may result in administrative or judicial sanctions. These sanctions could include the FDA's imposition of a clinical hold on trials, refusal to approve pending applications, license suspension or revocation, withdrawal of an approval, warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties, or criminal prosecution. Any agency or judicial enforcement action could have a material adverse effect on us.

The steps required before a drug or biologic may be marketed in the U.S. include, but are not limited to, the following:

- completion of preclinical laboratory tests, animal studies and formulation studies in compliance with applicable FDA regulations;
- submission to the FDA of an Investigational New Drug application, or IND, for human clinical testing, which must become effective before human clinical trials may begin and must include independent Institutional Review Board, or IRB, approval at each clinical site before the trial is initiated;
- performance of adequate and well controlled clinical trials to establish the safety and efficacy of the product for each indication;
- submission to the FDA of an NDA;
- satisfactory completion of an FDA Advisory Committee review, if applicable;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the product is produced to assess compliance with cGMP to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity or to meet standards designed to ensure the biologic's continued safety, purity and potency; and
- FDA review and approval of the NDA.

Preclinical tests include laboratory evaluations of product chemistry, toxicity, and formulation, as well as animal studies. An IND sponsor must submit the results of the preclinical tests, together with manufacturing information and analytical data, to the FDA as part of the IND. An IND will automatically become effective 30 days after receipt by the FDA, unless before that time, the FDA raises concerns or questions about issues such as the conduct of the trials as outlined in the IND. In that case, the IND sponsor and the FDA must resolve any outstanding FDA concerns or questions before clinical trials can proceed. In other words, submission of an IND may not result in the FDA allowing clinical trials to commence.

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety, and the effectiveness criteria to be evaluated. A protocol for each clinical trial and any subsequent protocol amendments must

be submitted to the FDA as part of the IND, and an IRB at each site where the study is conducted must approve the protocol and any amendments.

Clinical trials typically are conducted in three sequential phases, but the phases may overlap or be combined. Phase 1 trials usually involve the initial introduction of the investigational drug into humans to evaluate the product's safety, dosage tolerance, and pharmacodynamics and, if possible, to gain an early indication of its effectiveness.

Phase 2 trials usually involve controlled trials in a limited patient population to:

- evaluate dosage tolerance and appropriate dosage;
- identify possible adverse effects and safety risks; and
- evaluate the preliminary efficacy of the drug for specific indications.

Phase 2 trials are sometimes denoted as Phase 2a or Phase 2b trials. Phase 2a trials typically represent the first human clinical trial of a drug candidate in a smaller patient population and are designed to provide earlier information on drug safety and efficacy. Phase 2b trials typically involve larger numbers of patients and involve comparison with placebo, standard treatments, or other active comparators.

Phase 3 trials usually further evaluate clinical efficacy and test further for safety in an expanded patient population. Phase 1, Phase 2, and Phase 3 testing may not be completed successfully within any specified period, if at all. Furthermore, the FDA or we may suspend or terminate clinical trials at any time on various grounds, including a finding that the subjects or patients are being exposed to an unacceptable health risk.

Assuming successful completion of the required clinical testing, the results of the preclinical studies and of the clinical trials, together with other detailed information, including information on the chemistry, manufacture, and control criteria of the product, are submitted to the FDA in the form of an NDA requesting approval to market the product for one or more indications. The FDA reviews an NDA to determine, among other things, whether a product is safe and effective for its intended use and whether its manufacturing is cGMP-compliant to assure and preserve the product's identity, strength, quality and purity.

Before approving an NDA, the FDA will inspect the facility or the facilities at which the product is manufactured. The FDA will not approve the product unless cGMP compliance is satisfactory. If the FDA determines the application, manufacturing process, or manufacturing facilities are not acceptable, it will outline the deficiencies in the submission and often will request additional testing or information. Notwithstanding the submission of any requested additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

The testing and approval process requires substantial time, effort, and financial resources, and each may take several years to complete. The FDA may not grant approval on a timely basis, or at all. We may encounter difficulties or unanticipated costs in our efforts to secure necessary governmental approvals, which could delay or preclude us from marketing our products. The FDA may limit the indications for use or place other conditions on any approvals that could restrict the commercial application of the products. After approval, some types of changes to the approved product, such as adding new indications, manufacturing changes and additional labeling claims, are subject to further FDA review and approval.

Post-Approval Requirements

After regulatory approval of a product is obtained, we are required to comply with a number of post-approval requirements. For example, as a condition of approval of an NDA, the FDA may require post marketing testing and surveillance to monitor the product's safety or efficacy.

In addition, holders of an approved NDA are required to report certain adverse reactions and production problems to the FDA to provide updated safety and efficacy information and to comply with requirements concerning advertising and promotional labeling for their products. Also, quality control and manufacturing procedures must continue to conform to cGMP after approval. The FDA periodically inspects manufacturing facilities to assess compliance with cGMP, which imposes certain procedural, substantive, and recordkeeping requirements. Accordingly, manufacturers must continue to expend time, money, and effort in the area of production and quality control to maintain compliance with cGMP and other aspects of regulatory compliance.

We use, and will continue to use in at least the near-term, third-party manufacturers to produce our products in clinical and commercial quantities. Future FDA inspections may identify compliance issues at our facilities or at the facilities of our contract manufacturers that may disrupt production or distribution or require substantial resources to correct. In addition, discovery of problems with a product or the failure to comply with applicable requirements may result in restrictions on a product, manufacturer or holder of an approved NDA, including withdrawal or recall of the product from the market or other voluntary FDA initiated or judicial action that could delay or prohibit future marketing. Also, new government requirements may be established that could delay or prevent regulatory approval of our products under development.

Foreign Regulation

In addition to regulations in the U.S., we will be subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of our products. Whether or not we obtain FDA approval for a product, we must obtain approval of a product by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the product in those countries. The approval process varies from country to country, and the time may be longer or shorter than that required for FDA approval. The requirements governing the conduct of clinical trials, product licensing, pricing, and reimbursement vary greatly from country to country.

Under European Union regulatory systems, we may submit marketing authorizations either under a centralized or decentralized procedure. The centralized procedure provides for the grant of a single marketing authorization that is valid for all European Union member states. The decentralized procedure provides for mutual recognition of national approval decisions. Under this procedure, the holder of a national marketing authorization may submit an application to the remaining member states. Within 90 days of receiving the applications and assessment report, each member state must decide whether to recognize approval.

Reimbursement

In the U.S., European Union and elsewhere, sales of pharmaceutical products depend in part on the availability of reimbursement to the patient from third-party payors, such as government health administrative authorities, managed care providers, and private insurance plans. Third-party payors are increasingly challenging the prices charged for medical products and services and examining their cost-effectiveness.

In the U.S., Medicare, a federal health program for those over the age of 65 and certain disabled younger individuals, is the largest single third-party payor for medical care. Historically, Medicare did not cover the cost of most types of prescription drugs. The Medicare Prescription Drug Improvement and Modernization Act of 2003, or MMA, will change significantly the way that Medicare covers and pays for pharmaceutical products after January 1, 2006. Medicare beneficiaries will have the opportunity to obtain prescription drug coverage by enrolling in one of several non-governmental prescription drug plans. Coverage may vary for one enrolled beneficiary to the next depending in part on the plan chosen, the income level of the beneficiary, and the availability of a specific drug on a particular plan's drug formulary.

The MMA also introduced a new reimbursement methodology, part of which went into effect in 2004. At this point, it is not clear what effect MMA will have on the prices paid for currently approved drugs and the pricing options for new drugs approved after January 1, 2006. Moreover, while the MMA applies only to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policy and payment limitations in setting their own payment rates. Any reduction in payment that results from the MMA may result in a similar reduction in payments from non-governmental payors.

In some foreign countries, the proposed pricing for a drug must be approved before it may be lawfully marketed. The requirements governing drug pricing vary widely from country to country. For example, the EU generally provides options for its member states to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. A member state may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market.

Other Regulatory Matters

From time to time, legislation is drafted, introduced and passed in Congress that could significantly change the statutory provisions governing the approval, manufacturing, and marketing of products regulated by the FDA. In addition, FDA regulations and guidance are often revised or reinterpreted by the agency in ways that may significantly affect our business and our products. It is impossible to predict whether legislative changes will be enacted, or FDA regulations, guidance or interpretations changed, or what the impact of such changes, if any, may be.

Competition

The development and commercialization of new drugs is highly competitive. We will face competition with respect to all products we may develop or commercialize in the future from pharmaceutical and biotechnology companies worldwide. The key competitive factors affecting the success of any approved product will be its efficacy, safety profile, price, and method of administration. The efficacy and safety profile of our drug candidates relative to competitors will depend upon the results of our clinical trials and experience with the product in the commercial marketplace.

STA-5326. If approved, STA-5326 is expected to compete against the currently approved therapies for the treatment of chronic inflammatory diseases, including:

- large-molecule, injectable TNFα antagonists, including: Remicade, marketed by Johnson & Johnson; Enbrel, marketed by Amgen and Wyeth Pharmaceuticals; and Humira, marketed by Abbott Laboratories;
- Tysabri, formerly known as Antegren, an anti-α4 integrin antibody marketed by Biogen Idec and Elan Corporation; and
- immunosuppressive small-molecule agents including methotrexate and azathioprine.

STA-5326 may also compete with CNTO-1275 and ABT-874, two injectable antibody-based clinical candidates targeting IL-12 currently in clinical trials that are being developed by Johnson & Johnson and Abbott Laboratories, respectively. We expect that as an oral, small-molecule drug, STA-5326 may prove competitive relative to current and future biologic therapies in price and convenience of administration. We are not aware of any orally administered, selective inhibitors of IL-12 production in clinical trials. Other novel, oral agents in development for inflammatory diseases represent potential competition to STA-5326. These include chemokine inhibitors, oral fumarates, and calcineurin inhibitors.

STA-4783. If approved, STA-4783 may compete with:

- other agents that are being used or tested in combination with taxanes, including: Herceptin, marketed by Genentech; Tarceva, marketed by OSI Pharmaceuticals, Genentech and Roche; and Xeloda, marketed by Roche;
- taxane-like molecules such as epothilones; and
- modifications or reformulations of taxanes.

STA-5312. If approved, STA-5312 may compete against the currently approved therapies for the treatment of cancers. In particular, STA-5312 may compete with other agents that are being used or tested in combination with taxanes such as epothilones. STA-5312 may also compete with agents that inhibit the P-gp pump. These agents include tariquidar, manufactured by Xenova, and R101933, manufactured by Janssen-Cilag.

Many of our potential competitors have substantially greater financial, technical, and personnel resources than us. In addition, many of these competitors have significantly greater commercial infrastructures. Our ability to compete successfully will depend largely on our ability to leverage our experience in drug discovery and development to:

- discover and develop medicines that are superior to other products in the market;
- attract high-quality scientific, product development, and commercial personnel;
- obtain patent and/or proprietary protection for our medicines and technologies;
- obtain required regulatory approvals; and
- selectively partner with pharmaceutical companies in the development and commercialization of certain drug candidates.

Employees

We believe that our success will depend greatly on our ability to identify, attract, and retain capable employees. As of January 12, 2005, we had 118 full time employees, including a total of 44 employees who hold M.D. or Ph.D. degrees. Our employees are not represented by any collective bargaining unit, and we believe our relations with our employees are good.

Properties

Our operations are based primarily in Lexington, Massachusetts, which is located 30 minutes west of Boston, Massachusetts. We lease a total of 68,730 square feet of office and laboratory space in Lexington and 8,700 square feet of office and laboratory space in the neighboring city of Bedford, Massachusetts. We lease the following properties:

Location	Approximate Square Feet	Use	Lease Expiration Date
45 Hartwell Avenue Lexington, Massachusetts	24,420	Office and Laboratory	Nov. 2006
125 Hartwell Avenue Lexington, Massachusetts	22,480	Office and Laboratory	Jan. 2008
8-A Preston Court Bedford, Massachusetts	8,700	Office and Laboratory	May 2009
91 Hartwell Avenue Lexington, Massachusetts	21,830	Office	Jan. 2007

We believe these facilities are adequate for our current needs.

Legal Proceedings

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

MANAGEMENT

Executive Officers and Directors

The following table sets forth certain information concerning our executive officers, key employees, and directors as of January 10, 2005:

Name	Age	Position
Executive Officers and Key Employees		
Safi R. Bahcall, Ph.D.	36	President and Chief Executive Officer and Director
Keizo Koya, Ph.D.	47	Senior Vice President, Drug Development
John A. McCarthy, Jr.	46	Senior Vice President, Corporate Development and Chief Financial Officer
Matthew L. Sherman, M.D.	49	Senior Vice President and Chief Medical Officer
James G. Barsoum, Ph.D.	48	Vice President, Biology
Jeremy G. Chadwick, Ph.D.	42	Vice President, Program Management and Clinical Operations
Thomas A. Dahl, Ph.D.	42	Vice President, Clinical Development
Ninad A. Deshpanday, Ph.D.	45	Vice President, Drug Product Development
Keith S. Ehrlich	53	Vice President, Finance and Administration
Stephen M. Gansler	49	Vice President, Human Resources
Wendy E. Rieder, Esq.	36	Vice President, Intellectual Property and Legal Affairs
Lijun Sun, Ph.D.	42	Vice President, Chemistry
Directors		
Keith R. Gollust(1)(2)(3)	59	Chairman of the Board of Directors
Lan Bo Chen, Ph.D.	61	Director
Bruce Kovner(2)(3)	59	Director
William S. Reardon, C.P.A.(1)	58	Director
Robert N. Wilson(1)(2)(3)	64	Director

(1) Member of our Audit Committee

(2) Member of our Compensation Committee

(3) Member of our Nominating and Governance Committee

Safi R. Bahcall, Ph.D. co-founded Synta with Dr. Lan Bo Chen and has been our Chief Executive Officer and a member of our board of directors since July 2001. Dr. Bahcall has served as our President since December 2003. From 1998 to 2001, Dr. Bahcall was a consultant at McKinsey & Company serving investment banks and pharmaceutical companies on key issues of strategy, technology, and operations. Dr. Bahcall also co-founded a drug discovery company focused on novel ion channel research in November 2001, which was acquired by Synta in December 2002. He received his B.A. *summa cum laude* from Harvard University, was awarded his Ph.D. from Stanford University in theoretical physics, and was a Miller postdoctoral fellow at the University of California, Berkeley.

Keizo Koya, Ph.D. has served as our Senior Vice President, Drug Development since September 2002. From September 1997 to August 2002, Dr. Koya worked for Shionogi BioResearch Corp. as Vice President, Research and Development. From April 1995 to August 1997, Dr. Koya was the Director, Drug Discovery and Development at Fuji ImmunoPharmaceuticals Corp., now EMD Lexigen, a biopharmaceutical company. From October 1990 to March 1995 he was employed by Fuji Photo Film

Co., Ltd., a global imaging and information company, where he was most recently the Head of Pharmaceutical R&D, U.S. Representative Office. He earned his Ph.D. in organic chemistry at Kyushu University.

John A. McCarthy, Jr. has served as our Senior Vice President, Corporate Development and Chief Financial Officer since May 2004. From October 2000 until February 2004, Mr. McCarthy worked for Exact Sciences Corporation, a publicly traded applied genomics company, in various capacities, most recently as Executive Vice President, Chief Financial Officer and Treasurer. From October 1999 to October 2000, Mr. McCarthy worked with InfoMedtrics, Inc., a developer of software for large self-insured employers and managed care organizations, as President, Chief Operating Officer and a director and, following its merger with Physician WebLink, Inc. in July 2000, as a consultant. From January 1998 to August 1999, Mr. McCarthy was General Partner of Crescent Gate, L.P., a private equity fund that he co-founded. From August 1994 to January 1998, Mr. McCarthy was employed by Concentra Managed Care, Inc., a publicly traded nationwide provider of managed care services to the workers' compensation, auto and disability marketplaces, most recently as President, Managed Care Services Division. Mr. McCarthy holds a B.S. in finance from Lehigh University and an M.B.A. from Harvard Business School.

Matthew L. Sherman, M.D. has served as our Senior Vice President and Chief Medical Officer since March 2004. From January 1997 to March 2004, Dr. Sherman worked at Wyeth, a global pharmaceutical and biotechnology company, in various capacities, most recently as Assistant Vice President of Medical Research, Clinical Research and Development and Therapeutic Area Director for Oncology at Wyeth Research. From October 1992 to January 1997, he held various clinical positions at Genetics Institute, which was acquired by Wyeth in January 1997. From July 1983 to June 2001, Dr. Sherman held various clinical positions at Harvard Medical School, most recently as Assistant Clinical Professor of Medicine, with corresponding hospital appointments at the Dana-Farber Cancer Institute and Brigham and Women's Hospital. Dr. Sherman holds a B.S. in chemistry *Phi Beta Kappa* from the Massachusetts Institute of Technology and an M.D. with honors from Dartmouth Medical School. He is board certified in Medical Oncology and Internal Medicine and has published over 75 papers and book chapters.

James G. Barsoum, Ph.D. has served as our Vice President, Biology since February 2003. From February 1987 to February 2003, Dr. Barsoum held various leadership roles at Biogen, Inc., now Biogen Idec Inc., a publicly traded biopharmaceutical company, most recently as the Director of Molecular and Cellular Biology. From January 1984 to January 1987, Dr. Barsoum held research fellowships at Stanford University and the Whitehead Institute for Biomedical Research. Dr. Barsoum received a Ph.D. in Biology from the Massachusetts Institute of Technology.

Jeremy G. Chadwick, Ph.D. has served as our Vice President, Program Management and Clinical Operations since May 2004. From January 2002 to May 2004, Dr. Chadwick served as Vice President, Development Operations at Vertex Pharmaceuticals, Inc., a publicly traded pharmaceutical company. From December 1995 to September 1998, Dr. Chadwick held various positions at Parexel International, a publicly traded pharmaceutical services company, most recently as Vice President, U.S. Biostatistics and Data Management. From September 1985 to October 1995, Dr. Chadwick held various positions at Glaxo Group Research, most recently as Senior Manager, Medical Data Sciences Division. From September 1998 to October 2001, Dr. Chadwick was the Chief Operating Officer at Foliage Software Systems, a privately held software development company. Dr. Chadwick obtained both his Masters and Ph.D. in statistics from the University of London, U.K.

Thomas A. Dahl, Ph.D. has served as our Vice President, Clinical Development since September 2002. From April 2002 until September 2002, Dr. Dahl served as a consultant to Synta. From February 2002 to September 2002, Dr. Dahl was President and CEO of SinglePixel Biomedical, Inc. From 1994 to February 2002, Dr. Dahl held various positions at Lexigen Pharmaceuticals Corp., most recently as the Vice President, Clinical Products Development. From 1993 to 1994, Dr. Dahl was a drug development

consultant at Arthur D. Little, a global management consulting firm, and from 1989 to 1993 he was an Assistant Professor at Tufts Medical School's department of pharmacology and experimental therapeutics. He received his Ph.D. in biology from Johns Hopkins University.

Ninad A. Deshpanday, Ph.D. has served as our Vice President, Drug Product Development since June 2004. From October 2001 to April 2004, Dr. Deshpanday was employed by Cardinal Health, Inc., a publicly traded provider of products and services supporting the healthcare industry, and most recently held the position of the Technical Business Director. From March 1997 to April 2001, Dr. Deshpanday worked at AAI Pharma, a publicly traded specialty pharmaceutical and product development company, in various positions most recently as Global Product Director. From May 1994 to February 1997, Dr. Deshpanday served as Manager, Transdermal Research at TheraTech, Inc. From March 1990 to April 1994, he served as Staff Scientist at Procter & Gamble Pharmaceuticals. Dr. Deshpanday obtained both his Baccalaureate and Masters in pharmacy from Gujarat University in India and his Ph.D. in pharmacy from the University of South Carolina.

Keith S. Ehrlich has served as our Vice President, Finance and Administration and Treasurer since March 2004. From November 2003 to February 2004, Mr. Ehrlich served as a financial consultant to the Company. From September 1999 to April 2003, Mr. Ehrlich was Vice President, Finance and Administration and Chief Financial Officer and Treasurer at Argentys Corporation, a private software development company. From January 1998 to July 1999, Mr. Ehrlich served as Senior Vice President, Finance and Administration, Chief Financial Officer and Treasurer of Dyax Corp., a publicly traded biopharmaceutical company. From October 1993 to January 1998, he served as Vice President, Finance and Administration and Chief Financial Officer and Treasurer of Oravax, Inc., a publicly traded biopharmaceutical company since acquired by Peptide Therapeutics Group. From May 1991 to October 1993, he served as Treasurer and Director of Finance of Vertex Pharmaceutics, Inc., a publicly traded biopharmaceutical company. From January 1980 to April 1991, Mr. Ehrlich was an auditor with Coopers & Lybrand LLP. Mr. Ehrlich received his B.A. in Biology from Drew University and his M.B.A. in Finance and Accounting from Rutgers University.

Stephen M. Gansler has served as our Vice President, Human Resources since January 2005. From March 2001 to July 2004, Mr. Gansler worked for Covanta Energy Corporation, a publicly traded energy company as Senior Vice President, Human Resources. From May 1981 to March 2001, Mr. Gansler worked for Johnson & Johnson, a global manufacturer of health care products, in various capacities, most recently Worldwide Vice President, Human Resources for DePuy, Inc. He holds a B.I.A. from General Motors Institute, now known as Kettering University, and an M.B.A. and J.D. from Seton Hall University.

Wendy E. Rieder, Esq. has served as our Vice President, Intellectual Property and Legal Affairs since December 2002. In August 1998, Ms. Rieder co-founded Microbiotix, Inc., a privately held biotechnology company developing small-molecule anti-infectives, and served as its Chief Operating Officer and Vice President, Business Development and Intellectual Property from January 2000 to December 2002. From August 1997 to December 1999 Ms. Rieder served as the Vice President, Business Development and Intellectual Property at LipoGenics, Inc., a subsidiary of a publicly traded biopharmaceutical company. Ms. Rieder was a patent attorney at Boehringer Ingelheim Pharmaceuticals, a U.S. affiliate of Boehringer Ingelheim GmbH, a global pharmaceutical company, from August 1995 to July 1997, and a patent agent at Fish & Neave LLP from January 1991 to July 1995. Ms. Rieder received an M.S. in organic chemistry from Columbia University and a J.D. from Fordham Law School.

Lijun Sun, Ph.D. has served as our Vice President, Chemistry since December 2003. From November 1997 to August 2002, Dr. Sun worked for Shionogi BioResearch Corp. in various capacities, most recently as Senior Director of Chemistry. He received his Ph.D. in synthetic organic chemistry from Emory University and was a postdoctoral fellow in chemical biology at the Emory University School of Medicine.

Keith R. Gollust has been a member of our board of directors since July 2002 and has been our Chairman since September 2002. Mr. Gollust is a private investor and founded Gollust, Tierney, and Oliver, a private investment firm, in 1978. Mr. Gollust also was a Managing Director of Caxton Associates, L.L.C., a hedge fund firm, from July 2003 through December 2004. Mr. Gollust received a B.A. from Princeton University and an MSIA from Carnegie Mellon University.

Lan Bo Chen, Ph.D. co-founded Synta with Dr. Safi Bahcall and has been a member of our board of directors since July 2001, and a member of our scientific advisory board and its Chairman since July 2001. Dr. Chen is a Professor of Pathology, Emeritus, at Harvard Medical School. He has been at the Dana-Farber Cancer Institute and Harvard Medical School since July 1977. Dr. Chen is the founder of several biotechnology companies, including Fuji ImmunoPharmaceuticals Corp. and Shionogi BioResearch Corp. Dr. Chen received his B.S. in chemistry from National Taiwan University and his Ph.D. in cell biology from the Massachusetts Institute of Technology.

Bruce Kovner has been a member of our board of directors since July 2002. In 1983, Mr. Kovner founded Caxton Corporation, a diversified trading company and manager of client funds active in currency, interest rate, commodity and equity markets, and has acted as its Chairman since its inception. He is also Chairman of Caxton Associates, L.L.C., which succeeded to a significant portion of Caxton Corporation's trading and investment activities in 1996. Prior to the formation of Caxton, Mr. Kovner served as a Vice President of Commodities Corporation, a private commodities trading company since acquired by Goldman Sachs. Mr. Kovner is also Chairman of the Board of the American Enterprise Institute, Chairman of the Board of the Juilliard School, and Vice Chairman of Lincoln Center for the Performing Arts. In addition, he is the Founder and Chairman of the School Choice Scholarships Foundation, which provides scholarships to low-income students in New York City to attend primary schools of their choice. Mr. Kovner received his B.A. from Harvard College in 1966. He continued his studies at the John F. Kennedy School of Government until 1970.

William S. Reardon, C.P.A. has been a member of our board of directors since August 2004. Until his retirement in 2002 from PricewaterhouseCoopers LLP, where he was employed from June 1973 to July 2002, Mr. Reardon was a business assurance (audit) partner at the firm's Boston office and leader of its life sciences industry practice for New England and the eastern U.S. From 1998 to 2000, Mr. Reardon served on the board of the emerging companies section of the Biotechnology Industry Organization. He also served on the board of the Massachusetts Biotechnology Council from 2000 until his retirement in 2002. Mr. Reardon is currently a member of the board of directors and the chairman of the audit committees of Hybridon, Inc. and Oscient Pharmaceuticals Corp., both of which are publicly traded pharmaceutical companies. He is an advisor to the audit committee at Momenta Pharmaceuticals, Inc., a publicly traded pharmaceutical company, and a member of the board of advisors for Feinstein Kean Healthcare. Mr. Reardon received both his undergraduate degree in East Asian history and his M.B.A. from Harvard University.

Robert N. Wilson has been a member of our board of directors since June 2003. Mr. Wilson served as Vice Chairman of the board of directors of Johnson & Johnson, a global manufacturer of healthcare products, from 1986 until 2003. Mr. Wilson joined Johnson & Johnson in 1964. He was appointed to Johnson & Johnson's executive committee in 1983 and was elected to its board of directors in 1986. Mr. Wilson is also a director of The Charles Schwab Corporation, a publicly traded retail brokerage firm, U.S. Trust Corporation, United States Trust Company of New York and Amerada Hess Corporation, an integrated oil and gas company. Mr. Wilson received his B.A. in business administration from Georgetown College in Kentucky, and received an Executive Program B.A. from Columbia University Graduate School of Business.

Scientific Advisory Board

We have established a scientific advisory board comprised of leading experts in their fields. Members of our scientific advisory board consult with us regularly on matters relating to:

- our research and development programs;
- the design and implementation of our clinical programs;
- market opportunities from a clinical perspective;
- new technologies relevant to our research and development programs; and
- scientific and technical issues relevant to our business.

The current members of our scientific advisory board are:

Name	Professional Affiliations/Honors
Lan Bo Chen, Ph.D., Chairman	See biography above.
Sir James W. Black, O.M., F.R.S.	Emeritus Professor of Analytical Pharmacology at King's College London; previously conducted research with Imperial Chemical Industries plc, SmithKline French and Wellcome Laboratories; was awarded the Nobel Prize in Medicine in 1989 for his work in pharmotherapeutic potential of receptor blocking drugs; knighted by the Queen of England in 1981; received the Order of Merit from the Queen in 2000.
Judah Folkman, M.D.	Surgeon-In-Chief Emeritus and Director of the Vascular Biology program at Boston Children's Hospital; Professor of Pediatric Surgery and Cell Biology at Harvard Medical School; member of the National Academy of Sciences and the American Academy of Arts and Sciences; awarded the 2004 Prince of Asturias award for Technical and Scientific Research in Spain, The Franklin Institute's 2001 Benjamin Franklin Award in Life Science, the 1998 Keio University (Tokyo) Medical Science Prize, and the 1997 Charles S. Mott Prize of the General Motors Cancer Research Foundation.
Nir Hacohen, Ph.D.	Assistant Professor at Massachusetts General Hospital and Harvard Medical School; founder of the RNAi consortium, a group of Harvard and Massachusetts Institute of Technology researchers who are spearheading efforts to create and apply genome-wide gene silencing libraries to accelerate gene discovery in humans; honors include the Sandler Memorial first prize Ph.D. thesis award, Helen Hay Whitney Fellowship with David Baltimore and Whitehead Institute Fellowship.
Jean-Pierre Kinet, M.D.	Professor of Pathology at Harvard Medical School; Director of the Division of Allergy and Immunology at the Beth Israel Deaconess Medical Center; previously the head of the Molecular Allergy and Immunology section of the National Institute of Allergy and Infectious Diseases at the National Institutes of Health; scientific founder of Astarix Institute, Inc., an early-stage drug discovery company later sold to Heska Corporation.

Christopher J. Logothetis, M.D.	Professor and Chairman of the Department of Genitourinary Medical Oncology at the University of Texas M.D. Anderson Cancer Center; Principal Investigator of the M.D. Anderson SPORE in Prostate Cancer; Director of the Genitourinary Cancer Center and the Prostate Cancer Research Program, which are multidisciplinary collaborations of physicians and scientists dedicated to genitourinary cancer treatment, research, prevention, and education; leader in the Therapy Consortium, an active group of researchers involved in the development of innovative therapy for prostate cancer.
Reinhold Penner, M.D., Ph.D.	Director of Research at the Center for Biomedical Research at Queen's Medical Center; professor at the University of Hawaii; previously served as research head at the Max Planck Institute for Biophysical Chemistry.
Mace L. Rothenberg, M.D.	Ingram Professor of Cancer Research at the Vanderbilt-Ingram Cancer Center and Professor of Medicine at Vanderbilt University Medical Center; Medical Oncologist with appointments at the Vanderbilt University Medical Center and the Department of Veterans Affairs Medical Center; Director of the Phase 1 Drug Development Program at Vanderbilt-Ingram Cancer Center; serves on a number of committees including the Vanderbilt-Ingram Cancer Center Gastrointestinal Cancer SPORE Executive Committee and Lung Cancer SPORE Steering Committee, the Clinical Cancer Research Committee for the American Association for Cancer Research, and the Medical Oncology Committee for the American College of Surgeons.
Daniel D. Von Hoff, M.D.	Professor of Medicine, Pathology, Molecular and Cellular Biology, at the University of Arizona; Director of the Arizona Health Sciences Center's Cancer Therapeutics Program; Executive Vice President of the Translational Genomics Research Institute, or TGen; Director of TGen's Translational Drug Development Division; Head, Pancreatic Cancer Research Program; Chief Medical Officer for U.S. Oncology, the nation's largest health-care services network devoted exclusively to cancer treatment and research; past President of the American Association for Cancer Research; past board member of the American Society of Clinical Oncology; founder and editor emeritus of *Investigational New Drugs—The Journal of New Anticancer Agents;* editor-in-chief of *Molecular Cancer Therapeutics*; appointed to President Bush's National Cancer Advisory Board in June 2004.

Michael E. Weinblatt, M.D.	Co-Director of Clinical Rheumatology at the Brigham and Women's Hospital and Professor of Medicine at Harvard Medical School; published over 127 papers, reviews and invited chapters in the field of rheumatology primarily rheumatoid arthritis therapeutics; co-editor of the textbook, Treatment of Rheumatic Diseases, the textbook, Rheumatology 3rd edition; author of the Arthritis Action Program; co-received in 1997 the Arthritis Foundation Virginia P. Engalitcheff Award for Impact on Quality of Life for work on methotrexate; served as an Associate Editor of *Arthritis and Rheumatism*; currently sits on the editorial board of *Journal of Rheumatology*; was a member of the Rheumatology Subspeciality Board of the American Board of Internal Medicine; in 2001, served as the President of the American College of Rheumatology.
Bruce R. Zetter, Ph.D.	Charles Nowiszewski professor in the departments of cell biology and surgery at Harvard Medical School; Chief Scientific Officer at Boston Children's Hospital; has won numerous national and international awards for his work in the field of cancer research including a Faculty Research Award from the American Cancer Society and the MERIT award from the National Cancer Institute; served as an expert witness on cancer to the U.S. senate.

Board Composition

Our restated certificate of incorporation and restated bylaws to be effective upon completion of this offering provide that the authorized number of directors may be changed only by resolution of the board of directors. We currently have six directors. In accordance with our restated certificate of incorporation and restated bylaws, immediately upon the closing of this offering, our board of directors will be divided into three classes with staggered three-year terms. At each annual meeting of stockholders following the offering, the successors to the directors whose terms then expire will be elected to serve until the third annual meeting following the election. At the closing of this offering, our directors will be divided among the three classes as follows:

- The Class I directors will be Dr. Chen and Mr. Reardon, and their terms will expire at the annual meeting of stockholders to be held in 2006;
- The Class II directors will be Messrs. Gollust and Wilson, and their terms will expire at the annual meeting of stockholders to be held in 2007; and
- The Class III directors will be Dr. Bahcall and Mr. Kovner, and their terms will expire at the annual meeting of stockholders to be held in 2008.

Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

Committees of the Board of Directors

Our board of directors has an audit committee, a compensation committee, and a nominating and governance committee, each of which has the composition and responsibilities described below.

Audit Committee. Our audit committee is composed of Messrs. Gollust, Reardon (chairman) and Wilson and is authorized to:

- approve and retain the independent auditors to conduct the annual audit of our books and records;
- review the proposed scope and results of the audit;
- review and pre-approve the independent auditor's audit and non-audit services rendered;
- approved the audit fees to be paid;
- review accounting and financial controls with the independent auditors and our financial and accounting staff;
- review and approve transactions between us and our directors, officers and affiliates;
- recognize and prevent prohibited non-audit services;
- establish procedures for complaints received by us regarding accounting matters;
- oversee internal audit functions; and
- prepare the report of the audit committee that SEC rules require to be included in our annual meeting proxy statement.

Compensation Committee. Our compensation committee is composed of Messrs. Gollust, Kovner and Wilson (chairman) and is authorized to:

- review and recommend the compensation arrangements for management, including the compensation for our President and Chief Executive Officer;
- establish and review general compensation policies with the objective to attract and retain superior talent, to reward individual performance and to achieve our financial goals;
- administer our stock incentive plan; and
- prepare the report of the compensation committee that SEC rules require to be included in our annual meeting proxy statement.

Nominating and Governance Committee. Our nominating and governance committee is composed of Messrs. Gollust (chairman), Kovner and Wilson and is authorized to:

- identify and nominate members of the board of directors;
- develop and recommend to the board of directors a set of corporate governance principles applicable to our company; and
- oversee the evaluation of the board of directors and management.

Compensation of Directors

We reimburse each member of our board of directors who is not an employee for reasonable travel and other expenses in connection with attending meetings of the board of directors.

We have granted the following stock options to our non-employee directors:

Name of Director	Number of Shares	Exercise Price	Date of Grant
Keith R. Gollust	500,000(1)	$ 2.7108	7/15/2002
	300,000(2)	2.7108	5/27/2004
Bruce Kovner	500,000(1)	2.7108	7/15/2002
William S. Reardon, C.P.A.	60,000(1)	4.00	8/25/2004
Robert N. Wilson	250,000(1)	2.7108	6/17/2003

(1) The options vest as to 25% of the shares on the first anniversary of the grant date and an additional 6.25% of the shares at the end of each successive three-month period thereafter.

(2) The option vests as to 50% of the shares upon grant and an additional 6.25% of the shares at the end of each successive three-month period thereafter.

In January 2005, our board of directors approved a policy in which each non-employee director will automatically receive an option to purchase 60,000 shares of our common stock upon his or her initial appointment to our board of directors. These options shall vest as to 25% of such grant on the first anniversary of the grant date and as to an additional 6.25% of such grant at the end of each successive three-month period thereafter continuing until the fourth anniversary of the date of grant, subject to the non-employee director's continued service as a director. However, in the event of termination of service of a non-employee director, such option shall vest to the extent of a pro rata portion through the non-employee director's last day of service based on the number of days accrued in the applicable period prior to his or her termination of service. Each non-employee director stock option will terminate on the earlier of ten years from the date of grant and three months after the recipient ceases to serve as a director, except in the case of death or disability, in which event the option will terminate one year from the date of the director's death or disability. The exercise price of all of these options will equal the fair market value of our common stock on the date of grant.

Each non-employee director shall be compensated on an annual basis for providing services to the Company. Director compensation shall be paid for the period from July 1 through June 30 of each year. Each non-employee director shall receive compensation consisting of one of the following combinations of cash and/or a grant of our common stock, at the election of each non-employee director, as follows:

- $40,000 cash;
- $30,000 cash and such number of shares of restricted common stock as is equal to $10,000 on the date of grant of the shares;
- $20,000 cash and such number of shares of restricted common stock as is equal to $20,000 on the date of grant of the shares;
- $10,000 cash and such number of shares of restricted common stock as is equal to $30,000 on the date of grant of the shares; or
- such number of shares of restricted common stock as is equal to $40,000 on the date of the grant of the shares.

The number of shares to be received by a non-employee director shall be calculated by dividing the total dollar amount that the non-employee director has elected to be paid in shares of common stock by the fair market value of the shares of our common stock on the last business day prior to the date of grant of the shares. Shares granted shall be subject to a lapsing repurchase right such that the shares shall be subject to forfeiture to us if a non-employee director does not continue to serve as a member of the board of directors as of the end of the applicable quarter as follows: the repurchase right shall lapse as to 25% of

each such grant on each of September 30, December 31, March 31 and June 30 thereafter, provided such non-employee director continues to serve as a member of the board of directors as of the applicable date.

In addition, under this policy each non-employee director was entitled to receive a pro rata share of the annual fee for the period from January 1, 2005 through June 30, 2005. The non-employee directors have elected to receive the following under this provision:

Director	Fee Election
Keith R. Gollust	shares of restricted common stock valued at $20,000
Bruce Kovner	shares of restricted common stock valued at $20,000
William S. Reardon, C.P.A.	$10,000 and shares of restricted common stock valued at $10,000
Robert N. Wilson	shares of restricted common stock valued at $20,000

The shares to be issued as set forth above will be issued on January 18, 2005. These shares will be subject to our repurchase right, which shall lapse as to 50% of each such grant on March 31, 2005 and June 30, 2005, provided such non-employee director continues to serve as a member of the board of directors as of such date. Any cash to be paid as set forth above will be paid 50% on March 31, 2005 and 50% on June 30, 2005.

Each non-employee director shall also receive an annual fee of $5,000 for each committee of the board of directors on which such individual serves. However, the chairman of each committee, other than the audit committee, shall receive an annual fee of $10,000, and the chairman of the audit committee shall receive an annual fee of $15,000 for services as chairman.

Compensation Committee Interlocks and Insider Participation

Our compensation committee is composed of Messrs. Gollust, Kovner and Wilson. No member of our compensation committee has at any time been an employee of ours. None of our executive officers serve as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

Each of Messrs. Gollust, Kovner and Wilson and affiliates of theirs have participated in transactions with us. For a detailed description of these transactions, see "Certain Relationships and Related Party Transactions."

Executive Compensation

The following summary compensation table sets forth summary information as to compensation received by our President and Chief Executive Officer and our four other most highly compensated executive officers who were employed by us as of December 31, 2004 and earned more than $100,000 in salary and bonus for the year ended December 31, 2004.

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus(1)	Long-Term Compensation Awards: Restricted Stock Awards(2)	Long-Term Compensation Awards: Securities Underlying Options/ SARs (#)	All Other Compensation(3)
Safi R. Bahcall, Ph.D. President and Chief Executive Officer	2004	$ 300,000	$ 75,000	$ 1,099,980	—	$ 25,503
James G. Barsoum, Ph.D. Vice President, Biology	2004	$ 208,998	$ 50,000	$ 879,984	40,000	—
Keizo Koya, Ph.D. Senior Vice President, Drug Development	2004	$ 208,959	$ 50,000	$ 879,984	40,000	$ 4,188
Matthew L. Sherman, M.D.(4) Senior Vice President and Chief Medical Officer	2004	$ 222,693	—	$ 879,984	350,000	—
Wendy E. Rieder, Esq. Vice President, Intellectual Property and Legal Affairs	2004	$ 171,862	$ 38,250	$ 549,990	40,000	—

(1) Reflects bonuses earned in 2003 and paid in 2004.

(2) Reflects restricted shares of common stock granted under our 2001 Stock Plan to each of the named executive officers on December 21, 2004. The amount in the table is based on the number of shares granted to the executive officer multiplied by $5.50, the fair value of our common stock as determined by our board of directors, less the per share purchase price of the restricted shares of $0.0001. As of December 31, 2004, Dr. Bahcall held 200,000 restricted shares valued at $, Dr. Barsoum held 160,000 restricted shares valued at $, Dr. Koya held 160,000 restricted shares valued at $, Dr. Sherman held 160,000 restricted shares valued at $, and Ms. Rieder held 160,000 restricted shares valued at $. Because there was no public trading market for our common stock as of December 31, 2004, the value of the restricted shares at year-end have been calculated using an assumed initial public offering price of $ per share less the per share purchase price of the restricted shares of $0.0001. Dividends will be paid on the restricted shares. These restricted shares are subject to repurchase by us at a repurchase price of $0.0001 per share if the executive officer is no longer employed by us. This right of repurchase lapses as to 50% of the shares on January 4, 2007 and the remaining 50% of the shares on the earlier of January 4, 2009 or the date the FDA approves an NDA for one of our drug candidates.

(3) The amounts shown include $25,503 of rental payments for a company apartment for Dr. Bahcall's use and $4,188 in lease payments for an automobile for Dr. Koya's use.

(4) Dr. Sherman joined us as Senior Vice President and Chief Medical Officer in March 2004.

Option Grants in Last Fiscal Year

The following table shows information regarding stock options granted to the executive officers named in the summary compensation table above during our fiscal year ended December 31, 2004. Options were granted with an exercise price per share equal to the fair market value of our common stock on the date of grant, as determined by our board of directors. The potential realizable value is based on the

assumption that our common stock appreciates at the annual rate shown, compounded annually, from the date of grant until the expiration of the ten-year term. These numbers are calculated based on SEC requirements and do not reflect projections or estimates of future stock price growth. Potential realizable values are computed by:

- multiplying the number of shares of common stock underlying each option by $ per share, the assumed initial public offering price per share;
- assuming that the total stock value derived from that calculation compounds at the annual 5% or 10% rate shown in the table for the entire ten-year term of the option; and
- subtracting from that result the total option exercise price.

Actual gains, if any, on stock option exercises will be dependent on the future performance of the common stock. The percentage of total options granted is based on an aggregate of 2,541,875 options granted by us during the fiscal year ended December 31, 2004, to our employees, including the executive officers listed in the table below.

	Individual Grants					
Name	Number of Securities Underlying Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Fiscal Year	Exercise or Base Price ($/Share)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term (#) 5%	10%
Safi R. Bahcall, Ph.D.	—	—	—	—	—	—
James G. Barsoum, Ph.D.	40,000	1.6%	$ 4.00	5/27/2014		
Keizo Koya, Ph.D.	40,000	1.6%	$ 4.00	5/27/2014		
Matthew L. Sherman, M.D.	350,000	13.8%	$ 4.00	5/27/2014		
Wendy E. Rieder, Esq.	40,000	1.6%	$ 4.00	5/27/2014		

Year-End Option Values

The following table sets forth certain information with respect to the total value of options held by each executive officer named in the summary compensation table above as of December 31, 2004. Because there was no public trading market for the common stock as of December 31, 2004, the value of the unexercised in-the-money options at year-end have been calculated using an assumed initial public offering price of $ per share minus the applicable per share exercise price.

	Number of Securities Underlying Unexercised Options at December 31, 2004		Value of Unexercised In-the-Money Options at December 31, 2004	
Name	Exercisable	Unexercisable	Exercisable	Unexercisable
Safi R. Bahcall, Ph.D.	—	—	—	—
James G. Barsoum, Ph.D.	131,250	208,750		
Keizo Koya, Ph.D.	518,750	221,250		
Matthew L. Sherman, M.D.	—	350,000		
Wendy E. Rieder, Esq.	135,625	214,375		

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

Offer Letters

Pursuant to a letter agreement dated October 1, 2002, between us and Keizo Koya, Ph.D., we agreed to employ Dr. Koya as Vice President of Drug Development on an at-will basis, beginning on October 1, 2002. Dr. Koya's base salary is currently $210,000 per year and he is also eligible to receive annual performance based bonuses. Under this agreement, Dr. Koya has been granted an incentive stock option to purchase a total of 500,000 shares of common stock at an exercise price of $2.7108 per share. This option vests as to 150,000 of the shares upon grant and an additional 6.25% per calendar quarter after December 31, 2002.

Pursuant to a letter agreement dated February 18, 2004, between us and Matthew L. Sherman, M.D., we agreed to employ Dr. Sherman as Senior Vice President and Chief Medical Officer on an at-will basis, beginning on March 1, 2004. Dr. Sherman's base salary is currently $270,000 per year and he is also eligible to receive annual performance based bonuses. Under this agreement, Dr. Sherman has also been granted an incentive stock option to purchase a total of 350,000 shares of common stock at an exercise price of $4.00 per share. This option vests as to 25% of the shares on March 4, 2005 and an additional 6.25% of the shares per calendar quarter thereafter. In the event of termination without cause, as defined in the agreement, Dr. Sherman is entitled to a one-time severance payment one week after the date of termination equal to six months of base salary if the employment period has been less than 12 months, or 12 months of base salary if the employment period has been more than 12 months.

Pursuant to a letter agreement dated January 22, 2003, between us and James G. Barsoum, Ph.D., we agreed to employ Dr. Barsoum as Vice President of Biology on an at-will basis, beginning on February 26, 2003. Dr. Barsoum's base salary is currently $210,000 per year and he is also eligible to receive annual performance based bonuses. Under this agreement, Mr. Barsoum has also been granted an incentive stock option to purchase 300,000 shares of common stock at an exercise price of $2.7108 per share. This option vests as to 25% of the shares on the first anniversary of the grant date and an additional 6.25% of the shares per calendar quarter thereafter. In the event of termination without cause, as defined in the agreement, Dr. Barsoum is entitled to a one-time severance payment on the date of termination equal to three months of base pay.

Pursuant to a letter agreement dated January 14, 2003, between us and Wendy E. Rieder, Esq., we agreed to employ Ms. Rieder as Vice President of Intellectual Property and Legal Affairs on an at-will basis, beginning on December 15, 2002. Ms. Rieder's base salary is currently $175,000 per year and she is also eligible to receive annual performance based bonuses. Under this agreement, Ms. Rieder has been granted an incentive stock option to purchase 300,000 shares of common stock at an exercise price of $2.7108 per share. This option vests as to 25% of the shares on the first anniversary of the grant date and an additional 6.25% of the shares per calendar quarter thereafter. In the event of termination without cause, as defined in the agreement, Ms. Rieder is entitled to a one-time severance payment on the date of termination equal to three months of base pay.

Separation Agreement with Dr. Mitsunori Ono

On April 21, 2004, we entered into an agreement memorializing a previously established agreement with Dr. Mitsunori Ono, our former President and Chief Operating Officer, under which Dr. Ono resigned his employment with us in 2003, effective as of January 1, 2004. Under the agreement, we agreed to make a one time payment to Dr. Ono of $200,000 upon the signing of the agreement and 18 monthly payments of approximately $13,889 beginning in January 2004. Under the agreement, we accelerated the vesting and extended the time in which Dr. Ono may exercise options to purchase 187,500 shares of our common stock and extended the time in which Dr. Ono may exercise vested options to purchase 812,500 shares of common stock. In addition, options to purchase 800,000 shares of our common stock were cancelled

pursuant to the terms thereof. Dr. Ono also released Synta, its stockholders, directors, officers, and employees from all claims he may have had against them.

Employee Benefit Plans

2001 Stock Plan

Our 2001 Stock Plan was adopted by our board of directors and approved by our stockholders in July 2001. In December 2003, our board of directors and stockholders approved amendments to our 2001 Stock Plan. Under this plan, we may grant incentive stock options, nonqualified stock options and restricted and unrestricted stock awards. A maximum of 15,000,000 shares of common stock are authorized for issuance under our 2001 Stock Plan.

In accordance with the terms of the 2001 Stock Plan, our board of directors has authorized our compensation committee to administer our 2001 Stock Plan.

Our board of directors or any committee to which the board of directors delegates authority may, with the consent of the affected plan participants, amend outstanding awards.

Upon a merger or other reorganization event, our board of directors, or the board of directors of any corporation assuming our obligations, may, in their sole discretion, take any one or more of the following actions pursuant to our 2001 Stock Plan, as to some or all outstanding options:

- provide that all outstanding options shall be assumed or substituted by the successor corporation;
- terminate all unexercised outstanding options immediately prior to the consummation of such transaction unless exercised by the optionee;
- in the event of a merger pursuant to which holders of our common stock will receive a cash payment for each share surrendered in the merger, make or provide for a cash payment to the optionees equal to the difference between the merger price times the number of shares of our common stock subject to such outstanding options (to the extent then exercisable at prices not in excess of the merger price), and the aggregate exercise price of all such outstanding options, in exchange for the termination of such options; and
- provide that all or any outstanding options shall become exercisable in full immediately prior to such event.

Pursuant to our 2001 Stock Plan, upon a merger or other reorganization event, any securities, cash or other property received in exchange for shares of restricted stock shall continue to be governed by the provisions of any restricted stock agreement pursuant to which such restricted stock was issued.

As of January 12, 2005, 1,745,937 shares have been issued upon the exercise of options and the grant of stock awards under this plan, 9,928,099 shares are subject to outstanding options, and 3,325,964 shares are available for future grant under this plan.

Limitation of Officers' and Directors' Liability and Indemnification

The Delaware General Corporation Law authorizes corporations to limit or eliminate, subject to certain conditions, the personal liability of directors to corporations and their stockholders for monetary damages for breach of their fiduciary duties. Our restated certificate of incorporation and restated bylaws limit the liability of our directors to the fullest extent permitted by Delaware law.

We have obtained director and officer liability insurance to cover liabilities our directors and officers may incur in connection with their services to us, including matters arising under the Securities Act. Our restated certificate of incorporation and restated bylaws also provide that we will indemnify any of our directors and officers who, by reason of the fact that he or she is one of our officers or directors, is involved

in a legal proceeding of any nature. We will repay certain expenses incurred by a director or officer in connection with any civil or criminal action or proceeding, specifically including actions by us or in our name (derivative suits). Such indemnifiable expenses include, to the maximum extent permitted by law, attorney's fees, judgments, civil or criminal fines, settlement amounts and other expenses customarily incurred in connection with legal proceedings. A director or officer will not receive indemnification if he or she is found not to have acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interest. Prior to the completion of this offering, we plan to enter into agreements to indemnify our directors and officers. These agreements, among other things, will indemnify our directors and officers for certain expenses, including attorneys' fees, judgments, fines, and settlement amounts incurred by any such person in any action or proceeding, including any action by us arising out of such person's services as our director or officer, any of our subsidiaries from time to time or any other company or enterprise to which the person provides services at our request. We believe that these provisions and agreements are necessary to attract and retain qualified persons as directors and officers.

Such limitation of liability and indemnification does not affect the availability of equitable remedies. In addition, we have been advised that in the opinion of the SEC, indemnification for liabilities arising under the Securities Act is against public policy as expressed in the Securities Act and is therefore unenforceable.

There is no pending litigation or proceeding involving any of our directors, officers, employees or agents in which indemnification will be required or permitted. We are not aware of any threatened litigation or proceeding that may result in a claim for such indemnification.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a description of the transactions we have engaged in (1) since January 1, 2002 with our directors and officers and beneficial owners of more than five percent of our voting securities and their affiliates and (2) since our inception in March 2000 with our founders, Dr. Safi R. Bahcall and Dr. Lan Bo Chen.

Common Stock Issuances

In July of 2001, in connection with the initial capitalization of Synta, we issued an aggregate of 20,400,000 shares of common stock to our founders, Dr. Bahcall and Dr. Chen, at a purchase price of $0.0001 per share as follows:

Name	Number of Shares of Common Stock	Aggregate Purchase Price
Safi R. Bahcall, Ph.D.	8,000,000	$ 800
Lan Bo Chen, Ph.D.	12,400,000	1,240

Dr. Bahcall is also our President and Chief Executive Officer, a director and a beneficial owner of more than five percent of our voting securities. Dr. Chen is also a director and a beneficial owner of more than five percent of our voting securities.

During the period from July 2001 to December 2001, we issued an aggregate of 6,800,000 shares of our common stock to 21 investors at a purchase price of $0.50 per share, including an aggregate of 1,400,000 shares to the following directors, officers, and beneficial owners of more than five percent of our voting securities, and their affiliates:

Name	Number of Shares of Common Stock	Aggregate Purchase Price
John and Neta Bahcall	200,000	$ 100,000
Gollust Trust II	200,000	100,000
Wyandanch Partners, LP	1,000,000	500,000

John and Neta Bahcall are the parents of Dr. Bahcall. Keith R. Gollust, one of our directors, is the settlor for Gollust Trust II, a trust established for the benefit of Mr. Gollust's minor children, and is the president and sole stockholder of Gollust Management, Inc., which is the general partner of Wyandanch Partners, LP.

During the periods from April 2002 through May 2002 and from November 2002 through March 2003, we issued an aggregate of 22,969,505 shares of our common stock to 48 investors at a purchase price of $2.7108 per share, including an aggregate of 12,356,132 shares to the following directors, officers, and beneficial owners of more than five percent of our voting securities, and their affiliates:

Name	Number of Shares of Common Stock	Aggregate Purchase Price
Keith R. Gollust	368,895	$ 1,000,000
CxSynta, LLC	11,987,237	32,495,000

CxSynta, LLC is a beneficial owner of more than five percent of our voting securities and an affiliated investment vehicle of the Caxton Corporation. Bruce Kovner, one of our directors, is the Chairman of the Caxton Corporation.

During the period from October 2003 through January 2004, we issued an aggregate of 12,500,000 shares of our common stock to 43 investors at a purchase price of $4.00 per share, including an aggregate

of 5,525,000 shares to the following directors, officers, and beneficial owners of more than five percent of our voting securities, and their affiliates:

Name	Number of Shares of Common Stock	Aggregate Purchase Price
Robert N. Wilson	125,000	$ 500,000
CxSynta, LLC	5,000,000	20,000,000
Wyandanch Partners, LP	400,000	1,600,000

Robert N. Wilson is one of our directors.

In November 2004, we issued an aggregate of 16,000,000 shares of our common stock to 76 investors at a purchase price of $5.00 per share, including an aggregate of 6,223,289 shares to the following directors, officers, and beneficial owners of more than five percent of our voting securities, and their affiliates:

Name	Number of Shares of Common Stock	Aggregate Purchase Price
LAJ Holdings LLC	200,000	$ 1,000,000
Robert N. Wilson	500,000	2,500,000
Bruce Kovner	48,236	241,180
CxSynta, LLC	4,721,764	23,608,820
Wyandanch Partners, LP	753,289	3,766,445

Lin-Huey Chen, the spouse of Dr. Chen, is the managing member of LAJ Holdings LLC.

On December 21, 2004, we granted an aggregate of 1,460,000 shares of restricted common stock to certain officers and key employees at a purchase price of $0.0001 per share as a reward for their service and as a long-term incentive, including an aggregate of 980,000 shares to the following officers:

Name of Holder	Number of Registrable Shares
Safi R. Bahcall, Ph.D.	200,000
Keizo Koya, Ph.D.	160,000
John A. McCarthy, Jr.	100,000
Matthew L. Sherman, M.D.	160,000
James G. Barsoum, Ph.D.	160,000
Keith S. Ehrlich	100,000
Wendy E. Rieder, Esq.	100,000

These restricted shares of common stock are subject to repurchase by us at a repurchase price of $0.0001 per share if the officer is no longer employed by us. This right of repurchase lapses as to 50% of the shares on January 4, 2007 and the remaining 50% on the earlier of January 4, 2009 or the date the FDA approves an NDA for one of our drug candidates.

Acquisition of Principia Associates, Inc. and SBR Pharmaceuticals Corp.

In September 2002, we acquired Principia Associates, Inc. and its subsidiary SBR Pharmaceuticals Corp. In this transaction, Principia became a wholly owned subsidiary of Synta as we acquired all of the outstanding capital stock of Principia in exchange for an aggregate of 4,939,500 shares of our common stock and warrants to purchase an aggregate of 959,126 shares of our common stock at a purchase price of

$0.50 per share. CxSynta, LLC and Mr. Gollust owned a majority of the outstanding shares of Principia and received the following consideration in exchange for their Principia shares in this transaction:

Principia Shareholders	Principia Shares	Synta Shares Issued	Warrants Issued
CxSynta, LLC	500,000	1,899,808	575,476
Keith R. Gollust	300,000	1,139,884	115,095
Total:	800,000	3,039,692	690,571

Prior to this transaction, in July of 2002, Principia had acquired 98.8% of the outstanding capital stock of SBR Pharmaceuticals Corp., formerly Shionogi BioResearch Corp., at a purchase price of $0.3267973 per share. Dr. Chen and affiliates of Dr. Chen were shareholders of Shionogi and received the following consideration in the transaction:

Shionogi Shareholders	Shionogi Shares	Aggregate Purchase Price
Lan Bo Chen, Ph.D.	1,140,000	$ 372,549
Lin-Huey Chen	4,800,000	1,568,627
Lan Bo Chen and Lin-Huey Chen Irrevocable Trust dated 12/29/95	860,000	281,046

The Lan Bo Chen and Lin-Huey Chen Irrevocable Trust is for the benefit of Dr. Chen, his spouse and family.

In addition, in August and September 2002, we loaned a total of $1.0 million to SBR Pharmaceuticals Corp. pursuant to two promissory notes with fixed interest rates of 7%. These notes were due on December 31, 2002 but were forgiven in connection with our acquisition of Principia described above. In December 2002, we paid the liability for the remaining 1.2% of the outstanding capital stock of SBR Pharmaceuticals, and Principia and SBR were merged with Principia as the surviving corporation, which was renamed SBR Pharmaceuticals Corp. We then merged this wholly owned subsidiary with and into Synta.

Acquisition of Diagon Genetics, Inc.

In December of 2002, we acquired Diagon Genetics, Inc. through the merger of Diagon with and into our wholly owned merger subsidiary, DGN Genetics Acquisition Corp., for consideration of approximately $13.5 million, consisting of 3,145,854 shares of our common stock at a per share value of $2.7108 and $5.0 million in cash. Dr. Bahcall, Dr. Chen, the Ann Chen Trust and the Jane Chen Trust, owned all of the outstanding capital stock of Diagon and received the following consideration in exchange for their Diagon shares in this transaction:

Shareholder	Diagon Shares	Synta Shares Issued	Cash Paid
Safi R. Bahcall, Ph.D.	1,009	1,227,601	$ 1,222,220
Lan Bo Chen, Ph.D.	838	—	3,777,780
Ann Chen Trust, and Jane Chen Trust, Lin-Huey Chen co-trustee	1,153	1,918,253	—
Total:	3,000	3,145,854	$ 5,000,000

The Ann Chen Trust and Jane Chen Trust are for the benefit of Dr. Chen's daughters. Dr. Bahcall was also a member of the board of directors, the President and the Secretary of Diagon, and Dr. Chen was also a member of the board of directors of Diagon. The consideration paid in this transaction was determined through negotiation between the shareholders of Diagon and the management and board of directors of

Synta. In December 2002, the wholly owned subsidiary resulting from this transaction was merged with and into Synta.

Acquisition of the Assets of Cancer Genomics, Inc., Kava Pharmaceuticals, Inc., and SinglePixel Biomedical, Inc.

In January of 2004, we acquired substantially all of the assets of each of Cancer Genomics, Inc., Kava Pharmaceuticals, Inc., and SinglePixel Biomedical, Inc. in a single transaction for consideration of approximately $2.2 million, consisting of 553,344 shares of our common stock, apportioned 25% to Cancer Genomics, 50% to Kava Pharmaceuticals, and 25% to SinglePixel Biomedical, at a per share value of $4.00 and the assumption of SinglePixel Biomedical, Inc.'s responsibilities under a Dana-Farber Cancer Institute license agreement. In addition, we are required to make cash payments to Kava Pharmaceuticals and SinglePixel Biomedical, respectively, if certain milestones regarding such company's technology are achieved. Further, if commercialization is achieved from products or services covered by a Cancer Genomics or Kava Pharmaceuticals patent we may owe royalties on the gross revenue achieved by such a product.

Pursuant to the Asset Purchase Agreement the shareholders of Kava Pharmaceuticals have an option to repurchase the technology and intellectual property for $750,000 if within 30 months following the sale we have not instituted clinical trials. We have not instituted clinical trials to date and cannot predict whether we will do so in the future. The Kava Pharmaceuticals technology is unrelated to our current clinical programs or our programs in development. Dr. Chen and his affiliates hold a non-voting membership interest in an unrelated entity CMAC, LLC, that is the majority stockholder of these three companies. Dr. Chen and his affiliates own substantially all of an entity, Three L Enterprises, that was a greater than 10% stockholder in Cancer Genomics, Inc., and SinglePixel Biomedical, Inc. The consideration paid in, and the terms of, this transaction were determined through negotiation between the shareholders of these entities and the management and board of directors of Synta.

License Agreement with SBR

In April 2002, we entered into an exclusive license agreement with SBR for certain small molecule technology and know-how. Pursuant to this license, we paid SBR an initial fee of $1.0 million, and were obligated to make milestone payments and pay royalties. At the time of this transaction, Dr. Chen and his affiliates were significant shareholders of SBR as described above. This agreement was terminated in connection with our acquisition of Principia described above.

Sublease with Affiliated Entities of Dr. Lan Bo Chen

In October 2001, we entered into an oral arrangement to sublet office space from Munchi BioTherapeutics Corp., formerly known as Asiana Pharmaceuticals Corporation, an entity affiliated with and controlled by Dr. Chen. Three L Enterprises is the sole stockholder of this entity. Under the terms of this oral arrangement, we pay the monthly lease fees payable pursuant to the underlying lease, and we are obligated to pay the lease fees through the termination of the lease on May 30, 2009. In the alternative, we may find another tenant to sublet the space, but we are obligated to pay any difference between the monthly rent paid by the other tenant and the amount owed under the lease. Pursuant to this arrangement, we paid a total of approximately $14,000, $174,000, $194,000, and $231,000 in 2001, 2002, 2003, and 2004, respectively. We are engaged in final negotiations regarding the assignment of the lease to us.

Consulting Agreement with Dr. Lan Bo Chen

In 2002, we entered into an oral consulting agreement with Dr. Chen pursuant to which Dr. Chen provides consulting services as mutually determined by us and Dr. Chen from time to time. This consulting agreement has no definitive term. Under the terms of the agreement, we provide compensation to

Dr. Chen of $25,000 per month. Dr. Chen was paid $75,000, $300,000 and $300,000 in 2002, 2003 and 2004, respectively, under this arrangement.

Agreement and Release with Dr. Lan Bo Chen

In January 2005, we entered into an Agreement and Release with Dr. Chen whereby we resolved all outstanding matters regarding various oral understandings and arrangements between Dr. Chen and Synta, including arrangements relating to (1) the assignment by Dr. Chen of the benefit of his interests resulting from our acquisition of the assets of Cancer Genomics, Inc., Kava Pharmaceuticals, Inc., and SinglePixel Biomedical, Inc., (2) Dr. Chen's assignment of inventions, non-competition, non-solicitation and confidentiality agreements with us, and (3) a general release by Dr. Chen of any and all claims that Dr. Chen may have had against us. Pursuant to this agreement we will pay Dr. Chen $500,000 payable in $25,000 installments quarterly for five years.

Investor Rights Agreement

Upon completion of this offering, the holders of 34,286,089 shares of our common stock and 1,018,750 shares of our common stock issuable upon the exercise of options, are entitled to registration rights with respect to the shares of common stock held by them. These rights are provided under the terms of an investor rights agreement, as amended, between us and these shareholders. These shareholders include the following directors, beneficial owners of more than five percent of our voting securities, and their affiliates:

Name of Holder	Number of Registrable Shares
CxSynta, LLC	24,284,285
Gollust Trust II	200,000
Wyandanch Partners, LP	3,662,068
Keith R. Gollust(1)	915,095
Bruce Kovner(2)	548,236
Total:	29,609,684

(1) Consists of 115,095 shares of common stock and 800,000 shares of common stock issuable upon the exercise of options.

(2) Consists of 329,486 shares of common stock and 218,750 shares of common stock issuable upon the exercise of options.

See "Description of Capital Stock — Registration Rights" for a more detailed description of these registration rights.

Indemnification Arrangements

Our restated certificate of incorporation and restated bylaws to be effective upon completion of this offering provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware law. In addition, we expect to enter into indemnification agreements with each of our directors and executive officers prior to completion of the offering. See "Management — Limitation of Officers' and Directors' Liability and Indemnification" for a more detailed description of these indemnification arrangements.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information regarding the beneficial ownership of our common stock as of January 12, 2005, and as adjusted to reflect the sale of our common stock offered by this prospectus by:

- the executive officers named in the summary compensation table;
- each of our directors;
- all of our current directors and executive officers as a group; and
- each stockholder known by us to own beneficially more than five percent of our common stock.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. Shares of common stock that may be acquired by an individual or group within 60 days of January 12, 2005, pursuant to the exercise of options or warrants, are deemed to be outstanding for the purpose of computing the percentage ownership of such individual or group, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person shown in the table. Percentage of ownership is based on 90,471,492 shares of common stock outstanding on January 12, 2005 and shares of common stock outstanding after the completion of this offering.

Except as indicated in footnotes to this table, we believe that the stockholders named in this table have sole voting and investment power with respect to all shares of common stock shown to be beneficially owned by them, based on information provided to us by such stockholders. Unless otherwise indicated, the address for each director and executive officer listed is: c/o Synta Pharmaceuticals Corp., 45 Hartwell Avenue, Lexington, Massachusetts 02421.

		Percentage of Common Stock Beneficially Owned	
Beneficial Owner	**Number of Shares Beneficially Owned**	**Before Offering**	**After Offering**
Directors and Executive Officers			
Safi R. Bahcall, Ph.D.(1)	8,962,601	9.9%	
Keizo Koya, Ph.D.(2)	688,750	*	
Matthew L. Sherman, M.D.(3)	247,500	*	
James G. Barsoum, Ph.D.(4)	301,250	*	
Wendy E. Rieder, Esq.(5)	245,625	*	
Keith R. Gollust(6)	4,495,913	4.9	
Lan Bo Chen, Ph.D.(7)	13,851,587	15.3	
Bruce Kovner(8)	24,645,021	27.2	
William S. Reardon, C.P.A.	—	—	
Robert N. Wilson(9)	807,750	*	
All current executive officers and directors as a group (12 persons)(10)	54,489,749	59.2	
Five Percent Stockholders			
CxSynta LLC c/o Caxton Corporation Princeton Plaza, Building 2 731 Alexander Road Princeton, NJ 08540(11)	24,284,285	26.8	
Lin-Huey Chen 184 East Emerson Road Lexington, MA 02420(12)	13,851,587	15.3	

* Represents beneficial ownership of less than 1% of the shares of Common Stock.

(1) Represents shares of common stock owned of record by Dr. Bahcall. The amount excludes an aggregate of 440,000 shares of common stock of which 60,000 shares are owned of record by the Safi R. Bahcall Irrevocable Trust, the trustee of which is Dr. Bahcall's mother and of which Dr. Bahcall is the beneficiary; 260,000 shares are owned of record by the Neta Bahcall Grantor Retained Annuity Trust, the trustee of which is Dr. Bahcall's father and of which Dr. Bahcall is a beneficiary; 60,000 shares owned of record by the Dan O. Bahcall Irrevocable Trust, the trustee of which is Dr. Bahcall's mother and of which Dr. Bahcall's brother is the beneficiary; and 60,000 shares are owned of record by the Orli G. Bahcall Irrevocable Trust, the trustee of which is Dr. Bahcall's mother and of which Dr. Bahcall's sister is the beneficiary. Dr. Bahcall disclaims beneficial ownership of the shares held by these trusts.

(2) Consists of 160,000 shares of common stock owned of record by and 528,750 shares of common stock issuable upon the exercise of options exercisable within 60 days of January 12, 2005 held by Dr. Koya.

(3) Consists of 160,000 shares of common stock owned of record by and 87,500 shares of common stock issuable upon the exercise of options exercisable within 60 days of January 12, 2005 held by Dr. Sherman.

(4) Consists of 160,000 shares of common stock owned of record by and 141,250 shares of common stock issuable upon the exercise of options exercisable within 60 days of January 12, 2005 held by Dr. Barsoum.

(5) Consists of 100,000 shares of common stock owned of record by and 145,625 shares of common stock issuable upon the exercise of options exercisable within 60 days of January 12, 2005 held by Ms. Rieder.

(6) Consists of 115,095 shares of common stock owned of record by and 518,750 shares of common stock issuable upon the exercise of options exercisable within 60 days of January 12, 2005 held by Mr. Gollust; 200,000 shares of common stock owned of record by the Gollust Trust II, a trust established for the benefit of Mr. Gollust's minor children; and 3,662,068 shares of common stock owned of record by Wyandanch Partners, L.P. Mr. Gollust is president and sole stockholder of Gollust Management, Inc., which is the general partner of Wyandanch Partners, L.P.

(7) Consists of 2,743,472 shares of common stock owned of record by Dr. Chen; 500,000 shares of common stock owned of record by the Lan Bo Chen 2004 GRAT; 568,895 shares of common stock owned of record by LAJ Holdings LLC, the manager of which is Dr. Chen's spouse; 8,016,066 shares of common stock owned of record by the Wisteria Trust, the trustee of which is Dr. Chen's spouse; 967,127 shares of common stock owned of record by the Ann Chen Trust, a co-trustee of which is Dr. Chen's spouse; 967,127 shares of common stock owned of record by the Jane Chen Trust, a co-trustee of which is Dr. Chen's spouse; 37,500 shares of common stock owned of record by the Chen Grandchildren's Trust, a co-trustee of which is Dr. Chen's spouse; 21,000 shares of common stock owned of record by the Alexander Chen Wu 2002 Irrevocable Trust, a co-trustee of which is Dr. Chen's spouse; an aggregate of 26,000 shares of common stock owned of record by Dr. Chen's two daughters; and 4,400 shares of common stock owned of record by the Allison Chen Wu 2004 Irrevocable Trust, a co-trustee of which is Dr. Chen's spouse. See note 12.

(8) Consists of 329,486 shares of common stock owned of record by and 31,250 shares of common stock issuable upon the exercise of options exercisable within 60 days of January 12, 2005 held by Mr. Kovner; and 24,284,285 shares of common stock owned of record by CxSynta LLC. Caxton Corporation is the managing member of CxSynta LLC and Bruce Kovner is the chairman of Caxton Corporation. See note 11.

(9) Consists of 750,000 shares of common stock owned of record by and 57,750 shares of common stock issuable upon the exercise of options exercisable within 60 days of January 12, 2005 held by Mr. Wilson.

(10) Consists of the shares of common stock set forth in footnotes 1 through 9 and 100,000 shares of common stock owned of record by John A. McCarthy, Jr. and 100,000 shares of common stock owned of record by Keith S. Ehrlich and 43,752 shares of common stock issuable upon the exercise of options exercisable within 60 days of January 12, 2005 held by Mr. Ehrlich.

(11) Represents 24,284,285 shares of common stock owned of record by CxSynta LLC. Caxton Corporation is the managing member of CxSynta LLC and Bruce Kovner is the chairman of Caxton Corporation. See note 8.

(12) Consists of 2,743,472 shares of common stock owned of record by Ms. Chen's spouse, Dr. Chen; 500,000 shares of common stock owned of record by the Lan Bo Chen 2004 GRAT, the granter of which is Ms. Chen's spouse; 568,895 shares of common stock owned of record by LAJ Holdings LLC, of which Ms. Chen is the manager; 8,016,066 shares of common stock owned of record by the Wisteria Trust, of which Ms. Chen is the trustee; 967,127 shares of common stock owned of record by the Ann Chen Trust, of which Ms. Chen is a co-trustee; 967,127 shares of common stock owned of record by the Jane Chen Trust, of which Ms. Chen is a co-trustee; 37,500 shares of common stock owned of record by the Chen Grandchildren's Trust, of which Ms. Chen is a co-trustee; 21,000 shares of common stock owned of record by the Alexander Chen Wu 2002 Irrevocable Trust, of which Ms. Chen is a co-trustee; an aggregate of 26,000 shares of common stock owned of record by Ms. Chen's two daughters; and 4,400 shares of common stock owned of record by the Allison Chen Wu 2004 Irrevocable Trust, of which Ms. Chen is a co-trustee. See note 7.

DESCRIPTION OF CAPITAL STOCK

Upon completion of this offering, we will be authorized to issue shares of common stock, $0.0001 par value per share, and 5,000,000 shares of preferred stock, $0.0001 par value per share, and there will be shares of common stock and no shares of preferred stock outstanding. As of January 12, 2005, we had 90,471,492 shares of common stock outstanding held of record by 168 stockholders, and there were outstanding options to purchase 10,228,099 shares of common stock.

Common Stock

Holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, and do not have cumulative voting rights. Subject to preferences that may be applicable to any outstanding shares of preferred stock, holders of common stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by our board of directors out of funds legally available for dividend payments. All outstanding shares of common stock are fully paid and nonassessable, and the shares of common stock to be issued upon completion of this offering will be fully paid and nonassessable. The holders of common stock have no preferences or rights of conversion, exchange, pre-emption or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock. In the event of any liquidation, dissolution or winding-up of our affairs, holders of common stock will be entitled to share ratably in our assets that are remaining after payment or provision for payment of all of our debts and obligations and after liquidation payments to holders of outstanding shares of preferred stock, if any.

Preferred Stock

Preferred stock, if issued, would have priority over the common stock with respect to dividends and other distributions, including the distribution of assets upon liquidation. Our board of directors has the authority, without further stockholder authorization, to issue from time to time shares of preferred stock in one or more series and to fix the terms, limitations, relative rights and preferences, and variations of each series. Although we have no present plans to issue any shares of preferred stock, the issuance of shares of preferred stock, or the issuance of rights to purchase such shares, could decrease the amount of earnings and assets available for distribution to the holders of common stock, could adversely affect the rights and powers, including voting rights, of the common stock, and could have the effect of delaying, deterring, or preventing a change in control of us or an unsolicited acquisition proposal.

Registration Rights

The holders of 34,286,089 shares of our common stock and 1,018,750 shares of our common stock issuable upon the exercise of options are entitled to certain registration rights with respect to these securities as set forth in an agreement between us and the holders of these securities. We are generally required to pay all expenses incurred in connection with registrations effected in connection with the following rights, excluding underwriting discounts and commissions, and fees and expenses of counsel to the registering security holders.

Demand Rights. Beginning upon the expiration of the lock-up agreements entered into by the holders of these registrable securities in connection with this offering, as described below in the section entitled "Shares Eligible for Future Sale — Lock-Up Agreements," subject to specified limitations, the holders of not less than 60% of these registrable securities may require that we register all or a portion of these securities for sale under the Securities Act, if the anticipated aggregate offering price of such securities is at least $15,000,000. We may be required to effect up to two such registrations. Stockholders with these registration rights who are not part of an initial registration demand are entitled to notice and are entitled to include their shares of common stock in the registration.

Piggyback Rights. If at any time after the expiration of the lock-up agreements entered into by the holders of these registrable securities in connection with this offering, we propose to register any of our equity securities under the Securities Act, other than in connection with:

- a registration relating solely to our stock option plans or other employee benefit plans, or
- a registration relating solely to a business combination or merger involving us,

the holders of these registrable securities are entitled to notice of such registration and are entitled to include their shares of common stock in the registration. Under certain circumstances, the underwriters, if any, may limit the number of shares included in any such registration.

Form S-3 Rights. If we become eligible to file registration statements on Form S-3, subject to specified limitations, a holder of these registrable securities can require us to register all or a portion of its registrable securities on Form S-3, if the anticipated aggregate offering price of such securities is at least $10,000,000. We may not be required to effect more than two such registrations in any rolling 12-month period. Stockholders with these registration rights who are not part of an initial registration demand are entitled to notice and are entitled to include their shares of common stock in the registration.

Anti-Takeover Provisions

The provisions of (1) Delaware law, (2) our restated certificate of incorporation to be effective upon completion of this offering, and (3) our restated bylaws to be effective upon completion of this offering discussed below could discourage or make it more difficult to accomplish a proxy contest or other change in our management or the acquisition of control by a holder of a substantial amount of our voting stock. It is possible that these provisions could make it more difficult to accomplish, or could deter, transactions that stockholders may otherwise consider to be in their best interests or the best interests of the company. These provisions are intended to enhance the likelihood of continuity and stability in the composition of our board of directors and in the policies formulated by the board of directors and to discourage certain types of transactions that may involve an actual or threatened change of control of us. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The provisions also are intended to discourage certain tactics that may be used in proxy fights. Such provisions also may have the effect of preventing changes in our management.

Delaware Statutory Business Combinations Provision. We are subject to the anti-takeover provisions of Section 203 of the Delaware General Corporations Law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. For purposes of Section 203, a "business combination" is defined broadly to include a merger, asset sale or other transaction resulting in a financial benefit to the interested stockholder, and, subject to certain exceptions, an "interested stockholder" is a person who, together with his or her affiliates and associates, owns (or within three years prior, did own) 15% or more of the corporation's voting stock.

Classified Board of Directors; Removal of Directors for Cause. Our restated certificate of incorporation and restated bylaws provide that upon completion of this offering, our board of directors will be divided into three classes, with the term of office of the first class to expire at the first annual meeting of stockholders following the initial classification of directors, the term of office of the second class to expire at the second annual meeting of stockholders following the initial classification of directors, and the term of office of the third class to expire at the third annual meeting of stockholders following the initial classification of directors. At each annual meeting of stockholders, directors elected to succeed those directors whose terms expire will be elected for a three-year term of office. All directors elected to our classified board of directors will serve until the election and qualification of their respective successors or

their earlier resignation or removal. The board of directors is authorized to create new directorships and to fill such positions so created and is permitted to specify the class to which any such new position is assigned. The person filling such position would serve for the term applicable to that class. The board of directors (or its remaining members, even if less than a quorum) is also empowered to fill vacancies on the board of directors occurring for any reason for the remainder of the term of the class of directors in which the vacancy occurred. Members of the board of directors may only be removed for cause and only by the affirmative vote of 80% of our outstanding voting stock. These provisions are likely to increase the time required for stockholders to change the composition of the board of directors. For example, in general, at least two annual meetings will be necessary for stockholders to effect a change in a majority of the members of the board of directors.

Advance Notice Provisions for Stockholder Proposals and Stockholder Nominations of Directors. Our restated bylaws provide that, for nominations to the board of directors or for other business to be properly brought by a stockholder before a meeting of stockholders, the stockholder must first have given timely notice of the proposal in writing to our Secretary. For an annual meeting, a stockholder's notice generally must be delivered not less than 45 days nor more than 75 days prior to the anniversary of the mailing date of the proxy statement for the previous year's annual meeting. Detailed requirements as to the form of the notice and information required in the notice are specified in the restated bylaws. If it is determined that business was not properly brought before a meeting in accordance with our bylaws, such business will not be conducted at the meeting.

Special Meetings of Stockholders. Special meetings of the stockholders may be called only by our board of directors pursuant to a resolution adopted by a majority of the total number of directors.

No Stockholder Action by Written Consent. Our restated certificate of incorporation and restated bylaws do not permit our stockholders to act by written consent. As a result, any action to be effected by our stockholders must be effected at a duly called annual or special meeting of the stockholders.

Super-Majority Stockholder Vote Required for Certain Actions. The Delaware General Corporation Law provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless the corporation's certificate of incorporation or bylaws, as the case may be, requires a greater percentage. Our restated certificate of incorporation requires the affirmative vote of the holders of at least 80% of our outstanding voting stock to amend or repeal any of the provisions discussed in this section of this prospectus entitled "Anti-Takeover Provisions." This 80% stockholder vote would be in addition to any separate class vote that might in the future be required pursuant to the terms of any preferred stock that might then be outstanding. In addition, an 80% vote is also required for any amendment to, or repeal of, our restated bylaws by the stockholders. Our restated bylaws may be amended or repealed by a vote of a majority of the total number of directors.

Transfer Agent and Registrar

The transfer agent and registrar for the common stock will be .

Listing

We have applied to list our common stock on the Nasdaq National Market under the symbol "SNTA."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no market for our common stock. Future sales of substantial amounts of our common stock in the public market could adversely affect market prices prevailing from time to time. Furthermore, because only a limited number of shares will be available for sale shortly after this offering due to existing contractual and legal restrictions on resale as described below, there may be sales of substantial amounts of our common stock in the public market after the restrictions lapse. This may adversely affect the prevailing market price and our ability to raise equity capital in the future.

Upon completion of this offering, we will have shares of common stock outstanding, assuming no exercise of any outstanding options outstanding. Of these shares, the shares sold in this offering will be freely transferable without restriction or registration under the Securities Act, except for any shares purchased by one of our existing "affiliates," as that term is defined in Rule 144 under the Securities Act. The remaining shares of common stock existing are "restricted shares" as defined in Rule 144. Restricted shares may be sold in the public market only if registered or if they qualify for an exemption from registration under Rules 144 or 701 of the Securities Act, as described below. As a result of the contractual 180-day lock-up period described below and the provisions of Rules 144 and 701, these shares will be available for sale into the public market as follows:

Number of Shares	Date Available for Sale Into the Public Market
	After 180 days* from the date of this prospectus (subject, in some cases, to volume limitations).
	At various times after 180 days* from the date of this prospectus (subject, in some cases, to volume limitations).

* This 180-day period corresponds to the end of the lock-up period described below in "Lock-Up Agreements." This lock-up period may be extended as described below.

Rule 144

In general, under Rule 144 as currently in effect, beginning 90 days after this offering, a person, or persons whose shares are aggregated, who owns shares that were purchased from us, or any affiliate, at least one year previously, is entitled to sell within any three-month period a number of shares that does not exceed the greater of (1) 1% of our then-outstanding shares of common stock, which will equal approximately shares immediately after this offering, or (2) the average weekly trading volume of our common stock on the Nasdaq National Market during the four calendar weeks preceding the filing of a notice of the sale on Form 144. Sales under Rule 144 are also subject to manner of sale provisions, notice requirements, and the availability of current public information about us. We are unable to estimate the number of shares that will be sold under Rule 144 since this will depend on the market price for our common stock, the personal circumstances of the stockholder and other factors.

Rule 144(k)

Under Rule 144(k), a person who is not deemed to have been one of our affiliates at any time during the three months preceding a sale, and who owns shares within the definition of "restricted securities" under Rule 144 that were purchased from us, or any affiliate, at least two years previously, would be entitled to sell shares under Rule 144(k) without regard to the volume limitations, manner of sale provisions, public information requirements or notice requirements described above.

Rule 701

In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who purchase shares from us in connection with a compensatory stock or option plan or other written

agreement before the effective date of this offering are entitled to resell such shares 90 days after the effective date of this offering in reliance on Rule 144, without having to comply with the holding period requirements or other restrictions contained in Rule 701.

The SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Securities Exchange Act, along with the shares acquired upon exercise of such options, including exercises after the date of this prospectus. Securities issued in reliance on Rule 701 are restricted securities and, subject to the contractual restrictions described above, beginning 90 days after the date of this prospectus, may be sold by persons other than "affiliates," as defined in Rule 144, subject only to the manner of sale provisions of Rule 144 and by "affiliates" under Rule 144 without compliance with its one-year minimum holding period requirement.

Registration Rights

Upon completion of this offering, the holders of 34,286,089 shares of our common stock and 1,018,750 shares of our common stock issuable upon the exercise of options or their transferees, will be entitled to various rights with respect to the registration of these shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares held by affiliates.

Stock Options

As of January 12, 2005, there were options outstanding to purchase 10,228,099 shares of common stock and 3,325,964 shares of common stock were available for future option grants under our stock plans.

Upon completion of this offering, we intend to file a registration statement on Form S-8 under the Securities Act covering all shares of common stock subject to outstanding options or issuable pursuant to our stock plans. Subject to Rule 144 volume limitations applicable to affiliates, shares registered under any registration statements will be available for sale in the open market, except to the extent that the shares are subject to vesting restrictions with us or the contractual restrictions described below.

Lock-Up Agreements

The holders of substantially all of our currently outstanding stock have agreed that, without the prior written consent of Morgan Stanley & Co. Incorporated on behalf of the underwriters and subject to the exceptions described in the section entitled "Underwriters" in this prospectus, they will not, during the period ending 180 days after the date of this prospectus, subject to a possible extension as described below:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock; or

- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common stock,

whether any transaction described above is to be settled by delivery of shares of our common stock or such other securities, in cash or otherwise. Morgan Stanley does not have any pre-established conditions to waiving the terms of the lock-up agreements. Any determination to release any shares subject to the lock-up agreements would be based on a number of factors at the time of determination, including but not necessarily limited to the market price of the common stock, the liquidity of the trading market for the common stock, general market conditions, the number of shares proposed to be sold and the timing, purpose and terms of the proposed sale.

The lock-up agreements also provide that, if we issue an earnings release or if material news or a material event relating to our company occurs during the last 17 days of the 180-day restricted period or if prior to the expiration of the 180-day restricted period we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period, the restricted period will continue for the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

UNDERWRITERS

Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. Incorporated, Lehman Brothers Inc., and Lazard Frères & Co. LLC are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

Name	Number of Shares
Morgan Stanley & Co. Incorporated	
Lehman Brothers Inc.	
Lazard Frères & Co. LLC	
Total	

The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of specified legal matters by their counsel and to other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment option described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the public offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ per share under the public offering price. No underwriter may allow, and no dealer may reallow, any concession to other underwriters or to certain dealers. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an aggregate of additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table. If the underwriters' option is exercised in full, the total price to the public would be $, the total underwriters' discounts and commissions would be $ and the total proceeds to us would be $.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed five percent of the total number of shares of common stock offered by them.

We and all of our directors and officers and holders of substantially all of our outstanding stock have agreed that, without the prior written consent of Morgan Stanley & Co. Incorporated on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock; or

- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of shares of our common stock,

whether any transaction described above is to be settled by delivery of shares of our common stock or such other securities, in cash or otherwise.

The 180-day restricted period described in the preceding paragraph will be extended if:

- during the last 17 days of the 180-day restricted period we issue an earnings release or material news or a material event relating to our company occurs; or

- prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period, in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

These restrictions do not apply to:

- the sale of shares to the underwriters;

- the issuance by us of shares of our common stock upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this prospectus of which the underwriters have been advised in writing;

- the issuance by us of shares or options to purchase shares of our common stock pursuant to our stock plans, provided that the recipient of the shares agrees to be subject to the restrictions described above;

- transactions by any person other than us relating to shares of common stock or other securities acquired in open market transactions after the completion of the offering of the shares, provided that no filing by any party under the Exchange Act will be required or will be voluntarily made in connection with subsequent sales of common stock or other securities acquired in such open market transactions;

- transfers of shares or securities convertible into shares as a gift or charitable contribution, or by will or intestacy;

- transfers of shares or securities convertible into shares to any trust the sole beneficiaries of which are the transferee or a member of the immediate family of the transferee; or

- transfers or securities convertible into shares to certain entities or persons affiliated with the stockholder;

provided that in the case of each of the last three transactions, each donee, distributee, transferee, and recipient agrees to be subject to the restrictions described in the immediately preceding paragraph, no filing under Section 16 of the Securities Exchange Act of 1934, as amended, is required in connection with these transactions, other than a filing on a Form 5 made after the expiration of the 180-day period, and no transaction includes a disposition for value.

The following table shows the underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares of our common stock.

	Paid by Synta Pharmaceuticals	
	No Exercise	Full Exercise
Per share	$	$
Total	$	$

In addition, we estimate that the expenses of this offering payable by us, other than underwriting discounts and commissions, will be $.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. In addition, to stabilize the price of the common stock, the underwriters may bid for, and purchase, shares of common stock in the open market. Finally, the underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing the common stock in this offering, if the syndicate repurchases previously distributed common stock in transactions to cover syndicate short positions or to stabilize the price of the common stock. Any of these activities may stabilize or maintain the market price of the common stock above independent market levels. The underwriters are not required to engage in these activities, and may end any of these activities at any time.

We have applied for quotation of our common stock on the Nasdaq National Market under the symbol "SNTA."

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

Pricing of the Offering

Prior to the offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives. Among the factors to be considered in determining the initial public offering price of the shares will be our future prospects and those of our industry in general, our sales, earnings, and other financial operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities and financial and operating information of companies engaged in activities similar to ours. The estimated initial public offering price range set forth on the cover page of this preliminary prospectus is subject to change as a result of market conditions and other factors.

LEGAL MATTERS

The validity of the issuance of the common stock offered by us in this offering will be passed upon for us by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts. Ropes & Gray LLP, Boston, Massachusetts, has acted as counsel for the underwriters in connection with certain legal matters related to this offering.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The consolidated financial statements of Synta Pharmaceuticals Corp. as of December 31, 2002 and 2003, and for each of the years in the three-year period ended December 31, 2003 and for the period from inception (March 10, 2000) through December 31, 2003, the consolidated financial statements of Principia Associates, Inc. as of September 20, 2002 and for the period from inception (June 17, 2002) through September 20, 2002, and the financial statements of SBR Pharmaceuticals Corp. as of December 31, 2001 and July 31, 2002 and for the year ended December 31, 2001 and the seven months ended July 31, 2002, have been included herein and in the registration statement in reliance upon the reports of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act, with respect to the common stock offered by this prospectus. This prospectus, which is part of the registration statement, omits certain information, exhibits, schedules, and undertakings set forth in the registration statement. For further information pertaining to us and our common stock, reference is made to the registration statement and the exhibits and schedules to the registration statement. Statements contained in this prospectus as to the contents or provisions of any documents referred to in this prospectus are not necessarily complete, and in each instance where a copy of the document has been filed as an exhibit to the registration statement, reference is made to the exhibit for a more complete description of the matters involved.

You may read and copy all or any portion of the registration statement without charge at the public reference room of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the registration statement may be obtained from the SEC at prescribed rates from the public reference room of the SEC at such address. You may obtain information regarding the operation of the public reference room by calling 1-800-SEC-0330. In addition, registration statements and certain other filings made with the SEC electronically are publicly available through the SEC's web site at http://www.sec.gov. The registration statement, including all exhibits and amendments to the registration statement, has been filed electronically with the SEC.

Upon completion of this offering, we will become subject to the information and periodic reporting requirements of the Securities Exchange Act and, accordingly, will file annual reports containing financial statements audited by an independent public accounting firm, quarterly reports containing unaudited financial data, current reports, proxy statements and other information with the SEC. You will be able to inspect and copy such periodic reports, proxy statements, and other information at the SEC's public reference room, and the web site of the SEC referred to above.

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(A Development-Stage Company)

Nine months ended September 30, 2003 and 2004 (unaudited)

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SYNTA PHARMACEUTICALS CORP.
(A Development-Stage Company)

Consolidated Balance Sheets

(in thousands, except share and per share amounts)

(Unaudited)

	December 31, 2003	September 30, 2004
Assets		
Current assets:		
Cash and cash equivalents	$ 36,062	$ 17,359
Restricted cash	345	457
Marketable securities available-for-sale	40,164	38,897
Prepaid expenses and other current assets	302	639
Total current assets	76,873	57,352
Property and equipment, net	3,245	4,550
Other assets	82	270
Total assets	$ 80,200	$ 62,172
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 209	$ 3,338
Accrued expenses	2,755	5,231
Capital lease obligations	—	160
Deferred revenue	345	457
Total current liabilities	3,309	9,186
Capital lease obligations—long term	—	326
Total liabilities	3,309	9,512
Commitments and contingencies (notes 10 and 13)		
Stockholders' equity:		
Common stock, par value $0.0001 per share. Authorized 150,000,000 shares; 71,194,811 shares issued and outstanding and 125,000 subscribed shares at December 31, 2003 and 72,560,655 shares issued and outstanding at September 30, 2004	7	7
Additional paid-in capital	144,149	150,219
Deferred compensation	(2,307)	(2,293)
Stock subscription receivable	(500)	—
Accumulated other comprehensive income (loss)	33	(69)
Deficit accumulated during the development stage	(64,491)	(95,204)
Total stockholders' equity	76,891	52,660
Total liabilities and stockholders' equity	$ 80,200	$ 62,172

See accompanying notes to unaudited consolidated financial statements.

SYNTA PHARMACEUTICALS CORP.
(A Development-Stage Company)

Consolidated Statements of Operations

(in thousands, except share and per share amounts)

(Unaudited)

	Nine months ended September 30		Period from inception (March 10, 2000) through September 30, 2004
	2003	2004	
Research grant revenue	$ 874	$ 173	$ 1,477
Operating expenses:			
Research and development	16,690	24,311	56,217
In-process research and development	—	1,583	19,671
General and administrative	3,812	5,597	12,629
Other compensation expense	—	—	9,315
Total operating expenses	20,502	31,491	97,832
Loss from operations	(19,628)	(31,318)	(96,355)
Other income:			
Investment income, net	257	605	1,151
Net loss	$ (19,371)	$ (30,713)	$ (95,204)
Basic and diluted weighted average common shares outstanding	57,197,898	72,469,568	
Basic and diluted net loss per common share	$ (0.34)	$ (0.42)	

See accompanying notes to unaudited consolidated financial statements.

SYNTA PHARMACEUTICALS CORP.
(A Development-Stage Company)
Consolidated Statement of Stockholders' Equity and Comprehensive Loss
(in thousands, except share amounts)
(Unaudited)

	Common stock		Additional paid-in capital	Deferred compensation	Stock subscription receivable	Accumulated other comprehensive income (loss)	Deficit accumulated during the development stage	Total stockholders' equity	Comprehensive loss
	Shares	Amount							
Balance at December 31, 2003	71,194,811	$ 7	$ 144,149	$ (2,307)	$ (500)	$ 33	$ (64,491)	$ 76,891	
Issuance of common shares under stock subscription	750,000	—	2,493	—	500	—	—	2,993	
Issuance of common stock in connection with acquisition	553,344	—	2,213	—	—	—	—	2,213	
Exercise of stock options	62,500	—	169	—	—	—	—	169	
Issuance and remeasurement of stock options for services	—	—	1,195	(977)	—	—	—	218	
Compensation expense related to stock options for services	—	—	—	991	—	—	—	991	
Unrealized loss on marketable securities	—	—	—	—	—	(102)	—	(102)	(102)
Net loss	—	—	—	—	—	—	(30,713)	(30,713)	(30,713)
Balance at September 30, 2004	72,560,655	$ 7	$ 150,219	$ (2,293)	$ —	$ (69)	$ (95,204)	$ 52,660	$ (30,815)

See accompanying notes to unaudited consolidated financial statements.

SYNTA PHARMACEUTICALS CORP.
(A Development-Stage Company)

Consolidated Statements of Cash Flows

(in thousands)

(Unaudited)

	Nine months ended September 30		Period from inception (March 10, 2000) through September 30, 2004
	2003	2004	
Cash flows from operating activities:			
Net loss	$ (19,371)	$ (30,713)	$ (95,204)
Adjustments to reconcile net loss to net cash used in operating activities:			
In-process research and development	—	1,583	19,671
Common stock issued for licenses	200	—	1,242
Other stock-related compensation expense	638	1,209	13,018
Depreciation and amortization	772	1,113	2,413
Changes in operating assets and liabilities, net of acquisitions:			
Restricted cash	—	(112)	(457)
Prepaid expenses and other current assets	(131)	(337)	(566)
Other assets	(16)	(188)	(203)
Accounts payable	159	3,023	3,287
Accrued expenses	320	2,476	4,165
Deferred revenue	220	112	457
Net cash used in operating activities	(17,209)	(21,834)	(52,177)
Cash flows from investing activities:			
Cash paid for acquisitions, net of cash acquired	—	—	(5,586)
Advances issued to related parties	—	—	(1,630)
Purchases of marketable securities	(30,293)	(58,917)	(106,833)
Sales and maturities of marketable securities	1,998	60,082	67,867
Repayment of advances from related parties	500	—	1,630
Purchases of property and equipment	(375)	(1,121)	(2,138)
Net cash provided by (used in) investing activities	(28,170)	44	(46,690)
Cash flows from financing activities:			
Proceeds from issuances of common stock and warrants, net	24,667	2,993	115,798
Proceeds from exercise of stock options	—	169	593
Payment of capital lease obligation	—	(75)	(165)
Net cash provided by financing activities	24,667	3,087	116,226
Net increase (decrease) in cash and cash equivalents	(20,712)	(18,703)	17,359
Cash and cash equivalents at beginning of period	28,952	36,062	—
Cash and cash equivalents at end of period	$ 8,240	$ 17,359	$ 17,359
Supplemental disclosure of noncash investing and financing activities:			
Purchase of equipment under capital lease	$ —	$ 561	$ 561

See accompanying notes to unaudited consolidated financial statements.

SYNTA PHARMACEUTICALS CORP.
(A Development-Stage Company)

Notes to Unaudited Consolidated Financial Statements

(1) Nature of Business

Synta Pharmaceuticals Corp. (the Company), formerly Neutra Pharmaceuticals Corp., was incorporated in March 2000 and commenced operations in July 2001. The Company is an emerging pharmaceutical company focusing on discovering, developing, and commercializing novel drugs for inflammatory disease, cancer, and diabetes.

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 FDA and other government regulations.

Since its inception, the Company has devoted its efforts to research, product development, and securing financing. Although the Company's planned principal operations have commenced, there have been no significant revenues therefrom. Accordingly, the consolidated financial statements are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 7, *Accounting and Reporting by Development-Stage Enterprises.*

(2) Basis of Presentation

The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States applicable to interim periods. These statements, however, are condensed and do not include all disclosures required by accounting principles generally accepted in the United States for complete financial statements and should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2003.

In the opinion of the Company, the unaudited financial statements contain all adjustments (all of which were considered normal and recurring) necessary to present fairly the Company's financial position at September 30, 2004 and the results of operations and cash flows for the nine-month periods ended September 30, 2003 and 2004 and the period from inception (March 10, 2000) through September 30, 2004. These interim results are not necessarily indicative of results to be expected for a full year or subsequent interim periods.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 recoverability of long-lived and deferred tax assets, valuation of acquired in-process research and development, measurement of stock-based compensation, and the fair value of the Company's common stock. 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.

(3) Accounting Policies

Except as otherwise disclosed in the consolidated financial statements, the accounting policies underlying these quarterly financial statements are those set forth in the consolidated financial statements for the year ended December 31, 2003.

Stock-Based Compensation

The Company accounts for stock-based employee compensation arrangements using the intrinsic value method in accordance with Accounting Principles Board Opinion (APB) No. 25, *Accounting for Stock Issued to Employees*, and complies with the disclosure provisions of SFAS No. 123, *Accounting for Stock-Based Compensation* (SFAS 123), as amended by SFAS No. 148, *Accounting for Stock-Based Compensation—Transition and Disclosure—An Amendment of SFAS No. 123* (SFAS 148). Under APB No. 25, compensation expense is recognized based on the difference, if any, on the date of grant between the fair value of the Company's common stock and the exercise price of stock options granted. Under SFAS 123, compensation cost is measured at the grant date based on the fair value of the award and is recognized on a pro rata basis over the service period, which is usually the vesting period.

The Company provides the disclosure requirements of SFAS No. 148. If compensation expense for the Company's stock-based compensation had been determined based on the fair value at the grant dates as calculated in accordance with SFAS 123, the Company's net loss would approximate the pro forma amounts below:

	Nine months ended September 30	
	2003	2004
	(in thousands, except per share data)	
Net loss, as reported	$ (19,371)	$ (30,713)
Add: stock-based employee compensation expense determined under the fair value method	(428)	(838)
Deduct: stock-based employee compensation expense included in reported net loss	98	218
Pro forma net loss	$ (19,701)	$ (31,333)
Basic and diluted net loss per common share, as reported	$ (0.34)	$ (0.42)
Basic and diluted net loss per common share, pro forma	(0.34)	(0.43)

Equity instruments issued to nonemployees are accounted for in accordance with the provisions of SFAS 123 and Emerging Issues Task Force Issue (EITF) No. 96-18, *Accounting for Equity Instruments that are Issued to Other than Employees for Acquiring, or in Conjunction with Selling, Goods or Services*.

Comprehensive Income (Loss)

SFAS No. 130, *Reporting Comprehensive Income*, requires that all components of comprehensive income (loss) be disclosed in the consolidated financial statements. Comprehensive income 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. Unrealized gains on marketable securities represent the only difference between the Company's net loss and comprehensive loss.

Segment Reporting

The Company has adopted SFAS No. 131, *Disclosure About Segments of an Enterprise and Related Information,* which requires companies to report selected information about operating segments, as well as enterprise-wide disclosures about products, services, geographical area, and major customers. 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 Net Loss Per Common Share

Net loss per share is computed based on the guidance of SFAS No. 128, *Earnings Per Share* (SFAS 128), requiring companies to report both basic net loss per common share, which is computed using the weighted average number of common shares outstanding during the period, and diluted net loss per common share, which 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 all periods presented, diluted net loss per share is the same as basic net loss per share as the inclusion of weighted average shares of common stock issuable upon the exercise of stock options and warrants would be anti-dilutive.

The following table summarizes securities outstanding at each of the periods presented which were not included in the calculation of diluted net loss per share since their inclusion would be anti-dilutive.

	September 30	
	2003	2004
Common stock options	7,937,474	10,103,786
Common stock warrants	959,126	383,650

Recent Accounting Pronouncements

In December 2004, the FASB issued SFAS No. 123R, *Share-Based Payment: an amendment of FASB Statements No. 123 and 95* (SFAS 123R), which requires companies to measure and recognize compensation expense for all stock-based payments at fair value. SFAS 123R is effective for all interim and annual periods beginning after June 15, 2005 and, thus, will be effective for us beginning with the third quarter of 2005. Early adoption is encouraged and retroactive application of the provisions of SFAS 123R to the beginning of the fiscal year that includes the effective date is permitted, but not required. We are currently evaluating the impact of SFAS 123R on our financial position and results of operations. See note 3 for information related to the pro forma effects on our reported net loss and net loss per share of applying the fair value recognition provisions of the previous SFAS 123 to stock-based employee compensation.

In May 2003, the Financial Accounting Standards Board (FASB) issued SFAS No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity* (SFAS 150). SFAS 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. The adoption of SFAS 150 in 2003 did not have a material impact on the Company's results of operation or financial position.

In April 2003, the FASB issued SFAS No. 149, *Amendment of Statement 133 on Derivative Instruments and Hedging Activities* (SFAS 149). SFAS 149 amends and clarifies financial accounting and reporting for derivative instruments and for hedging activities under Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities.* The adoption of SFAS 149 in 2003 did not have a material impact on the Company's results of operation or financial position.

In January 2003, the FASB issued FASB Interpretation No. 46 (FIN 46), *Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51*, and in December 2003, issued a revised FIN 46 (FIN 46R) which addresses the period of adoption of FIN 46 for entities created before January 31, 2003. FIN 46 provides a new consolidation model which determines control and consolidation based on potential variability in gains and losses. The provisions of FIN 46 are effective for enterprises with variable interest entities created after January 31, 2003. The Company adopted the provisions of FIN 46 in the first quarter of 2004, and the adoption did not have a material impact on the consolidated financial statements.

(4) Acquisition

In January 2004, the Company acquired certain assets of Cancer Genomics, Inc., Kava Pharmaceuticals, Inc. (Kava) and SinglePixel Biomedical, Inc. (collectively, CKS) in a single transaction. Direct and indirect shareholders in these companies included the Company's scientific founder, who is also a board member, as well as three current or former Company executives. The purchase price of approximately $2.2 million consisted of 553,344 shares of the Company's common stock. In addition, the Company is required to make cash payments of up to $2.0 million if certain milestones are achieved. If commercialization is achieved, the Company will be required to pay royalties on the gross sales of any payment of service covered by the acquired technology. Under the terms of the Asset Purchase Agreement, if within 30 months following the sale, the Company has not initiated clinical trials for a Kava product, then the shareholders of Kava have the option to repurchase the intellectual property from the Company for $750,000 for a period of three months after the 30 month period ends. The intellectual property acquired from Kava is unrelated to our current clinical programs or our programs in development.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition (in thousands):

In-process research and development	$ 1,583
Property and equipment (including capitalized software)	736
Total assets acquired	2,319
Liabilities assumed	(106)
Net assets acquired	$ 2,213

The purchase price was allocated to assets acquired and liabilities assumed based on management's analysis and estimates of fair values. Management's estimates of fair value are based on assumptions believed to be reasonable, but which are inherently uncertain and unpredictable. Management utilized the services of an independent valuation firm to support the valuation of the acquired tangible and intangible assets. The acquired in-process research and development (IPR&D) was initially valued at approximately

$0.5 million. The remaining excess purchase price over the identified tangible and intangible assets and liabilities assumed was approximately $1.1 million. The excess amount was allocated to the acquired intangible assets, resulting in approximately $1.6 million being assigned to IPR&D assets that were written off at the date of acquisition in accordance with Financial Accounting Standards Board (FASB) Interpretation No. 4, *Applicability of FASB Statement No. 2 to Business Combinations Accounted for by the Purchase Method*.

(5) Marketable Securities

A summary of available-for-sale marketable securities held by the Company as of December 31, 2003 and September 30, 2004 is as follows:

	December 31, 2003			
	Cost	Unrealized gains	Unrealized losses	Fair value
	(in thousands)			
Cash and cash equivalents:				
Cash and money market funds	$ 34,547	$ —	$ —	$ 34,547
Marketable securities maturing within 3 months	1,515	—	—	1,515
Total cash and cash equivalents	36,062	—	—	36,062
Marketable securities:				
Corporate bonds:				
Due within 1 year	18,227	—	(10)	18,217
Due within 1 to 2 years	16,521	25	(2)	16,544
	34,748	25	(12)	34,761
Government agency bonds:				
Due within 1 year	5,383	20	—	5,403
Due within 1 to 2 years	—	—	—	—
	5,383	20	—	5,403
Total marketable securities	40,131	45	(12)	40,164
Total cash, cash equivalents and marketable securities.	$ 76,193	$ 45	$ (12)	$ 76,226

	September 30, 2004			
	Cost	Unrealized gains	Unrealized losses	Fair value
	(in thousands)			
Cash and cash equivalents:				
Cash and money market funds	$ 14,368	$ —	$ —	$ 14,368
Marketable securities maturing within 3 months	2,991	—	—	2,991
Total cash and cash equivalents	17,359	—	—	17,359
Marketable securities:				
Corporate bonds:				
Due within 1 year	18,526	—	(19)	18,507
Due within 1 to 2 years	16,954	—	(50)	16,904
	35,480	—	(69)	35,411
Government agency bonds:				
Due within 1 year	3,486	—	—	3,486
Due within 1 to 2 years	—	—	—	—
	3,486	—	—	3,486
Total marketable securities	38,966	—	(69)	38,897
Total cash, cash equivalents and marketable securities.	$ 56,325	$ —	$ (69)	$ 56,256

(6) Property and Equipment

Property and equipment consist of the following:

	December 31, 2003	September 30, 2004
	(in thousands)	
Laboratory equipment	$ 2,488	$ 3,440
Leasehold improvements	1,841	1,841
Computers and software	122	1,027
Equipment under capital lease	—	561
Furniture and fixtures	100	100
	4,551	6,969
Less accumulated depreciation and amortization	(1,306)	(2,419)
	$ 3,245	$ 4,550

Depreciation and amortization expenses of property and equipment were approximately $772,000, $1,113,000 and $2,413,000 for the nine months ended September 30, 2003 and 2004 and the period from inception (March 10, 2000) through September 30, 2004, respectively.

(7) Stockholders' Equity

Issuance of Common Stock

In January 2004, the Company sold 750,000 shares of its common stock at $4.00 per share, for net proceeds of $2,993,000 (C Round Financing).

In January 2004, the Company issued 553,344 shares of its common stock in exchange for the net assets of CKS.

From January through September 2004, options for 62,500 shares of common stock were exercised for net proceeds of $169,000.

(8) Stock Option Plan

As of September 30, 2004, the Company had options outstanding to purchase 10,113,786 shares of its common stock and had available for future issuance stock options to purchase 4,667,464 shares under the 2001 Stock Option Plan.

The Company's stock option activity is as follows:

	2004	
	Shares	Weighted average exercise price
Outstanding at January 1	7,695,474	$ 2.54
Granted	2,888,875	3.87
Exercised	(62,500)	2.71
Cancelled	(418,063)	2.41
Outstanding at September 30	10,103,786	2.93

In 2001, 2002, 2003 and during the nine months ended September 30, 2004, the Company issued stock options to purchase 374,550, 548,674, 457,400 and 156,000 shares of common stock, respectively, to nonemployee consultants, including its scientific advisors. The compensation expense is recorded over the respective vesting periods and is subject to variable accounting treatment prior to vesting, whereby the Company remeasures the fair value of the options at the end of each reporting period. Compensation expense related to these options was approximately $638,000, $991,000, and $3,485,000 for the nine months ended September 30, 2003 and 2004 and for the period from inception (March 10, 2000) through September 30, 2004, respectively.

(9) Accrued Expenses

Accrued expenses consist of the following:

	December 31, 2003	September 30, 2004
	(in thousands)	
Contracted research costs	$ 1,462	$ 3,564
Compensation and benefits	900	458
Professional fees	232	725
Other	161	484
	$ 2,755	$ 5,231

(10) Commitments and Contingencies

Leases

In June 2004, the Company entered into a noncancelable operating lease for additional laboratory and office space through January 2008.

Until December 2004, the Company subleased laboratory and office space from its scientific founder, who is a major shareholder of the Company, under a tenant-at-will arrangement. In May 2004, in agreement with the Company, the scientific founder exercised a five-year renewal option under the lease. The Company expects that the lease will be assigned to the Company in January 2005. The renewed noncancelable operating lease agreement expires in May 2009.

The Company expects to enter into a noncancelable operating lease for an additional office facility in January 2005. The lease has a two-year term with a one-year renewal option.

Minimum payment commitments exclusive of operating costs and taxes, under these and all other of the Company's operating leases are as approximately as follows (in thousands):

Years ended December 31,	
2005	$ 1,861
2006	1,827
2007	913
2008	249
2009	80
Total	$ 4,930

(11) Related-Party Transactions

Consulting Agreements

The Company paid its scientific founder, who is also a member of its Board of Directors, consulting fees of approximately $225,000 in each of the nine months ended September 30, 2003 and 2004.

(12) Income Taxes

In January 2005, the Company completed an analysis to determine if there were changes in ownership, as defined by Section 382 of the Internal Revenue Code, that would limit its ability to utilize certain net operating loss and tax credit carryforwards. The Company determined that it experienced an ownership change, as defined by Section 382, in connection with its acquisition of Principia Associates, Inc. on September 20, 2002. As a result, the utilization of the Company's federal tax net operating loss carryforwards generated prior to the ownership change is limited. As of September 30, 2004, the Company has net operating loss carryforwards for U.S. federal tax purposes of approximately $83.5 million, of which $13.1 million will expire unused as a result of this limitation. In addition, as of September 30, 2004, the Company has state net operating loss carryforwards of approximately $54.8 million. The utilization of these net operating loss carryforwards may be further limited if the Company experiences future ownership changes as defined in Section 382 of the Internal Revenue Code.

(13) Subsequent Events

Sale and Issuance of Common Stock

In October 2004, the Company's stockholders approved an increase in the number of authorized shares of common stock from 100,000,000 shares to 150,000,000 shares.

In November 2004, the Company sold and issued 16 million shares of its common stock to private investors for $5.00 per share, yielding net proceeds of $79.9 million after transaction costs (D Round Financing).

Equipment Lease Line of Credit

In November 2004, the Company entered into an agreement for an equipment lease line of credit. Under the agreement, the Company may periodically directly lease, or sell and lease back, up to $3.0 million of equipment, with payment periods of 36 or 48 months and a $1.00 purchase option at the end of each lease period. The lease rates are based upon a fixed base interest rate plus the respective prevailing 36- or 48-month U.S. Treasury Bill interest rates at the time of each funding. The leases will be accounted for as capital leases. In November 2004, the Company sold and leased back under this agreement approximately $1.3 million of its previously purchased equipment, of which approximately $1.0 million and $0.3 million were capitalized and will be paid over 36 and 48 months, respectively.

Issuance of Restricted Stock

In December 2004, the Company sold and issued 1,460,000 million restricted shares of common stock to its officers and certain employees at par value. Holders of the restricted shares employed by the Company in January 2007 will become vested in 50% of the restricted stock. The remaining 50% vests upon the earlier of January 2009 or the approval of the Company's first New Drug Application (NDA) by the Food and Drug Administration (FDA). The excess of the fair value over the purchase price of the common stock at the date of issuance, an aggregate of approximately $8.0 million, will be amortized and expensed ratably over the vesting period.

Scientific Founders' Agreement and Release

In January 2005, the Company entered into an Agreement and Release with its scientific founder, who is a board member, whereby all outstanding matters regarding various oral understandings and arrangements between the scientific founder and the Company were resolved, including arrangements relating to (1) the assignment by the scientific founder of the benefit of his interests resulting from the Company's acquisition of the net assets of CKS, (2) the scientific founder's assignment of inventions, non-competition, non-solicitation and confidentiality agreements with the Company, and (3) a release by the scientific founder of any and all claims that the scientific founder may have had against the Company. Pursuant to this agreement the Company is paying the scientific founder $500,000 payable in $25,000 installments quarterly for five years.

Report of Independent Registered Public Accounting Firm

The Board of Directors
Synta Pharmaceuticals Corp.:

We have audited the accompanying consolidated balance sheets of Synta Pharmaceuticals Corp. (the Company), a development-stage company, as of December 31, 2002 and 2003, and the related consolidated statements of operations, stockholders' equity (deficit) and comprehensive loss, and cash flows for each of the years in the three-year period ended December 31, 2003 and the period from inception (March 10, 2000) through December 31, 2003. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Synta Pharmaceuticals Corp. as of December 31, 2002 and 2003, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2003, and the period from inception (March 10, 2000) through December 31, 2003, in conformity with United States generally accepted accounting principles.

/s/ KPMG LLP

Boston, Massachusetts
September 13, 2004

SYNTA PHARMACEUTICALS CORP.
(A Development-Stage Company)

Consolidated Balance Sheets

(in thousands, except share and per share amounts)

	December 31	
	2002	2003
Assets		
Current assets:		
Cash and cash equivalents	$ 28,952	$ 36,062
Restricted cash	—	345
Marketable securities available-for-sale	—	40,164
Advances to related party	500	—
Prepaid expenses and other current assets	144	302
Total current assets	29,596	76,873
Property and equipment, net	3,482	3,245
Other assets	95	82
Total assets	$ 33,173	$ 80,200
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 7	$ 209
Accrued expenses	2,015	2,755
Deferred revenue	—	345
Total current liabilities	2,022	3,309
Commitments and contingencies (notes 11 and 15)		
Stockholders' equity		
Common stock, par value $0.0001 per share. Authorized 100,000,000 shares; 49,922,031 shares issued and outstanding at December 31, 2002 and 71,194,811 shares issued and outstanding and 125,000 subscribed shares at December 31, 2003	5	7
Additional paid-in capital	68,430	144,149
Deferred compensation	(671)	(2,307)
Stock subscription receivable	—	(500)
Accumulated other comprehensive income	—	33
Deficit accumulated during the development stage	(36,613)	(64,491)
Total stockholders' equity	31,151	76,891
Total liabilities and stockholders' equity	$ 33,173	$ 80,200

See accompanying notes to consolidated financial statements.

SYNTA PHARMACEUTICALS CORP.
(A Development-Stage Company)

Consolidated Statements of Operations

(in thousands, except share and per share amounts)

	Years ended December 31			Period from inception (March 10, 2000) through December 31, 2003
	2001	2002	2003	
Research grant revenue	$ —	$ —	$ 1,304	$ 1,304
Operating expenses:				
Research and development	277	7,292	24,337	31,906
In-process research and development	—	18,088	—	18,088
General and administrative	124	1,569	5,261	7,032
Other compensation expense	—	9,315	—	9,315
Total operating expenses	401	36,264	29,598	66,341
Loss from operations	(401)	(36,264)	(28,294)	(65,037)
Other income:				
Investment income, net	20	110	416	546
Net loss	$ (381)	$ (36,154)	$ (27,878)	$ (64,491)
Basic and diluted weighted average common shares outstanding	12,156,164	33,114,565	60,096,198	—
Basic and diluted net loss per common share	$ (0.03)	$ (1.09)	$ (0.46)	$ —

See accompanying notes to consolidated financial statements.

SYNTA PHARMACEUTICALS CORP.
(A Development-Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit) and Comprehensive Loss
(in thousands, except share amounts)

	Common stock								
	Shares	Amount	Additional paid-in capital	Deferred compensation	Stock subscription receivable	Accumulated other comprehensive income	Deficit accumulated during the development stage	Total stockholders' equity (deficit)	Comprehensive loss
Balance at inception	—	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$
Net loss	—	—	—	—	—	—	(78)	(78)	(78)
Balance at December 31, 2000	—	—	—	—	—	—	(78)	(78)	$ (78)
Issuance of common shares to founders	20,400,000	2	—	—	—	—	—	2	
Issuance of common shares	6,800,000	1	3,399	—	(225)	—	—	3,175	
Issuance and remeasurement of stock options for services	—	—	120	(120)	—	—	—	—	
Compensation expense related to stock options for services	—	—	—	26	—	—	—	26	
Net loss	—	—	—	—	—	—	(381)	(381)	(381)
Balance at December 31, 2001	27,200,000	3	3,519	(94)	(225)	—	(459)	2,744	$ (381)
Issuance of common shares	14,252,230	1	38,634	—	—	—	—	38,635	
Issuance of common stock and warrants for SBR	4,939,500	1	15,859	—	—	—	—	15,860	
Proceeds from stock subscription	—	—	—	—	225	—	—	225	
Issuance of common stock for licenses	384,447	—	1,042	—	—	—	—	1,042	
Issuance of common stock for Diagon	3,145,854	—	8,525	—	—	—	—	8,525	
Issuance and remeasurement of stock options for services	—	—	851	(851)	—	—	—	—	
Compensation expense related to stock options for services	—	—	—	274	—	—	—	274	
Net loss	—	—	—	—	—	—	(36,154)	(36,154)	(36,154)
Balance at December 31, 2002	49,922,031	5	68,430	(671)	—	—	(36,613)	31,151	$ (36,154)
Issuance of common shares, net	20,467,275	2	70,478	—	—	—	—	70,480	
Amount due from stock subscription	—	—	500	—	(500)	—	—	—	
Issuance of common stock for licenses	73,779	—	200	—	—	—	—	200	
Exercise of stock warrants	575,476	—	288	—	—	—	—	288	
Exercise of stock options	156,250	—	423	—	—	—	—	423	
Modification of employee stock options	—	—	1,289	—	—	—	—	1,289	
Issuance and remeasurement of stock options for services	—	—	2,541	(2,541)	—	—	—	—	
Compensation expense related to stock options for services	—	—	—	905	—	—	—	905	
Unrealized gain on marketable securities	—	—	—	—	—	33	—	33	33
Net loss	—	—	—	—	—	—	(27,878)	(27,878)	(27,878)
Balance at December 31, 2003	71,194,811	$ 7	$ 144,149	$ (2,307)	$ (500)	$ 33	$ (64,491)	$ 76,891	$ (27,845)

See accompanying notes to consolidated financial statements.

SYNTA PHARMACEUTICALS CORP.
(A Development-Stage Company)

Consolidated Statements of Cash Flows

(in thousands)

	Years ended December 31			Period from inception (March 10, 2000) through December 31, 2003
	2001	2002	2003	
Cash flows from operating activities:				
Net loss	$ (381)	$ (36,154)	$ (27,878)	$ (64,491)
Adjustments to reconcile net loss to net cash used in operating activities:				
In-process research and development	—	18,088	—	18,088
Common stock issued for licenses	—	1,042	200	1,242
Other stock-related compensation expense	26	9,589	2,194	11,809
Depreciation and amortization	2	292	1,006	1,300
Changes in operating assets and liabilities, net of acquisitions:				
Restricted cash	—	—	(345)	(345)
Prepaid expenses and other current assets	(19)	(53)	(157)	(229)
Other assets	—	(27)	13	(15)
Accounts payable	29	33	202	264
Accrued expenses	—	880	808	1,689
Deferred revenue	—	—	345	345
Net cash used in operating activities	(343)	(6,310)	(23,612)	(30,343)
Cash flows from investing activities:				
Cash paid for acquisitions, net of cash acquired	—	(5,586)	—	(5,586)
Advances issued to related parties	(1,131)	(500)	—	(1,630)
Purchases of marketable securities	—	—	(47,916)	(47,916)
Sales and maturities of marketable securities	—	—	7,785	7,785
Repayment of advances from related parties	—	1,000	500	1,630
Purchases of property and equipment	—	(200)	(769)	(1,017)
Net cash used in investing activities	(1,131)	(5,286)	(40,400)	(46,734)
Cash flows from financing activities:				
Proceeds from issuance of common stock and warrants, net	3,177	38,860	70,768	112,805
Proceeds from exercise of stock options	—	—	424	424
Payment of capital lease obligation	—	(20)	(70)	(90)
Net cash provided by financing activities	3,177	38,840	71,122	113,139
Net increase in cash and cash equivalents	1,703	27,244	7,110	36,062
Cash and cash equivalents at beginning of period	5	1,708	28,952	—
Cash and cash equivalents at end of period	$ 1,708	$ 28,952	$ 36,062	$ 36,062

See accompanying notes to consolidated financial statements.

(1) Nature of Business

Synta Pharmaceuticals Corp. (the Company), formerly Neutra Pharmaceuticals Corp., was incorporated in March 2000 and commenced operations in July 2001. The Company is an emerging pharmaceutical company focusing on discovering, developing, and commercializing novel drugs for inflammatory disease, cancer and diabetes.

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 FDA and other government regulations.

(2) Summary of Significant Accounting Policies

Basis of Presentation

Since its inception, the Company has devoted its efforts to research, product development, and securing financing. The Company's planned principal operations have not commenced. Accordingly, the consolidated financial statements are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 7, *Accounting and Reporting by Development-Stage Enterprises.*

Principles of Consolidation

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

Reclassification in the Preparation of Financial Statements

Certain amounts in prior years' consolidated financial statements have been reclassified to conform with the current presentation. These reclassifications had no effect on the Company's reported net loss or financial position.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 recoverability of long-lived and deferred tax assets, valuation of acquired in-process research and development, measurement of stock-based compensation, and the fair value of the Company's common stock. 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

Cash equivalents include money market funds and marketable securities, which are valued at cost plus accrued interest. The Company considers all highly liquid investments with original maturities of three months or less at the date of purchase 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.

Marketable Securities

The Company considers its marketable securities available-for-sale in accordance with SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities*. Marketable securities consist of investments in high-grade corporate, 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 sheet. Marketable securities are stated at fair value, including accrued interest, with their unrealized gains and losses included as a component of accumulated other comprehensive income (loss), which is a separate component of stockholders' equity, until such gains and losses are realized. The fair value of these securities is based on quoted market prices. If a decline in value is considered other-than-temporary, based on available evidence, the unrealized loss is transferred from other comprehensive income (loss) to the consolidated statement of operations. Realized gains and losses are determined on the specific identification method.

During the year ended December 31, 2003, the Company recorded no realized gains and losses on marketable securities. There were no charges to write down marketable securities in 2003.

Credit Risk and Concentrations

Financial instruments that potentially subject the Company to a concentration of credit risk consist of money market funds and marketable securities. Deposits with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and, therefore, bear minimal risk. Marketable securities consist of investments in high-grade corporate, government and government agency obligations. The Company's policy for investments in marketable securities, approved by the board of directors, establishes guidelines relating to diversification and maturities that allows the Company to manage risk.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, which include cash equivalents, marketable securities, and capital lease obligations, approximate their fair values.

Property and Equipment

Property and equipment is carried at cost and depreciated using the straight-line method over the lesser of the lease terms or the estimated useful lives of the related assets, which range from three to five years. Leasehold improvements are amortized over the lesser of the lease term or estimated useful life.

Research and Development Costs

Research and development costs are expensed as incurred in accordance with SFAS No. 2, *Accounting for Research and Development Costs.* Research and development costs are comprised of costs incurred in performing research and development activities, including salaries, benefits, facilities, research-related overhead, clinical trial costs, contracted services, technology acquisition license fees, and other external costs.

Patents

Costs to secure and defend patents are expensed as incurred and are classified as general and administrative expense in the Company's statements of operations. Patent expenses were approximately $0, $158,000, $628,000, and $786,000 for the years ended December 31, 2001, 2002, 2003, and for the period from inception (March 10, 2000) through December 31, 2003, respectively.

Income Taxes

The Company accounts for income taxes in accordance with SFAS No. 109, *Accounting for Income Taxes*. Deferred tax assets and liabilities are determined based on differences between financial reporting and income tax basis of assets and liabilities, as well as net operating loss carryforwards, and are measured using the enacted tax rates and laws that are expected to be in effect when the differences reverse. Deferred tax assets may be reduced by a valuation allowance to reflect the uncertainty associated with their ultimate realization.

Impairment of Long-Lived Assets

The Company accounts for the impairment and disposition of long-lived assets in accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (SFAS 144). In accordance with SFAS 144, management assesses the potential impairments of its long-lived assets whenever events or changes in circumstances indicate that an asset's carrying value may not be recoverable. If the carrying value exceeds the undiscounted future cash flows estimated to result from the use and eventual disposition of the asset, the Company writes down the asset to its estimated fair value. Management believes that no long-lived assets were impaired as of December 31, 2002 and 2003.

Revenue Recognition

The Company recognizes revenue in accordance with the Securities and Exchange Commission's (SEC) Staff Accounting Bulletin No. 101, *Revenue Recognition in Financial Statements* (SAB 101), as amended by Staff Accounting Bulletin No. 104, *Revenue Recognition* (SAB 104). Revenues from research contracts are recognized in the period the related services are performed and the reimbursable costs are incurred. The Company is a development-stage enterprise, and no revenues have been derived to date from its principal operations.

Stock-Based Compensation

The Company accounts for stock-based employee compensation arrangements using the intrinsic value method in accordance with Accounting Principles Board Opinion (APB) No. 25, *Accounting for Stock*

Issued to Employees, and complies with the disclosure provisions of SFAS No. 123, *Accounting for Stock-Based Compensation,* as amended by SFAS No. 148*, Accounting for Stock-Based Compensation—Transition and Disclosure—An Amendment of SFAS No. 123* (SFAS 148). Under APB No. 25, compensation cost is recognized based on the difference, if any, on the date of grant between the fair value of the Company's common stock and the exercise price of stock options granted. Under SFAS No. 123, compensation cost is measured at the grant date based on the fair value of the award and is recognized on a pro rata basis over the service period, which is usually the vesting period.

The Company provides the disclosure requirements of SFAS No. 148. If compensation expense for the Company's stock-based compensation plan had been determined based on the fair value at the grant dates as calculated in accordance with SFAS No. 123, the Company's net loss would approximate the pro forma amounts below:

	Years ended December 31			Period from inception (March 10, 2000) through December 31, 2003
	2001	2002	2003	
	(in thousands, except per share amounts)			
Net loss, as reported	$ (381)	$ (36,154)	$ (27,878)	$ (64,491)
Add: stock-based employee compensation expense determined under the fair value method	(1)	(409)	(2,567)	(2,977)
Deduct: stock-based employee compensation expense included in reported net loss	—	—	1,419	1,419
Pro forma net loss	$ (382)	$ (36,563)	$ (29,026)	$ (66,049)
Basic and diluted net loss per common share, as reported	$ (0.03)	$ (1.09)	$ (0.46)	
Basic and diluted net loss per common share, pro forma	(0.03)	(1.10)	(0.48)	

The Company has estimated the fair value of its granted stock options using the Black-Scholes model by applying a present value approach which does not consider expected volatility of the underlying stock (minimum value method) using the following weighted average assumptions:

	Years ended December 31			Period from inception (March 10, 2000) through December 31, 2003
	2001	2002	2003	
Risk-free interest rate	3.91%	3.34%	2.51%	2.97%
Expected life	5 years	5 years	5 years	5 years
Volatility	—	—	—	—
Expected dividend yield	—	—	—	—

The weighted average fair value per share of options granted during 2001, 2002, and 2003 was $0.32, $1.22, and $1.80, respectively.

Equity instruments issued to nonemployees are accounted for in accordance with the provisions of SFAS No. 123 and Emerging Issues Task Force Issue (EITF) No. 96-18, *Accounting for Equity Instruments that are Issued to Other than Employees for Acquiring, or in Conjunction with Selling Goods or Services*.

Comprehensive Income (Loss)

SFAS No. 130, *Reporting Comprehensive Income*, requires that all components of comprehensive income (loss) be disclosed in the consolidated financial statements. Comprehensive income 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. Unrealized gains on marketable securities represents the only difference between the Company's net loss and comprehensive loss.

Segment Reporting

The Company has adopted SFAS No. 131, *Disclosure About Segments of an Enterprise and Related Information,* which requires companies to report selected information about operating segments, as well as enterprise-wide disclosures about products, services, geographical area, and major customers. 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 Net Loss Per Common Share

Net loss per share is computed based on the guidance of SFAS No. 128, *Earnings Per Share* (SFAS 128), requiring companies to report both basic net loss per common share, which is computed using the weighted average number of common shares outstanding during the period, and diluted net loss per common share, which 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 all periods presented, diluted net loss per share is the same as basic net loss per share as the inclusion of weighted average shares of common stock issuable upon the exercise of stock options and warrants would be anti-dilutive.

The following table summarizes securities outstanding as of each year-end which were not included in the calculation of diluted net loss per share since their inclusion would be anti-dilutive.

	December 31		
	2001	2002	2003
Common stock options	554,550	5,559,224	7,695,474
Common stock warrants	—	959,126	383,650

New Accounting Pronouncements

In May 2003, the Financial Accounting Standards Board (FASB) issued SFAS No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity* (SFAS 150). SFAS 150 establishes standards for how an issuer classifies and measures certain financial instruments with

characteristics of both liabilities and equity. The adoption of SFAS 150 in 2003 did not have a material impact on the Company's results of operation or financial position.

In April 2003, the FASB issued SFAS No. 149, *Amendment of Statement 133 on Derivative Instruments and Hedging Activities* (SFAS 149). SFAS 149 amends and clarifies financial accounting and reporting for derivative instruments and for hedging activities under Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities.* The adoption of SFAS 149 in 2003 did not have a material impact on the Company's results of operation or financial position.

In January 2003, the FASB issued FASB Interpretation No. 46 (FIN 46), *Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51*, and in December 2003, issued a revised FIN 46 (FIN 46R) which addresses the period of adoption of FIN 46 for entities created before January 31, 2003. FIN 46 provides a new consolidation model which determines control and consolidation based on potential variability in gains and losses. The provisions of FIN 46 are effective for enterprises with variable interest entities created after January 31, 2003. The Company adopted the provisions of FIN 46 in the first quarter of 2004 and the adoption did not have a material impact on the consolidated financial statements.

(3) Acquisitions

Principia Associates, Inc.

In September 2002, the Company acquired all of the outstanding capital stock of Principia Associates, Inc. (Principia) and its wholly-owned subsidiary, SBR Pharmaceuticals Corp. (formerly Shionogi BioResearch Corp.) (SBR) in exchange for an aggregate of 4,939,500 shares of common stock of the Company together with warrants to purchase an aggregate of 959,126 shares of common stock of the Company, forgiveness of a $1.0 million short-term promissory notes receivable and cash of approximately $268,000. Total value of consideration paid was approximately $16.9 million. Principia was formed and held by three stockholders of the Company. On July 31, 2002, Principia and members of the Company's board of directors, together with their respective affiliates, acquired a majority of the common stock of SBR. The Company's scientific founder, a member of the board of directors and major shareholder of the Company, previously owned approximately 20% of SBR.

The common stock purchase warrants, which expire in 2005, have an exercise price of $0.50 per share. The warrants were valued at approximately $2.2 million using the Black-Scholes valuation pricing model, with the following assumptions: risk-free interest rate of 2.3%, volatility of 75%, and a life of three years.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition (in thousands):

Current assets, including cash of $922	$	995
In-process research and development		13,888
Property and equipment		3,527
Other assets		67
Total assets acquired		18,477
Liabilities assumed		1,617
Net assets acquired	$	16,860

The purchase price was allocated to assets acquired and liabilities assumed based on management's analysis and estimates of fair values. Management's estimates of fair value are based on assumptions believed to be reasonable, but which are inherently uncertain and unpredictable. Management utilized the services of an independent valuation firm to support the valuation of the acquired intangible assets. The acquired in-process research and development (IPR&D) was valued at $11.7 million. The remaining excess purchase price over the identified tangible and intangible assets and liabilities assumed was approximately $2.2 million. The excess amount was fully allocated to the acquired IPR&D, resulting in approximately $13.9 million being assigned to IPR&D assets that were written off at the date of acquisition in accordance with Financial Accounting Standards Board (FASB) Interpretation No. 4, *Applicability of FASB Statement No. 2 to Business Combinations Accounted for by the Purchase Method*.

The value assigned to IPR&D related to research projects for which technological feasibility had not yet been established and no future alternative uses existed. The fair value was determined using the income approach, which discounts expected future cash flows from projects under development to their net present value using a risk-adjusted rate. Each project was analyzed to determine the technological innovations, which included: the utilization of core technology; the complexity, cost and time to complete development; any alternative future use or current technological feasibility; and the stage of completion. Future cash flows were estimated, taking into account the expected life cycles of the product and the underlying technology, relevant market sizes and industry trends. The estimated net cash flows from these products were based on management's estimates of related revenues, cost of goods sold, R&D costs, selling, general and administrative costs, and income taxes. Discount rates ranging from 30% to 45% were utilized based on the technology of the products, the stage of completion of the projects, the complexity of the development effort and the risks associated with reaching technological feasibility of the projects.

SBR had three products under development at the acquisition date, contributing 59%, 23%, and 18% of the total IPR&D value. The products under development are intended to result in therapeutic products in the areas of oncology, autoimmune disease, and allergy. Commercialization of any product is not anticipated for several years.

Diagon Genetics, Inc.

In December 2002, the Company acquired all of the outstanding capital stock of Diagon Genetics, Inc. (Diagon). The purchase price of approximately $13.5 million consisted of 3,145,854 shares of common stock at a per share value of $2.71 and $5.0 million in cash. Diagon was previously owned by the Company's Chief Executive Officer and scientific founder, both of whom are board members and significant shareholders of the Company.

For accounting purposes, the transaction did not constitute a business combination because Diagon did not meet the definition of a business under EITF 98-3, *Determining Whether a Nonmonetary Transaction Involves Receipt of Productive Assets or of a Business*. At the time, Diagon's activities consisted of owning the rights to the development of certain intellectual property that might be used to develop therapeutic drug products. Commercialization of any product is not anticipated for several years. The Company allocated the purchase price to the fair value of the acquired assets and liabilities. As a result, the Company recorded in-process research and development of $4.2 million based on an independent valuation, which was written off at the date of acquisition. The remaining value of approximately $9.3 million was charged to operations as other compensation cost in the accompanying consolidated statement of operations.

(4) Marketable Securities

A summary of available-for-sale marketable securities held by the Company as of December 31, 2003 is as follows:

	Cost	Unrealized gains	Unrealized losses	Fair value
		(in thousands)		
Cash and cash equivalents:				
Cash and money market funds	$ 34,547	$ —	$ —	$ 34,547
Marketable securities maturing within 3 months	1,515	—	—	1,515
Total cash and cash equivalents	36,062	—	—	36,062
Marketable securities:				
Corporate bonds:				
Due within 1 year	18,227	—	(10)	18,217
Due within 1 to 2 years	16,521	25	(2)	16,544
	34,748	25	(12)	34,761
Government agency bonds:				
Due within 1 year	5,383	20	—	5,403
Due within 1 to 2 years	—	—	—	—
	5,383	20	—	5,403
Total marketable securities	40,131	45	(12)	40,164
Total cash, cash equivalents and marketable securities	$ 76,193	$ 45	$ (12)	$ 76,226

The Company began investing in marketable securities in 2003 and accordingly had no marketable securities as of December 31, 2002.

(5) Property and Equipment

Property and equipment consist of the following at December 31:

	2002	2003
	(in thousands)	
Laboratory equipment	$ 1,797	$ 2,488
Leasehold improvements	1,841	1,841
Office equipment	52	122
Furniture and fixtures	92	100
	3,782	4,551
Less accumulated depreciation and amortization	(300)	(1,306)
	$ 3,482	$ 3,245

Depreciation and amortization expenses of property and equipment were approximately $2,000, $292,000, $1,006,000, and $1,300,000 for the years ended December 31, 2001, 2002, 2003, and for the period from inception (March 10, 2000) through December 31, 2003, respectively.

(6) Stockholders' Equity

Capital Stock—Authorized Shares

On September 5, 2002, the Company amended its Certificate of Incorporation to reflect an increase in its authorized number of shares of common stock to 100,000,000, each share having a $0.0001 par value. As of December 31, 2003, 71,194,811 shares of common stock were issued and outstanding.

Each common stockholder is entitled to one vote for each share of stock held. The common stock will vote together with all other classes and series of stock of the Company as a single class on all actions to be taken by the Company's stockholders. Each share of common stock is entitled to receive dividends, as and when declared by the Company's board of directors.

The Company has never declared cash dividends on any of its capital stock and does not expect to do so in the foreseeable future.

On December 13, 2002, the Company entered into an Amended and Restated Investor Rights Agreement (the Investor Rights Agreement) with its three largest stockholders and their affiliates exclusive of the founders (the Investors). The Investors Rights Agreement grants certain rights and privileges to and places certain restrictions upon the Investors, including: (i) grants the Investor a right of first refusal to purchase the Investor's pro rata share of any private securities offering by the Company, so long as such Investor owns at least 5% of the Company's outstanding common stock; (ii) piggyback registration rights with respect to any registration by the Company of its securities in preparation for a public offering, with priority over other Company stockholders; (iii) demand registration rights commencing 180 days after a public offering in which such Investor did not exercise its piggyback registration rights, allowing the Investor to demand that the Company register the Investor's securities so long as the value of such securities equals or exceeds $5.0 million; and (iv) places restrictions upon the Investors' abilities to transfer, contract to transfer, or enter into any swap agreement related to the Company's securities starting from the date of an initial public offering and ending up to 180 days later, provided that all of the Company's directors, executive officers, and 1% or greater shareholders agree to similar restrictions. Finally, the Company bears certain information reporting and indemnification obligations with respect to the Investors and the registration of the Company's securities, and the Investors bear certain indemnification obligations to the Company with respect to the registration of the Investor's Company securities.

Issuance of Common Stock

In July 2001, the Company issued 20,400,000 shares of its common stock to its founding members for $0.0001 per share.

Between July and December 2001, the Company sold 6,800,000 shares of its common stock at $0.50 per share (the A Round Financing) through a stock subscription, resulting in gross proceeds of $3.4 million. As of December 31, 2001, the Company had a stock subscription receivable of $225,000, which was received in 2002.

During 2002, the Company sold 14,252,230 shares of its common stock at $2.7108 per share (the B Round Financing), resulting in gross proceeds of approximately $38.6 million.

In July and December 2002, the Company issued an aggregate of 384,447 shares of its common stock, plus $30,000 of cash, in exchange for exclusive royalty-bearing licenses for certain patent rights. The

aggregate value of the stock and cash consideration of $1,072,000 was charged immediately to research and development costs.

Between January and March 2003, the Company completed the B Round Financing by issuing 8,717,275 shares of common stock at $2.7108 per share, which in gross proceeds of approximately $23.6 million (see note 11).

In March 2003, the Company issued 73,779 shares of its common stock, plus $40,000 cash, in exchange for an exclusive royalty-bearing license for certain patent rights. The total value of the consideration paid of $240,000 was expensed immediately to research and development costs (see note 11).

In September 2003, the Company commenced the sale of 12,500,000 shares of its common stock at $4.00 per share (the C Round Financing). Through December 31, 2003, the Company had issued 11,750,000 shares, resulting in gross proceeds of $47.0 million. In addition, 125,000 shares of common stock were subscribed but unissued. The stock subscription receivable of $500,000 is reflected as a component of stockholders' equity on the accompanying consolidated balance sheet. The remaining 750,000 shares of common stock were issued in January 2004, which resulted in additional gross proceeds of $3.0 million.

Warrants

In September 2002, the Company issued warrants to purchase an aggregate of 959,126 shares of its common stock at an exercise price of $0.50 per share and with an expiration date of September 19, 2005, in connection with its acquisition of Principia (note 3). In December 2003, warrants to purchase 575,476 shares of the Company's common stock were exercised, resulting in proceeds of $288,000. At December 31, 2003, the Company had outstanding warrants to purchase 383,650 shares of common stock at an exercise price of $0.50 per share and with an expiration date of September 19, 2005.

(7) 2001 Stock Option Plan

In July 2001, the Company adopted the Synta Pharmaceuticals Corp. 2001 Stock Plan (the 2001 Stock Option Plan). The 2001 Stock Option Plan provides for the grant of incentive stock options, nonstatutory stock options and restricted stock to employees, officers, directors and consultants to the Company. A total of 15,000,000 shares of common stock have been reserved for issuance under the 2001 Stock Option Plan. The administration of the 2001 Stock Option Plan is under the general supervision of the board of directors. The exercise price of the stock options will be determined by the board of directors, provided that incentive stock options will be granted at not less than fair market value of the common stock on the date of grant and will expire no later than ten years from the date the option is granted. As of December 31, 2003, the Company had options outstanding to purchase 7,695,474 shares of its common stock and had available for future issuance stock options to purchase 7,148,276 shares under the 2001 Stock Option Plan.

The Company's stock option activity for the years ended December 31, 2001, 2002, and 2003 is as follows:

	2001		2002		2003	
	Shares	Weighted average exercise price	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Outstanding at January 1	—	$ —	554,550	$ 0.50	5,559,224	$ 2.42
Granted	554,550	0.50	5,454,674	2.46	3,156,000	2.82
Exercised	—	—	—	—	(156,250)	2.71
Cancelled	—	—	(450,000)	0.50	(863,500)	2.69
Outstanding at December 31	554,550	0.50	5,559,224	2.42	7,695,474	2.54
Exercisable at December 31	56,950	$ 0.50	1,386,291	$ 2.22	2,985,610	$ 2.37

The following table summarizes information about stock options outstanding at December 31, 2003:

	Options outstanding			Options exercisable	
Exercise price	Number outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number exercisable	Weighted average exercise price
$0.50	727,050	7.91	$ 0.50	460,750	$ 0.50
2.71	6,710,424	8.99	2.71	2,524,860	2.71
4.00	258,000	9.79	4.00	—	—
	7,695,474			2,985,610	

In 2001, 2002, and 2003, the Company issued stock options to purchase 374,550, 548,674, and 457,400 shares of common stock, respectively, to nonemployee consultants, including its scientific advisors. The compensation expense is recorded over the respective vesting periods and is subject to variable accounting treatment prior to vesting, whereby the Company remeasures the fair value of the options at the end of each reporting period. Compensation expense related to these options was approximately $26,000, $274,000, $905,000, and $1,205,000 for the years ended December 31, 2001, 2002, 2003, and for the period from inception (March 10, 2000) through December 31, 2003, respectively.

In connection with a separation agreement with a former officer in 2003 that was memorialized in 2004, the Company accelerated the vesting and extended the time in which the officer may exercise options to purchase 187,500 shares of the Company's common stock and extended the time in which the officer may exercise vested options to purchase an additional 812,500 shares of the Company's common stock. In addition, options to purchase 800,000 shares of the Company's common stock were cancelled pursuant to the terms thereof. The Company recorded a non-cash compensation charge of approximately $1,289,000 related to the modification of the options. In addition, the Company agreed to pay the officer an aggregate of $450,000 during 2004 and 2005. The Company recorded a total charge of approximately $1.7 million to research and development.

(8) Employee Stock Purchase Plan

In December 2002, the Company's board of directors adopted a noncompensatory Employee Stock Purchase Plan (the ESPP). Under the ESPP, employees of the Company who elect to participate may purchase the Company's common stock at a 15% discount from the fair market value. The Company may exclude employees who have not been employed with the Company for at least two years from participating in any offering period under the ESPP at the discretion of the board of directors. The ESPP permits an enrolled employee to make contributions to purchase shares of the Company's common stock by having withheld from his or her salary an amount between 1% and 15% of compensation. The total number of shares of common stock that may be issued under the ESPP is 368,894. As of December 31, 2003, no shares of common stock have been issued under the ESPP.

(9) Accrued Expenses

Accrued expenses consist of the following at December 31:

	2002	2003
	(in thousands)	
Contracted research costs	$ 1,707	$ 1,462
Compensation and benefits	43	900
Professional fees	114	232
Other	151	161
	$ 2,015	$ 2,755

(10) Income Taxes

Differences between the actual tax benefit and tax benefit computed using the United States federal income tax rate is as follows:

	Years ended December 31			Period from inception (March 10, 2000) through December 31, 2003
	2001	2002	2003	
	(in thousands)			
Income tax benefit at statutory rate	$ (133)	$ (12,654)	$ (9,478)	$ (22,293)
In-process research and development	—	6,331	—	6,331
Stock-based compensation	—	3,272	438	3,710
Tax credits	(9)	(1,067)	(425)	(1,501)
Other	—	3	370	373
Change in valuation allowance	142	4,115	9,095	13,380
Income tax benefit	$ —	$ —	$ —	$ —

The effects of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities at December 31, are presented below:

	2002	2003
	(in thousands)	
Deferred tax assets:		
Federal and state net operating loss carryforwards	$ 12,868	$ 21,427
Federal and state research and experimentation credits	1,076	1,822
Licenses	896	918
Depreciation and amortization	394	428
Deferred compensation	28	551
Other	31	418
Deferred tax assets	15,293	25,564
Less valuation allowance	(15,293)	(25,564)
Net deferred tax assets	$ —	$ —

The valuation allowance for deferred tax assets was approximately $15,293,000 and $25,564,000 as of December 31, 2002 and 2003, respectively. The increase in the total valuation allowance for the years ended December 31, 2001, 2002, 2003, and for the period from inception (March 10, 2000) through December 31, 2003 was approximately $188,000, $15,078,000, $10,271,000, and $25,564,000, respectively. The Company has established valuation allowances against its deferred tax assets because management believes that, after considering all of the available objective evidence, both historical and perspective, the realization of the deferred tax assets does not meet the "more likely than not" criteria under SFAS No. 109.

At December 31, 2003, the Company has net operating loss carryforwards for U.S. federal tax purposes of approximately $55,674,000, which will expire in varying amounts through the years 2011 and 2023, respectively, unless utilized. State net operating loss carryforwards are approximately $26,290,000 and start to expire in 2005 unless utilized. In addition, at December 31, 2003, the Company has approximately $1,822,000 in federal and state research and development credit carryforwards.

Pursuant to the Tax Reform Act of 1986, annual utilization of the Company's net operating loss carryforwards and other tax attributes may be limited by a cumulative change in ownership of more than 50% during a three-year period. The Company has not determined the extent of this provision on the utilization of the loss and credit carryforwards.

(11) Commitments and Contingencies

Leases

The Company leases its laboratory and office space for its headquarter facility under a non-cancelable operating lease expiring in June 2006. This lease agreement contains a five-year renewal option. The Company leases other laboratory and office space from its scientific founder, who is a major shareholder of the Company, on a tenant-at-will basis. In addition to minimum lease commitments, the Company pays its pro rata share of property taxes and building operating expenses.

The Company also leases certain equipment under non-cancelable operating leases expiring in April and June 2006.

At December 31, 2003, future minimum commitments under operating leases with noncancelable terms of more than one year are approximately as follows (in thousands):

Years ending December 31:	
2004	$ 587
2005	587
2006	483
	$ 1,657

Rent expense was approximately $16,000, $318,000, $718,000, and $1,052,000 for the years ended December 31, 2001, 2002, 2003, and for the period from inception (March 10, 2000) through December 31, 2003, respectively, including rent paid for the lease from its scientific founder in the amounts of approximately $14,000, $174,000, $194,000 and $382,000, respectively.

License Agreements

Queen's Medical Center

In March 2003, the Company entered into an exclusive, royalty-bearing license agreement with Queen's Medical Center (QMC) for certain technology related to ion channel technologies. The Company paid QMC cash of $40,000 and issued 73,779 shares of its common stock. The total consideration paid of approximately $240,000 was expensed immediately to research and development costs. Under the terms of the Agreement, if certain milestones are met, the Company is obligated to make cash payments of up to an aggregate of $1.0 million. If commercialization is achieved, the Company will be required to pay royalties to QMC on the net sales of any product using the licensed technologies. In the event the Company grants a sublicense of the licensed technology, the Company is obligated to compensate QMC a percentage of all fees received from the sublicense.

Through December 31, 2003, no milestone, royalty, or sublicense payments had been earned by or paid to QMC.

Beth Israel Deaconess Medical Center

In connection with its acquisition of Diagon in December 2002 (see note 3), the Company acquired two exclusive licenses relating primarily to monoclonal antibodies and ion channel technologies, respectively, in return for payment of cash and 184,447 shares of its common stock to Beth Israel Deaconess Medical Center (Beth Israel). The total value of the stock of $500,000 was expensed immediately by the Company to research and development costs. Under the terms of the licenses, if certain milestones are met, the Company is required to make cash payments up to an aggregate of $3.0 million. If commercialization is achieved, the Company will be required to pay royalties on the net sales of any product using the licensed technologies. In the event the Company grants a sublicense of the licensed technologies, the Company is obligated to compensate Beth Israel a percentage of all fees received from the sublicense.

As a result of the Diagon acquisition, the Company also assumed an exclusive license with Beth Israel to specific know-how relating to certain calcium channels. Under the terms of the agreement, if certain milestones are met, the Company is required to make cash payments up to an aggregate of $800,000. If commercialization is achieved, the Company will be required to pay royalties on the net sales of any product using the licensed know-how.

Through December 31, 2003, no milestone, royalty or sublicense payments had been earned by or paid to Beth Israel.

Dana-Farber Cancer Institute

In July 2002, the Company entered into an exclusive license agreement with Dana-Farber Cancer Institute (DFCI) for certain patent rights relating to the use of immune system modulators with other agents for use against cancer. The Company paid DFCI cash of approximately $30,000 and issued 200,000 shares of its common stock. The total consideration paid of approximately $572,000 was expensed immediately to research and development costs. Under the terms of the agreement, if certain milestones are met, the Company is required to make cash payments up to an aggregate of $600,000. If commercialization is achieved, the Company will be required to pay nominal royalties on the net sales of any product using the licensed technologies.

Through December 31, 2003, no milestone, royalty or sublicense payments had been earned by or paid to DFCI.

SBR Pharmaceuticals Corp.

In April 2002, the Company entered into an exclusive license agreement with SBR for certain patent rights relating to a potential cancer product. The Company paid $1.0 million to SBR which was immediately expensed to research and development costs. Under the agreement, the Company was obligated for milestone payments and royalties in the event of commercialization, none of which have been earned or paid. In September 2002, the Company acquired Principia, a related party, who in July 2002 acquired a majority of the outstanding stock of SBR (see note 3).

Consulting Agreements

In July 2002, the Company entered into a consulting agreement with a member of its scientific advisory board (SAB), which was amended and restated effective January 1, 2004. The agreement has an initial term of two years from the amendment date and automatically extends for additional one-year terms unless thirty days' written notice is given by either party. In addition to an annual consulting fee, in the event the Company executes a transaction during the first two years of the consulting agreement in which the Company grants a license or other right of certain defined intellectual property, the SAB member is entitled to a one-time bonus payment of $150,000 and a portion of any up-front license fee, milestone payments or equity payments to purchase the Company's common stock over a certain defined amount related to the license transaction. The bonus and milestone payments may be paid in either cash or common stock, at the Company's discretion. In addition, the Company will pay QMC a portion of any committed research payments received by the Company that directly relate to the intellectual property, provided that the research agreement with QMC remains in effect when such payment is received by the Company. The SAB member may be entitled to a retention bonus of $1.0 million in the event the

Company is acquired or there is a sale of substantially all of the assets related to the consulting agreement, subject to certain limitations.

In October 2002, the Company entered into a consulting agreement with an SAB member for scientific advisory services which was amended in October 2003. Under the amended consulting agreement, the term is four years from the effective date of the amendment, and for a one-time payment of $400,000, a one-time bonus payment based on the achievement of a certain performance milestone was eliminated. In addition to an annual consulting fee, the consultant is entitled a bonus payment of a portion of any up-front or milestone payments received by the Company related to calcium channel technology during the four-year term of the amended agreement.

Guarantees

As permitted under Delaware law, the Company's Certificate of Incorporation and Bylaws provide that the Company will indemnify certain of its officers and directors for certain claims asserted against them in connection with their service as an officer or director. The maximum potential amount of future payments that the Company could be required to make under these indemnification provisions is unlimited. However, the Company has purchased a directors' and officers' liability insurance policy that reduces its monetary exposure and enables it to recover a portion of any future amounts paid. The Company believes the estimated fair value of these indemnification arrangements is minimal.

The Company customarily agrees in the ordinary course of its business to indemnification provisions in agreements with clinical trials investigators in its drug development programs, in sponsored research agreements with academic and not-for-profit institutions, in various comparable agreements involving parties performing services for the Company in the ordinary course of business, and in its real estate leases. The Company also expects to agree to certain indemnification provisions in any drug discovery and development collaboration agreements. With respect to the Company's clinical trials and sponsored research agreements, these indemnification provisions typically apply to any claim asserted against the investigator or the investigator's institution relating to personal injury or property damage, violations of law or certain breaches of the Company's contractual obligations arising out of the research or clinical testing of the Company's compounds or drug candidates. With respect to lease agreements, the indemnification provisions typically apply to claims asserted against the landlord relating to personal injury or property damage caused by the Company, to violations of law by the Company or to certain breaches of the Company's contractual obligations. The indemnification provisions appearing in collaboration agreements are similar, but in addition provide some limited indemnification for its collaborator in the event of third-party claims alleging infringement of intellectual property rights. In each of the cases above, the term of these indemnification provisions generally survives the termination of the agreement, although the provision has the most relevance during the contract term and for a short period of time thereafter. The maximum potential amount of future payments that the Company could be required to make under these provisions is generally unlimited. The Company purchased insurance policies covering personal injury, property damage and general liability that reduce its exposure for indemnification and would enable it in many cases to recover a portion of any future amounts paid. The Company has never paid any material amounts to defend lawsuits or settle claims related to these indemnification provisions. Accordingly, the Company believes the estimated fair value of these indemnification arrangements is minimal.

(12) Related Party Transactions

The Company paid its scientific founder and a member of the board consulting fees of approximately $25,000 per month. Total consulting fees paid in 2002 and 2003 were approximately $75,000 and $300,000 respectively.

During 2001 and 2002, the Company contracted with a company owned by the Company's scientific founder, board member and significant shareholder to provide drug development testing services. Amounts advanced under this arrangement totaled $1.0 million and $500,000 as of December 31, 2001 and 2002, respectively. During 2002 and 2003, all advances were paid back to the Company as no services were ever performed.

On August 23, 2002 and September 11, 2002, the Company issued two promissory notes receivable of $500,000 each to SBR (a wholly-owned subsidiary of Principia). The promissory notes had a fixed interest rate of 7% and were due on December 31, 2002. The promissory notes were forgiven in connection with the Company's acquisition of Principia (note 3).

(13) Retirement Plan

In 2003, the Company implemented a 401(k) retirement plan (the Synta 401(k) Plan) in which substantially all of its permanent employees are eligible to participate. Participants may contribute a percentage of their annual compensation to the plan, subject to statutory limitations. The Company may declare discretionary matching contributions to the Synta 401(k) Plan. As of December 31, 2003, the Company had not declared any matching contributions since inception of the plan.

(14) Research Grant Contracts

In August 2002, the Company was awarded a $250,000 government contract with the Office of Naval Research to perform scientific research services related to the monitoring of biological agents. In 2003, the Company performed all services and received full funding, and recognized $250,000 as research grant revenue for services performed under the terms of the contract.

In September 2002, the Company was appointed as a subcontractor to a contract awarded by the Defense Advanced Research Projects Agency (DARPA). The Company's subcontract award totaled $1.2 million and requires the Company to provide scientific services utilizing expertise in immunology, screening and diagnostics. No services were performed in 2002. During 2003, the Company had recognized approximately $1.0 million of research grant revenue for services performed under the terms of the subcontract, which runs through March 31, 2004.

In May 2003, the Company was awarded a $500,000 government contract with DARPA to perform research services associated with performance enhancement. As of December 31, 2003, the Company had recognized approximately $43,000 of research grant revenue for services performed under the terms of the contract, which expires in May 2004. In addition, the Company recorded deferred revenue of approximately $345,000, which represents advance payments received under this contract. In accordance to the terms of the DARPA contract, the advance payments received by the Company are deposited in a separate interest-bearing account and are recorded as restricted cash as of December 31, 2003.

(15) Subsequent Event

Acquisition

In January 2004, the Company acquired certain assets of Cancer Genomics, Inc., Kava Pharmaceuticals, Inc. and SinglePixel Biomedical, Inc. in a single transaction. Direct and indirect shareholders in these companies included the Company's scientific founder, who is also a board member, as well as three current or former Company executives. The purchase price of approximately $2.2 million consisted of 553,344 shares of the Company's common stock. In addition, the Company is required to make cash payments of up to $2.0 million if certain milestones are achieved. If commercialization is achieved, the Company will be required to pay royalties on the gross sales of any payment of service covered by the acquired technology.

Report of Independent Registered Public Accounting Firm

The Board of Directors
Synta Pharmaceuticals Corp.:

We have audited the accompanying consolidated balance sheet of Principia Associates, Inc. (the Company), a development-stage company, as of September 20, 2002, and the related consolidated statement of operations, stockholders' equity and cash flows for the period from inception (June 17, 2002) through September 20, 2002. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Principia Associates, Inc. as of September 20, 2002, and the results of their operations and their cash flows for the period from inception (June 17, 2002) through September 20, 2002 in conformity with United States generally accepted accounting principles.

As discussed in note 11, the Company was acquired by Synta Pharmaceuticals Corp. in September 2002.

/s/ KPMG LLP

Boston, Massachusetts
December 1, 2004

PRINCIPIA ASSOCIATES, INC.
(A Development-Stage Company)

Consolidated Balance Sheet

September 20, 2002

(in thousands, except share and per share amounts)

Assets		
Current assets:		
Cash and cash equivalents	$	1,097
Advance to related party		500
Prepaid expenses and other current assets		74
Total current assets		1,671
Property and equipment, net		3,315
Security deposits		67
	$	5,053
Liabilities and Stockholders' Equity		
Current liabilities:		
Notes payable to related party	$	1,000
Accounts payable		2,109
Accrued expenses		167
Acquisition payables		518
Current maturities of capital lease obligation		82
Total current liabilities		3,876
Long-term liabilities:		
Capital lease obligation, less current maturities		7
Total liabilities		3,883
Stockholders' equity:		
Common stock, $0.01 par value. Authorized 2,000,100 shares; issued and outstanding 1,300,000 shares		13
Additional paid-in capital		12,987
Deficit accumulated during the development stage		(11,830)
Total stockholders' equity		1,170
	$	5,053

See accompanying notes to consolidated financial statements.

PRINCIPIA ASSOCIATES, INC.
(A Development-Stage Company)

Consolidated Statement of Operations

Period from inception (June 17, 2002) to September 20, 2002

(in thousands)

Operating expenses:		
In-process research and development	$	9,551
Research and development expenses		1,949
General and administrative expenses		335
Total operating expenses		11,835
Loss from operations		(11,835)
Other income (expense):		
Interest expense		(1)
Interest income		6
Net loss	$	(11,830)

See accompanying notes to consolidated financial statements.

PRINCIPIA ASSOCIATES, INC.
(A Development-Stage Company)

Consolidated Statement of Stockholders' Equity

Period from inception (June 17, 2002) to September 20, 2002

(in thousands, except share amounts)

	Common stock		Additional paid-in capital	Deficit accumulated during the development stage	Total stockholders' equity
	Number of shares	Amount			
Issuance of common shares	1,300,000	$ 13	$ 12,987	$ —	$ 13,000
Net loss	—	—	—	(11,830)	(11,830)
Balance at September 20, 2002	1,300,000	$ 13	$ 12,987	$ (11,830)	$ 1,170

See accompanying notes to consolidated financial statements.

PRINCIPIA ASSOCIATES, INC.
(A Development-Stage Company)

Consolidated Statement of Cash Flows

Period from inception (June 17, 2002) to September 20, 2002

(in thousands)

Cash flows from operating activities:		
Net loss	$	(11,830)
Adjustments to reconcile net loss to net cash used by operating activities:		
In-process research and development		9,551
Depreciation and amortization expense		191
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets		20
Accounts payable		780
Accrued expenses		30
Net cash used by operating activities		(1,258)
Cash flows from investing activities:		
Cash paid for acquisition, net of cash acquired		(11,603)
Capital expenditures		(29)
Net cash used by investing activities		(11,632)
Cash flows from financing activities:		
Proceeds from issuance of common stock		13,000
Proceeds from notes payable to related party		1,000
Principal payments of capital lease obligation		(13)
Net cash provided by financing activities		13,987
Net increase in cash and cash equivalents		1,097
Cash and cash equivalents at beginning of period		—
Cash and cash equivalents at end of period	$	1,097
Supplemental disclosures of cash flow information:		
Cash paid during the year:		
Interest expense	$	2

See accompanying notes to consolidated financial statements.

PRINCIPIA ASSOCIATES, INC.
(A Development-Stage Company)

Notes to Consolidated Financial Statements

September 20, 2002

(1) Nature of Business

Principia Associates, Inc. (the Company) was incorporated in Delaware on June 17, 2002. Business operations effectively commenced with the acquisition of SBR Pharmaceuticals Corp. (formerly Shionogi BioResearch Corp.) (SBR) on July 31, 2002. SBR conducted research and development activities related to the treatment of various diseases. All of SBR's funding came from its majority stockholder, Shionogi & Co. Ltd. In September 2002, the Company was acquired by Synta Pharmaceuticals Corp. (Synta) (see note 9). The three shareholders of the Company are principal shareholders and board members of Synta.

The Company was 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 FDA and other government regulations.

(2) Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the financial statements of Principia Associates, Inc. and its subsidiary, SBR. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of Presentation

Since its inception, the Company devoted its efforts to research, product development, and securing financing. The Company's planned principal operations had not commenced. Accordingly, the consolidated financial statements are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 7, *Accounting and Reporting by Development-Stage Enterprises.*

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 recoverability of long-lived and deferred tax assets, measurement of stock-based compensation, and the fair value of the Company's common stock. 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

Cash equivalents include money market funds, which are valued at cost plus accrued interest. The Company considers all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.

Credit Risk and Concentrations

Financial instruments that potentially subject the Company to a concentration of credit risk consist of money market funds. Deposits with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and, therefore, bear minimal risk.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, which include cash equivalents, capital leases and long-term debt, approximate their fair values.

Property and Equipment

Property and equipment are stated at cost. Depreciation on property and equipment is calculated on the straight-line method over the estimated useful lives of the assets, which range from five to ten years. Equipment held under capital leases is amortized on a straight-line basis over the shorter of the lease term or estimated useful life of the asset. Amortization of assets held under capital leases is included in depreciation expense and amortization expense.

Research and Development Costs

Research and development costs are expensed as incurred in accordance with SFAS No. 2, *Accounting for Research and Development Costs.* Research and development costs are comprised of costs incurred in performing research and development activities, including salaries, benefits, facilities, research-related overhead, contract services and other external costs.

Patents

Costs to secure and defend patents are expensed as incurred and are classified as general and administrative expenses in the Company's statements of operations.

Income Taxes

The Company accounts for income taxes in accordance with SFAS No. 109, *Accounting for Income Taxes*. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income in the period that includes the enactment date.

Impairment of Long-Lived Assets

The Company accounts for the impairment and disposition of long-lived assets in accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (SFAS 144). In accordance with SFAS 144, management assesses the potential impairments of its long-lived assets whenever events of

changes in circumstances indicate that an asset's carrying value may not be recoverable. If the carrying value exceeds the undiscounted future cash flows estimated to result from the use and eventual disposition of the asset, the Company will write down the asset to its estimated fair value.

Comprehensive Income (Loss)

SFAS No. 130, *Reporting Comprehensive Income*, requires that all components of comprehensive income (loss) be disclosed in the consolidated financial statements. Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions, and other events and circumstances. For the period presented, the Company's comprehensive loss is equal to its net loss reported in the accompanying consolidated statements of operations.

Segment Reporting

The Company adopted SFAS No. 131, *Disclosure About Segments of an Enterprise and Related Information,* which requires companies to report selected information about operating segments, as well as enterprise-wide disclosures about products, services, geographical area, and major customers. Operating segments are determined based on the way management organizes its business for making operating decisions and assessing performance. The Company had only one operating segment, the discovery, development and commercialization of drug products.

(3) Acquisition of SBR Pharmaceuticals Corp.

On July 31, 2002, the Company purchased 98.8% of the outstanding stock of SBR Pharmaceuticals Corp. (formerly Shionogi BioResearch Corp.) (SBR) from its shareholders in exchange for an aggregate of approximately $12.2 million in cash and agreed to purchase the remaining outstanding shares and certain stock options for approximately $268,000. The Company incurred transaction-related costs of approximately $250,000 consisting exclusively of legal costs. The scientific founder of Synta, who is a majority shareholder and a board member, was a 20% shareholder of SBR.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition (in thousands):

Current assets, including cash of $619	$	1,212
In-process research and development		9,551
Property and equipment		3,478
Other assets		67
Total assets acquired		14,308
Liabilities assumed		1,568
Net assets acquired	$	12,740

The purchase price was allocated to assets acquired and liabilities assumed based on management's analysis and estimates of fair values. Management's estimates of fair value are based on assumptions believed to be reasonable, but which are inherently uncertain and unpredictable. Management utilized the

services of an independent valuation firm to support the valuation of the acquired intangible assets. The acquired in-process research and development (IPR&D) was valued at $9.6 million. The IPR&D assets were written off at the date of acquisition in accordance with Financial Accounting Standards Board (FASB) Interpretation No. 4, *Applicability of FASB Statement No. 2 to Business Combinations Accounted for by the Purchase Method*.

The value assigned to IPR&D related to research projects for which technological feasibility had not yet been established and no future alternative uses existed. The fair value was determined using the income approach, which discounts expected future cash flows from projects under development to their net present value using a risk-adjusted rate. Each project was analyzed to determine the technological innovations, which included: the utilization of core technology; the complexity, cost and time to complete development; any alternative future use or current technological feasibility; and the stage of completion. Future cash flows were estimated, taking into account the expected life cycles of the product and the underlying technology, relevant market sizes and industry trends. The estimated net cash flows from these products were based on management's estimates of related revenues, cost of goods sold, R&D costs, selling, general and administrative costs, and income taxes. Discount rates ranging from 30% to 45% were utilized based on the technology of the products, the stage of completion of the projects, the complexity of the development effort and the risks associated with reaching technological feasibility of the projects.

The Company had three products under development at the acquisition date, contributing 59%, 23%, and 18% of the total IPR&D value. The products under development are intended to result in therapeutic products in the areas of oncology, autoimmune disease, and allergy. Commercialization of any product is not anticipated for several years.

(4) Property and Equipment

Property and equipment is comprised of the following at September 20, 2002 (in thousands):

Furniture and equipment	$ 1,604
Leasehold improvements	1,903
	3,507
Less accumulated depreciation and amortization	(192)
Net property and equipment	$ 3,315

(5) Accrued Expenses

Accrued expenses consist of the following at September 20, 2002 (in thousands):

Compensation and benefits	$ 132
Professional fees	30
Other	5
	$ 167

(6) Stockholders' Equity

In August 2002, the Company issued 1,300,000 shares of its common stock for proceeds of $13,000,000.

(7) Leases

The Company is obligated under a capital lease for certain lab equipment that expires in September 2003. At September 20, 2002, the gross amount of machinery and equipment and related accumulated amortization recorded under the capital lease is as follows (in thousands):

Equipment	$ 126
Less accumulated amortization	(8)
	$ 118

The Company also has several operating leases that expire at various dates through 2006. Rental expense for operating leases was approximately $75,000 for the period from inception (June 17, 2002) through September 20, 2002.

Future minimum lease payments under noncancelable operating leases and future minimum capital lease payments as of September 20, 2002 are as follows:

	Capital leases	Operating leases
	(in thousands)	
Periods ending December 31:		
2002 (remaining period through December 31, 2002)	$ 22	$ 139
2003	72	486
2004	—	482
2005	—	481
2006	—	481
Total minimum lease payments	94	$ 2,069
Less amount representing interest	(5)	
Present value of net minimum lease obligation	89	
Less current portion	(82)	
Long-term capital lease obligation	$ 7	

(8) Income Taxes

Differences between the actual tax benefit and the tax benefit computed using the U.S. federal income tax rate of 34% is as follows for the period from inception (June 17, 2002) through September 20, 2002 (in thousands):

Income tax benefit at statutory rate	$ (4,023)
In-process research and development	3,247
Nondeductible expenses	2
Change in valuation allowance	774
Income tax expense	$ —

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at September 20, 2002 are presented below (in thousands):

Deferred tax assets:	
Net operating loss carryforwards	$ 8,587
Compensated absences and others	46
Tax credits carryforwards	622
Charitable contribution carryover	3
Depreciation and amortization	493
Total gross deferred tax assets	9,751
Less valuation allowance	(9,751)
Net deferred tax assets	$ —

The valuation allowance was approximately $9,751,000 at September 20, 2002. The Company has recorded a full valuation allowance against its deferred tax assets since management believes that after considering all the available evidence, both positive and negative, it is not more likely than not that the deferred tax assets will be realized.

At September 20, 2002, the Company has net operating loss carryforwards for federal income tax purposes of approximately $24.7 million which are available to offset future federal taxable income, if any, expiring in various years through 2022 and a state net operating loss carryforward of approximately $2.2 million expiring in 2007.

The Company's ability to utilize its net operating loss and credit carryforwards may be limited if the Company experiences an ownership change as defined in Section 382 of the Internal Revenue Code. Generally, an ownership change occurs when the ownership percentage of 5% or greater stockholders increases by more than 50% over a three-year period. The Company has not determined the extent of this provision on the utilization of the net operating loss and credit carryforwards.

(9) Related-Party Transactions

License Agreement

In April 2002, SBR entered into an exclusive license agreement with Synta. Under the terms of the agreement, SBR received $1,000,000 for licensing certain of its technology. In addition, as a result of the acquisition of SBR, the Company is entitled to other payments totaling $14.0 million depending on the achievement of certain milestones in the research and development process by Synta. The Company is also eligible to receive royalties from the net sales upon communication of the licensed product from Synta.

Notes Payable

In August 2002 and September 2002, the Company issued promissory notes payable totaling $1,000,000 to Synta to fund the Company's operations. The promissory notes had a fixed interest rate of 7% and were due on December 31, 2002. The promissory notes were forgiven in connection with the Synta's acquisition of the Company (see note 11).

Advance to Related Party

During 2002, SBR contracted with a company owned by its scientific founder, board member and significant shareholder to provide drug development testing services. The former board member and significant shareholder of SBR is the scientific founder, board member and significant shareholder of Synta. Amounts advanced under this arrangement totaled $500,000. As of September 20, 2002, no services had yet been performed under this contract.

(10) Retirement Plan

The Company has a defined contribution 401(k) plan (the Plan). The Plan covers substantially all employees of the Company. The Company has elected not to contribute to the Plan for the period from inception (June 17, 2002) through September 20, 2002, and accordingly, has not recorded any pension expense in the accompanying consolidated statement of operations.

(11) Subsequent Event

Sale of Company

On September 20, 2002, Synta acquired all of the outstanding shares of the Company's common stock from its shareholders in exchange for 4,939,500 shares of its common stock together with warrants to purchase an aggregate of 959,126 shares of Synta common stock, forgiveness of the $1,000,000 short-term promissory notes payable and cash of approximately $268,000. The total value of the consideration was approximately $16.9 million. The three shareholders of the Company are principal shareholders and board members of Synta (see note 1).

Report of Independent Registered Public Accounting Firm

The Board of Directors
Synta Pharmaceuticals Corp.:

We have audited the accompanying balance sheets of SBR Pharmaceuticals Corp. (the Company) as of December 31, 2001 and July 31, 2002, and the related statements of operations, stockholders' equity and cash flows for the year ended December 31, 2001 and the seven months ended July 31, 2002. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SBR Pharmaceuticals Corp. as of December 31, 2001 and July 31, 2002, and the results of its operations and its cash flows for the year ended December 31, 2001 and the seven months ended July 31, 2002 in conformity with United States generally accepted accounting principles.

As discussed in note 12, the Company was acquired by Principia Associates, Inc. on July 31, 2002.

/s/ KPMP LLP

Boston, Massachusetts
December 1, 2004

SBR PHARMACEUTICALS CORP.

Balance Sheets

(in thousands, except share and per share amounts)

	December 31, 2001	July 31, 2002
Assets		
Current assets:		
Cash and cash equivalents	$ 2,343	$ 619
Advance to related party	—	500
Prepaid expenses and other current assets	90	95
	2,433	1,214
Property and equipment, net	4,290	3,478
Security deposits	67	67
	$ 6,790	$ 4,759
Liabilities and Stockholders' Equity		
Current liabilities:		
Current maturities of long-term debt	$ 250	$ —
Current maturities of capital lease obligation	77	81
Accounts payable	50	1,329
Accrued expenses	255	137
	632	1,547
Long-term liabilities:		
Capital lease obligation, less current maturities	69	21
	701	1,568
Stockholders' equity		
Common stock, $0.01 par value. Authorized 40,000,000 shares; issued and outstanding 37,834,800 and 37,855,200 shares at December 31, 2001 and July 31, 2002, respectively	378	379
Additional paid-in capital	51,526	54,027
Accumulated deficit	(45,815)	(51,215)
	6,089	3,191
	$ 6,790	$ 4,759

See accompanying notes to financial statements.

SBR PHARMACEUTICALS CORP.

Statements of Operations

(in thousands)

	Year ended December 31, 2001	Seven months ended July 31, 2002
License revenue	$ —	$ 1,000
Operating expenses:		
Research and development expenses	6,815	5,057
General and administrative expenses	2,078	1,344
Total operating expenses	8,893	6,401
Loss from operations	(8,893)	(5,401)
Other income (expense):		
Interest income	99	13
Interest expense	(105)	(12)
Net loss	$ (8,899)	$ (5,400)

See accompanying notes to financial statements.

SBR PHARMACEUTICALS CORP.

Statements of Stockholders' Equity

Year ended December 31, 2001 and seven months ended July 31, 2002

(in thousands, except share amounts)

	Common stock				
	Number of shares	Amount	Additional paid-in capital	Accumulated deficit	Total stockholders' equity
Balance at December 31, 2000	35,744,400	$ 357	$ 42,296	$ (36,916)	$ 5,737
Issuance of common stock	2,000,000	20	480	—	500
Amounts received from majority stockholder under research and development agreement	—	—	5,000	—	5,000
Amounts received from majority stockholder under capital agreement	—	—	3,750	—	3,750
Exercise of stock options	90,400	1	—	—	1
Net loss	—	—	—	(8,899)	(8,899)
Balance at December 31, 2001	37,834,800	378	51,526	(45,815)	6,089
Amounts received from majority stockholder under research and development agreement	—	—	2,500	—	2,500
Exercise of stock options	20,400	1	1	—	2
Net loss	—	—	—	(5,400)	(5,400)
Balance at July 31, 2002	37,855,200	$ 379	$ 54,027	$ (51,215)	$ 3,191

See accompanying notes to financial statements.

SBR PHARMACEUTICALS CORP.

Statements of Cash Flows

(in thousands)

	Year ended December 31, 2001	Seven months ended July 31, 2002
Cash flows from operating activities:		
Net loss	$ (8,899)	$ (5,400)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization expense	1,502	1,118
Changes in operating assets and liabilities:		
Advance to related party	—	(500)
Prepaid expenses and other current assets	12	(5)
Accounts payable	(105)	1,279
Accrued expenses	9	(119)
Net cash used by operating activities	(7,481)	(3,627)
Cash flows from investing activity:		
Capital expenditures	(288)	(305)
Net cash used by investing activity	(288)	(305)
Cash flows from financing activities:		
Amounts received from majority stockholder under capital and research and development agreements	8,750	2,500
Amounts received from issuance of common stock	500	—
Amounts received from exercise of stock options	1	2
Payment of short-term debt	(1,000)	—
Payments of long-term debt	(1,000)	(250)
Payments of capital lease obligation	(140)	(44)
Net cash provided by financing activities	7,111	2,208
Net decrease in cash and cash equivalents	(658)	(1,724)
Cash and cash equivalents at beginning of period	3,001	2,343
Cash and cash equivalents at end of period	$ 2,343	$ 619
Supplemental disclosures of cash flow information:		
Cash paid during the year:		
Interest expense	$ 105	$ 12

See accompanying notes to financial statements.

(1) Nature of Business

SBR Pharmaceuticals Corp. (formerly Shionogi BioResearch Corp.) (the Company) was formed to conduct research and development activities related to the treatment of various diseases. In order to fund the initial stages of operations, the Company entered into a research and development agreement and a capital agreement with Shionogi & Co. Ltd., (the majority stockholder) (see notes 8 and 12).

The Company was 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 FDA and other government regulations.

On July 31, 2002, the Company was acquired by Principia Associates, Inc. (see note 12).

(2) Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 recoverability of long-lived and deferred tax assets, measurement of stock-based compensation, and the fair value of the Company's common stock. 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.

Reclassification in the Preparation of Financial Statements

Certain amounts in the 2001 financial statements have been reclassified to conform with the 2002 presentation. These reclassifications had no effect on the Company's reported net loss or financial position.

Cash and Cash Equivalents

Cash equivalents include money market funds, which are valued at cost plus accrued interest. The Company considers all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.

Credit Risk and Concentrations

Financial instruments that potentially subject the Company to a concentration of credit risk consist of money market funds. Deposits with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and, therefore, bear minimal risk.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, which include cash equivalents, capital leases and long-term debt, approximate their fair values.

Property and Equipment

Property and equipment are stated at cost. Depreciation on property and equipment is calculated on the straight-line method over the estimated useful lives of the assets, which range from five to ten years. Equipment held under capital leases is amortized on a straight-line basis over the shorter of the lease term or estimated useful life of the asset. Amortization of assets held under capital leases is included in depreciation and amortization expense.

Research and Development Costs

Research and development costs are expensed as incurred in accordance with SFAS No. 2, *Accounting for Research and Development Costs*. Research and development costs are comprised of costs incurred in performing research and development activities, including salaries, benefits, facilities, research-related overhead, contracted services and other external costs.

Patents

Costs to secure and defend patents are expensed as incurred and are classified as general and administrative expenses in the Company's statements of operations.

Income Taxes

The Company accounts for income taxes in accordance with SFAS No. 109, *Accounting for Income Taxes*. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income in the period that includes the enactment date.

Impairment of Long-Lived Assets

The Company accounts for the impairment and disposition of long-lived assets in accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (SFAS 144). In accordance with SFAS 144, management assesses the potential impairments of its long-lived assets whenever events of changes in circumstances indicate that an asset's carrying value may not be recoverable. If the carrying value exceeds the undiscounted future cash flows estimated to result from the use and eventual disposition of the asset the Company writes down the asset to its estimated fair value. Management believes that no long-lived assets were impaired as of December 31, 2001 and July 31, 2002.

Revenue Recognition

The Company follows the revenue recognition criteria outlined in Staff Accounting Bulletin (SAB) No. 101, *Revenue Recognition in Financial Statements*, as revised by SAB No. 104, *Revenue Recognition*, and Emerging Issues Task Force (EITF) Issue 00-21 *Revenue Arrangements with Multiple Deliverables* (EITF Issue 00-21). Accordingly, revenues from licensing agreements are recognized based on the performance requirements of the agreement. Nonrefundable up-front fees, where the Company has an ongoing involvement or performance obligation, would be recorded as deferred revenue in the balance sheet and amortized into collaboration revenue in the statement of operations over the term of the performance obligation.

Funding from research and development services with the majority stockholder is not recognized as contract revenue in the accompanying statements of operations in accordance with Statement of Financial Accounting Standards (SFAS) No. 68, *Research and Development Arrangements*. Under SFAS No. 68, there is a presumption that transactions between significant related parties creates an arrangement where the funded party may have to repay the funding party.

Stock-Based Compensation

The Company accounts for stock-based employee compensation arrangements using the intrinsic value method in accordance with Accounting Principle Board Opinion (APB) No. 25, *Accounting for Stock Issued to Employees*, and complies with the disclosure provisions of SFAS No. 123, *Accounting for Stock-Based Compensation*. Under APB No. 25, compensation cost is recognized based on the difference, if any, on the date of grant between the fair value of the Company's common stock and the exercise price of stock options granted. Under SFAS No. 123, compensation cost is measured at the grant date based on the fair value of the award and is recognized on a pro rata basis over the service period, which is usually the vesting period.

If compensation expense for the Company's stock-based compensation plan had been determined based on the fair value at the grant dates as calculated in accordance with SFAS No. 123, the Company's net loss would have increased by an immaterial amount.

Equity instruments issued to nonemployees are accounted for in accordance with the provisions of SFAS No. 123 and Emerging Issues Task Force Issue (EITF) No. 96-18, *Accounting for Equity Instruments that are Issued to Other than Employees for Acquiring, or in Conjunction with Selling Goods or Services*.

Comprehensive Income (Loss)

SFAS No. 130, *Reporting Comprehensive Income*, requires that all components of comprehensive income (loss) be disclosed in the consolidated financial statements. Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions, and other events and circumstances. For each period presented, the Company's comprehensive loss is equal to its net loss reported in the accompanying statements of operations.

Segment Reporting

The Company has adopted SFAS No. 131, *Disclosure About Segments of an Enterprise and Related Information*, which requires companies to report selected information about operating segments, as well as enterprise-wide disclosures about products, services, geographical area, and major customers. 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.

(3) Property and Equipment

Property and equipment is comprised of the following:

	December 31, 2001	July 31, 2002
	(in thousands)	
Furniture and equipment	$ 6,172	$ 6,262
Leasehold improvements	3,740	3,740
	9,912	10,002
Less accumulated depreciation and amortization	(5,622)	(6,524)
Net property and equipment	$ 4,290	$ 3,478

(4) Accrued Expenses

Accrued expenses consist of the following:

	December 31, 2001	July 31, 2002
	(in thousands)	
Compensation and benefits	$ 75	$ 133
Outside research costs	94	—
Professional fees	68	—
Other	18	4
	$ 255	$ 137

(5) Leases

The Company is obligated under various capital leases for furniture and equipment that expire at various dates through 2003. The gross amount of equipment and related accumulated amortization recorded under a capital lease are as follows:

	December 31, 2001	July 31, 2002
	(in thousands)	
Furniture and equipment	$ 290	$ 290
Less accumulated amortization	131	164
	$ 159	$ 126

The Company also has several operating leases that expire at various dates through 2006. Rental expense for operating leases is approximately $430,000 and $307,000 for the year ended December 31, 2001 and the seven months ended July 31, 2002, respectively.

Future minimum lease payments under noncancelable operating leases and future minimum capital lease payments as of July 31, 2002 are as follows:

	Capital leases	Operating leases
	(in thousands)	
Periods ending December 31:		
2002 (through December 31, 2002)	$ 36	$ 208
2003	73	486
2004	—	482
2005	—	482
2006	—	481
Total minimum lease payments	109	$ 2,139
Less amount representing interest	(7)	
Present value of net minimum lease obligations	102	
Less current portion	(81)	
Long-term capital lease obligation	$ 21	

(6) Long-Term Debt

In 1997, the Company entered into a loan agreement with the majority stockholder to borrow $5,000,000 for fixed asset acquisitions. As of December 31, 2001, the outstanding principal balance related to this agreement was $250,000. Interest on borrowings outstanding accrued at a rate of 6.63%. Principal payments of $250,000 plus interest are due on a quarterly basis. The final principal payment on the loan was paid in March 2002.

(7) Income Taxes

Differences between the actual tax benefit and the tax benefit computed using the U.S. federal income tax rate of 34% is as follows:

	Year ended December 31, 2001	Seven months ended July 31, 2002
	(in thousands)	
Income tax benefit at statutory rate	$ (3,026)	$ (1,836)
Additional paid-in capital recognition	1,700	850
Nondeductible expenses	10	6
General business credit	(250)	—
Change in valuation allowance	1,594	980
Other changes	(28)	—
Income tax expense	$ —	$ —

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below:

	December 31, 2001	July 31, 2002
	(in thousands)	
Deferred tax assets:		
Net operating loss carryforwards	$ 8,566	$ 9,633
Tax credits carryforwards	1,655	1,403
Mass Corp. start-up cost	105	28
Compensated absences	16	6
Charitable contribution carryover	2	3
Plant and equipment, due to difference in depreciation	240	462
Total gross deferred tax assets	10,584	11,535
Less valuation allowance	(10,584)	(11,535)
Net deferred tax assets	$ —	$ —

The net change in the total valuation allowance for the year ended December 31, 2001 and the seven months ended July 31, 2002 was an increase of approximately $2,167,000 and $951,000, respectively. The Company has recorded a full valuation allowance against its deferred tax assets since management believes that, after considering all of the available objective evidence, both positive and negative, the realization of the deferred tax assets does not meet the "more likely than not" criteria under SFAS No. 109.

At July 31, 2002, the Company has net operating loss carryforwards for federal income tax purposes of approximately $22.5 million which are available to offset future federal taxable income, if any, expiring in various years through 2022 and a state net operating loss carryforward of approximately $21.0 million expiring in various years through 2007. Pursuant to the Tax Reform Act of 1986, annual utilization of the Company's net operating loss carryforwards and other tax attributes may be limited by a cumulative change

in ownership of more than 50% during a three-year period. The Company has not determined the extent of this provision on the utilization of the loss and credit carryforwards (see note 12).

The Company's ability to utilize its net operating loss and credit carryforwards may be limited if the Company experiences an ownership change as defined in Section 382 of the Internal Revenue Code. Generally, an ownership change occurs when the ownership percentage of 5% or greater of stockholders increases by more than 50% over a three-year period.

(8) Related Party Transactions

During 1997, the Company entered into a research and development agreement with the majority stockholder. Under the terms of the agreement, the Company will provide certain research and development services in return for specified funding. Total cash payments under the contract of $50,000,000 will be received in quarterly installments of $1,250,000 through the year ended 2006.

Additionally, in 1997 the Company entered into a capital agreement with the majority stockholder. Under the terms of the agreement, the majority stockholder will contribute total cash payments of $50,000,000 to the Company to be received in quarterly installments of $1,250,000 through the year ended 2006. The Company received $3,750,000 and $0 during the year ended December 31, 2001 and the seven months ended July 31, 2002, respectively, in funding related to this agreement. Such amounts have been recorded in the accompanying financial statements as additional paid-in capital. This agreement terminated effective April 1, 2002.

Effective April 1, 2002, the majority stockholder and the Company have signed an Amended and Restated Research Funding Agreement, which replaces the prior research development agreements. Under the terms of the agreement, the Company shall proceed working on its research projects. Subject to the approval of the Company's board of directors, the Company may seek or enter into other agreements for contract research or take on other research projects, whether funded by third parties or self-funded. Total cash payments under the new contract of $10,000,000 will be received in quarterly installments of $1,250 through March 2004, beginning April 1, 2002 (see note 12).

The Company received $5,000,000 and $2,500,000 during the year ended December 31, 2001 and the seven months ended July 31, 2002, respectively, in funding under the research and development agreements. Such amounts have been recorded in the accompanying financial statements as additional paid-in capital.

In anticipation of a possible initial public offering, the majority shareholder granted a call option to the Company to purchase 11,000,000 shares of the common stock, $0.01 par value, which represents 27.5% of the Company's authorized shares. The exercise price for the call option is $1.15 per share subject to adjustment in event of the subdivision, split-up or combination of the option shares.

During 2001, the Company issued 2,000,000 shares of common stock for $500,000 to a related party.

During 2002, the Company contracted with a company owned by the Company's scientific founder, board member and significant shareholder to provide drug development testing services. Amounts advanced under this arrangement totaled $500,000. As of July 31, 2002 no services had yet been performed under this contract.

(9) License Agreement

In April 2002, the Company entered into an exclusive license agreement with Synta Pharmaceuticals Corp. (Synta). Under the terms of the license agreement, the Company granted and transferred a license and know-how related to certain small molecule technology to Synta. Synta paid an initial nonrefundable fee of $1,000,000. The Company is also entitled to other payments totaling $14,000,000 depending on the achievement of certain milestones in the research and development process by Synta. In addition, after the first commercial sale of a licensed product covered by the agreement, the Company is eligible to receive a royalty of 3.5% of the net sales from Synta.

(10) Stock Option Plan

In 1997, the Company adopted the Shionogi BioResearch Corp. Incentive Stock Option Plan (the Plan). The Plan provides for the grant of stock options to employees, officers, directors, consultants and advisors to the Company. The terms of the options will be determined by the board of directors. Stock options are granted with an exercise price equal to the fair value of the underlying common stock at the date of grant. Options granted under the Plan will generally vest over a five year period. A total of 4,600,000 shares of common stock have been reserved for issuance under the Plan.

Summary of stock option activity is presented below:

	Year ended December 31, 2001		Seven months ended July 31, 2002	
	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Outstanding at beginning of period	1,209,000	$ 0.04	1,250,334	$ 0.05
Granted	215,334	0.25	—	—
Exercised	(90,400)	0.01	(20,400)	0.08
Canceled	(83,600)	0.01	(12,000)	0.25
Outstanding at end of period	1,250,334	$ 0.05	1,217,934	$ 0.07
Options exercisable at end of period	874,604		1,062,471	
Weighted average fair value of options granted during the period		$ 0.09		—
Weighted average remaining contractual life		7.4 years		6.4 years

The following table summarizes information about stock options outstanding at July 31, 2002:

Price range	Outstanding options	Weighted average price	Weighted average remaining contractual life	Exercisable options	Weighted average price
$0.01	908,600	$ 0.01	5.59	895,000	$ 0.01
0.25	309,334	0.25	8.69	167,471	0.25
	1,217,934			1,062,471	

(11) Retirement Plan

In October 1997, the Company adopted a defined contribution 401(k) plan (the Plan). The Plan covers substantially all employees of the Company. The Company has elected not to contribute to the Plan for the year ended December 31, 2001 and the seven months ended July 31, 2002, and accordingly, has not recorded any pension expense in the accompanying statements of operations.

(12) Subsequent Event

Sale of Company

On July 31, 2002, Principia Associates, Inc. acquired the Company from its shareholders for approximately $12.5 million in cash.

Effective at the closing date, the Amended and Restated Research Funding Agreement, dated as of April 1, 2002, by and between the majority stockholder and the Company was terminated. In addition, the Call Option Agreement by and between the majority stockholder and the Company was also terminated (see note 8).


SYNTA
PHARMACEUTICALS

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth an itemization of the various costs and expenses, all of which we will pay, in connection with the issuance and distribution of the securities being registered. All of the amounts shown are estimated except the SEC Registration Fee, the Nasdaq National Market Listing Fee and the NASD Filing Fee.

SEC Registration Fee	$ 13,536
Nasdaq National Market Listing Fee	*
NASD Filing Fee	12,000
Printing and Engraving Fees	*
Legal Fees and Expenses	*
Accounting Fees and Expenses	*
Blue Sky Fees and Expenses	*
Transfer Agent and Registrar Fees	*
Miscellaneous	*
Total	$ *

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers.

Our restated certificate of incorporation and restated bylaws provide that each person who was or is made a party or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director or an officer of Synta Pharmaceuticals Corp. or is or was serving at our request as a director, officer, or trustee of another corporation, or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, whether the basis of such proceeding is alleged action in an official capacity as a director, officer or trustee or in any other capacity while serving as a director, officer or trustee, shall be indemnified and held harmless by us to the fullest extent authorized by the Delaware General Corporation Law against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such.

Section 145 of the Delaware General Corporation Law permits a corporation to indemnify any director or officer of the corporation against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with any action, suit or proceeding brought by reason of the fact that such person is or was a director or officer of the corporation, if such person acted in good faith and in a manner that he reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, if he or she had no reason to believe his or her conduct was unlawful. In a derivative action, (*i.e.*, one brought by or on behalf of the corporation), indemnification may be provided only for expenses actually and reasonably incurred by any director or officer in connection with the defense or settlement of such an action or suit if such person acted in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, except that no indemnification shall be provided if such person shall have been adjudged to be liable to the corporation, unless and only to the extent that the court in which the action or suit was brought shall determine that the defendant is fairly and reasonably entitled to indemnity for such expenses despite such adjudication of liability.

Pursuant to Section 102(b)(7) of the Delaware General Corporation Law, Article NINTH of our restated certificate of incorporation eliminates the liability of a director to us or our stockholders for monetary damages for such a breach of fiduciary duty as a director, except for liabilities arising:

- from any breach of the director's duty of loyalty to us or our stockholders;
- from acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- under Section 174 of the Delaware General Corporation Law; and
- from any transaction from which the director derived an improper personal benefit.

We carry insurance policies insuring our directors and officers against certain liabilities that they may incur in their capacity as directors and officers. In addition, we expect to enter into indemnification agreements with each of our directors and executive officers prior to completion of the offering.

Additionally, reference is made to the Underwriting Agreement filed as Exhibit 1.1 hereto, which provides for indemnification by the underwriters of Synta Pharmaceuticals Corp., our directors and officers who sign the registration statement and persons who control Synta Pharmaceuticals Corp., under certain circumstances.

Item 15. Recent Sales of Unregistered Securities.

Since January 12, 2002, we have sold the following securities that were not registered under the Securities Act. The following information gives effect to a one-for- reverse split of our common stock to be effected prior to the completion of this offering.

(a) Issuances of Capital Stock and Warrants

Set forth below is information regarding shares of our common stock issued and warrants granted, by us since January 12, 2002. Also included is the consideration, if any, received by us for such shares and warrants.

1. Between April 15, 2002 and May 16, 2002, we issued and sold 4,426,738 shares of our common stock at a purchase price per share of $2.7108 to two accredited investors for an aggregate purchase price of $12,000,000.00.

2. On July 25, 2002, we issued 200,000 shares of our common stock with an aggregate value of $542,160.00 to a private research institute as consideration for a license of technology from such research institute.

3. Between November 7, 2002 and March 27, 2003, we issued and sold 18,542,767 shares of our common stock at a purchase price per share of $2.7108 to 48 accredited investors for an aggregate purchase price of $50,265,732.78.

4. On September 20, 2002, we issued 4,939,500 shares of our common stock with an aggregate value of $13,389,996.60, and granted warrants to purchase 959,126 shares of our common stock with an aggregate value of approximately $2,200,000.00 to the former stockholders of a privately held corporation as consideration for our acquisition of such corporation.

5. On December 30, 2002, we issued 3,145,854 shares of our common stock with an aggregate value of $8,527,781.02 to the former stockholders of a privately held corporation as consideration for our acquisition of such corporation.

6. On December 30, 2002, we issued 184,447 shares of our common stock with an aggregate value of $499,998.92 to a medical center as consideration for a license of technology from such medical center.

7. On March 27, 2003, we issued 73,779 shares of our common stock with an aggregate value of $200,000.11 to a privately held company as consideration for a license of technology from such company.

8. Between October 15, 2003 and January 22, 2004, we issued and sold 12,500,000 shares of our common stock at a purchase price per share of $4.00 to 43 accredited investors for an aggregate purchase price of $50,000,000.00.

9. On December 17, 2003, we issued 575,476 shares of our common stock upon the exercise of warrants to an accredited investor for an aggregate purchase price of $287,738.00.

10. On January 9, 2004, we issued 553,344 shares of our common stock with an aggregate value of $2,213,376.00 to three privately held corporations as consideration for our acquisition of certain assets from such corporations.

11. On November 10, 2004, we issued and sold 16,000,000 shares of our common stock at a purchase price per share of $5.00 to 76 accredited investors for an aggregate purchase price of $80,000,000.00.

12. On November 15, 2004, we issued 115,095 shares of our common stock upon the exercise of warrants to an accredited investor for an aggregate purchase price of $57,547.50.

13. On December 21, 2004, we issued 1,460,000 shares of restricted common stock to certain officers at a purchase price of $.0001 per share for an aggregate purchase price of $146.00.

14. On January 11, 2005, we issued 268,555 shares of our common stock upon the exercise of warrants to an accredited investor for an aggregate purchase price of $134,277.50.

All of these issuances were made in reliance on Section 4(2) of the Securities Act or Regulation D promulgated thereunder as sales not involving a public offering. The recipients of securities in each of the above-referenced transactions represented their intentions to acquire the securities for investment purposes only and not with a view to, or for sale in connection with, any distribution thereof and appropriate legends were affixed to the instruments representing such securities issued in such transactions. All recipients either received adequate information about us or had, through their relationship with us, adequate access to such information.

(b) Certain Grants and Exercises of Stock Options

The sale and issuance of the securities described below were deemed to be exempt from registration under the Securities Act in reliance on Rule 701 promulgated under Section 3(b) of the Securities Act, as transactions by an issuer not involving a public offering or transactions pursuant to compensatory benefit plans and contracts relating to compensation as provided under Rule 701.

Pursuant to our stock plans and certain stand-alone stock option agreements, we have issued options to purchase an aggregate of 12,373,099 shares of common stock. Of these options:

- options to purchase 1,859,063 shares of common stock have been canceled or lapsed without being exercised;
- options to purchase 285,937 shares of common stock have been exercised; and
- options to purchase a total of 10,228,099 shares of common stock are currently outstanding, at a weighted average exercise price of $3.00 per share.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits

Exhibit Number	Description of Exhibit
*1.1	Form of Underwriting Agreement.
3.1	Certificate of Incorporation, as amended, of the Registrant.
*3.2	Restated Certificate of Incorporation of the Registrant to be filed upon completion of this offering.
3.3	Bylaws, as amended, of the Registrant.
*3.4	Restated Bylaws of the Registrant to be effective upon completion of this offering.
*4.1	Form of Common Stock Certificate.
4.2.1	Amended and Restated Investor Rights Agreement dated December 13, 2002, by and among the Registrant and certain stockholders of the Registrant.
4.2.2	First Amendment, dated January 11, 2005, to the Amended and Restated Investor Rights Agreement, dated December 13, 2002, by and among the Registrant and certain stockholders of the Registrant.
*5.1	Opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., counsel to the Registrant, with respect to the legality of securities being registered.
10.1	2001 Stock Plan.
*10.2	[Reserved.]
10.3	Director Compensation Policy.
10.4	Non-Qualified Stock Option Agreement, dated May 27, 2004, by and between the Registrant and Keith R. Gollust.
10.5	Duffy Hartwell Limited Partnership Commercial Lease, dated November 4, 1996, by and between Duffy Hartwell Limited Partnership and Shionogi BioResearch Corp.
10.6	Lease of 125 Hartwell Avenue, Lexington, MA, dated October 26, 1992, by and between Fuji ImmunoPharmaceuticals Corp. and 125 Hartwell Trust, as amended by First Amendment dated January 31, 1993, Second Amendment dated October 1, 1997, Third Amendment dated November 1, 2002, Assignment and Assumption of Lease and Consent of Release by Landlord and Fourth Amendment of Lease, dated July 9, 2004, and Fifth Amendment, dated October 22, 2004.
10.7	Pinnacle Properties Management, Inc. Standard Form Commercial Lease, dated May 31, 1999, by and between 6-8 Preston Court, L.L.C. and Asiana Pharmaceuticals Corporation, as amended by Amendment to Lease #1, dated July 31, 2000, Amendment to Lease #2, dated November 26, 2001, and Amendment to Lease #3, dated December 2003.
10.8	Lease, dated January 13, 2005, by and between the Registrant and Mortimer B. Zuckerman and Edward H. Linde, Trustees of 91 Hartwell Avenue Trust.
10.9	Stock Exchange Agreement, dated September 9, 2002, by and among the Registrant, Principia Associates, Inc. and certain stockholders of Principia Associates, Inc.
10.10	Agreement of Merger, dated December 27, 2002, by and among the Registrant, DGN Genetics Acquisition Corp., Diagon Genetics, Inc. and certain stockholders of Diagon Genetics, Inc.
**10.11	Asset Purchase Agreement, dated December 17, 2003, by and among the Registrant, Cancer Genomics, Inc., Kava Pharmaceuticals, Inc., SinglePixel Biomedical, Inc. and CMAC, LLC.
10.12	Letter Agreement, dated April 21, 2004, by and between the Registrant and Dr. Mitsunori Ono.
10.13	Letter Agreement, dated May 7, 2004, by and between the Registrant and John A. McCarthy, Jr.
10.14	Letter Agreement, dated February 18, 2004, by and between the Registrant and Dr. Matthew L. Sherman.
10.15	Letter Agreement, dated October 12, 2002, by and between the Registrant and Dr. Keizo Koya.
10.16	Letter Agreement, dated January 22, 2003, by and between the Registrant and Dr. James Barsoum.
10.17	Letter Agreement, dated February 19, 2004, by and between the Registrant and Keith Ehrlich.
10.18	Letter Agreement, dated January 14, 2003, by and between the Registrant and Wendy E. Rieder.
10.19	Master Lease Agreement, dated November 10, 2004, by and between the Registrant and General Electric Capital Corporation.
10.20	Agreement and Release, dated January 14, 2005, by and among the Registrant and Dr. Lan Bo Chen.
21.1	List of Subsidiaries.
23.1	Consents of KPMG LLP, Independent Registered Public Accounting Firm.
*23.2	Consent of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. (see Exhibit 5.1).
24.1	Powers of Attorney (See signature page).

* To be filed by amendment.

** Confidential treatment has been requested for portions of this exhibit.

(b) Financial Statement Schedules

Financial Statement Schedules are omitted because the information is included in our financial statements or notes to those financial statements.

Item 17. Undertakings

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the Underwriting Agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 14 above, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Lexington, Massachusetts, on January 18, 2005.

By: /s/ SAFI R. BAHCALL

Safi R. Bahcall, Ph.D.
President and Chief Executive Officer

POWER OF ATTORNEY

We the undersigned officers and directors of Synta Pharmaceuticals Corp., hereby severally constitute and appoint Safi R. Bahcall, Ph.D. and John A. McCarthy, Jr., and each of them singly (with full power to each of them to act alone), our true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution in each of them for him and in his name, place and stead, and in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement (or any other registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as full to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities held on the dates indicated.

Signature	Title	Date
/s/ SAFI R. BAHCALL Safi R. Bahcall, Ph.D.	President, Chief Executive Officer and Director (principal executive officer)	January 18, 2005
/s/ JOHN A. MCCARTHY, JR. John A. McCarthy, Jr.	Senior Vice President, Corporate Development and Chief Financial Officer (principal financial officer)	January 18, 2005
/s/ KEITH S. EHRLICH Keith S. Ehrlich	Vice President, Finance and Administration (principal accounting officer)	January 18, 2005
/s/ KEITH R. GOLLUST Keith R. Gollust	Chairman of the Board	January 18, 2005
/s/ LAN BO CHEN Lan Bo Chen, Ph.D.	Director	January 18, 2005
/s/ BRUCE KOVNER Bruce Kovner	Director	January 18, 2005
/s/ WILLIAM S. REARDON William S. Reardon, C.P.A.	Director	January 18, 2005
/s/ ROBERT N. WILSON Robert N. Wilson	Director	January 18, 2005

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
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3.1	Certificate of Incorporation, as amended, of the Registrant.
*3.2	Restated Certificate of Incorporation of the Registrant to be filed upon completion of this offering.
3.3	Bylaws, as amended, of the Registrant.
*3.4	Restated Bylaws of the Registrant to be effective upon completion of this offering.
*4.1	Form of Common Stock Certificate.
4.2.1	Amended and Restated Investor Rights Agreement dated December 13, 2002, by and among the Registrant and certain stockholders of the Registrant.
4.2.2	First Amendment, dated January 11, 2005, to the Amended and Restated Investor Rights Agreement, dated December 13, 2002, by and among the Registrant and certain stockholders of the Registrant.
*5.1	Opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., counsel to the Registrant, with respect to the legality of securities being registered.
10.1	2001 Stock Plan.
*10.2	[Reserved.]
10.3	Director Compensation Policy.
10.4	Non-Qualified Stock Option Agreement, dated May 27, 2004, by and between the Registrant and Keith R. Gollust.
10.5	Duffy Hartwell Limited Partnership Commercial Lease, dated November 4, 1996, by and between Duffy Hartwell Limited Partnership and Shionogi BioResearch Corp.
10.6	Lease of 125 Hartwell Avenue, Lexington, MA, dated October 26, 1992, by and between Fuji ImmunoPharmaceuticals Corp. and 125 Hartwell Trust, as amended by First Amendment dated January 31, 1993, Second Amendment dated October 1, 1997, Third Amendment dated November 1, 2002, Assignment and Assumption of Lease and Consent of Release by Landlord and Fourth Amendment of Lease, dated July 9, 2004, and Fifth Amendment, dated October 22, 2004.
10.7	Pinnacle Properties Management, Inc. Standard Form Commercial Lease, dated May 31, 1999, by and between 6-8 Preston Court, L.L.C. and Asiana Pharmaceuticals Corporation, as amended by Amendment to Lease #1, dated July 31, 2000, Amendment to Lease #2, dated November 26, 2001, and Amendment to Lease #3, dated December 2003.
10.8	Lease, dated January 13, 2005, by and between the Registrant and Mortimer B. Zuckerman and Edward H. Linde, Trustees of 91 Hartwell Avenue Trust.
10.9	Stock Exchange Agreement, dated September 9, 2002, by and among the Registrant, Principia Associates, Inc. and certain stockholders of Principia Associates, Inc.
10.10	Agreement of Merger, dated December 27, 2002, by and among the Registrant, DGN Genetics Acquisition Corp., Diagon Genetics, Inc. and certain stockholders of Diagon Genetics, Inc.
**10.11	Asset Purchase Agreement, dated December 17, 2003, by and among the Registrant, Cancer Genomics, Inc., Kava Pharmaceuticals, Inc., SinglePixel Biomedical, Inc. and CMAC, LLC.
10.12	Letter Agreement, dated April 21, 2004, by and between the Registrant and Dr. Mitsunori Ono.
10.13	Letter Agreement, dated May 7, 2004, by and between the Registrant and John A. McCarthy, Jr.
10.14	Letter Agreement, dated February 18, 2004, by and between the Registrant and Dr. Matthew L. Sherman.
10.15	Letter Agreement, dated October 12, 2002, by and between the Registrant and Dr. Keizo Koya.
10.16	Letter Agreement, dated January 22, 2003, by and between the Registrant and Dr. James Barsoum.
10.17	Letter Agreement, dated February 19, 2004, by and between the Registrant and Keith Ehrlich.
10.18	Letter Agreement, dated January 14, 2003, by and between the Registrant and Wendy E. Rieder.
10.19	Master Lease Agreement, dated November 10, 2004, by and between the Registrant and General Electric Capital Corporation.
10.20	Agreement and Release, dated January 14, 2005, by and among the Registrant and Dr. Lan Bo Chen.
21.1	List of Subsidiaries.
23.1	Consents of KPMG LLP, Independent Registered Public Accounting Firm.
*23.2	Consent of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. (see Exhibit 5.1).
24.1	Powers of Attorney (See signature page).

* To be filed by amendment.

** Confidential treatment has been requested for portions of this exhibit.

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Exhibit 3.1

CERTIFICATE OF INCORPORATION
OF
NEUTRA PHARMACEUTICALS CORP.

The undersigned, in order to form a corporation for the purposes hereinafter stated, under and pursuant to the provisions of the General Corporation Law of the State of Delaware, hereby certifies as follows:

1. The name of the corporation is Neutra Pharmaceuticals Corp.

2. The registered office of the corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of the corporation's registered agent at such address is The Corporation Trust Company.

3. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

4. The corporation is authorized to issue one class of capital stock which shall be a class of 3,000 shares, $.01 par value per share, designated as "Common Stock".

5. The name and address of the incorporator is Gregory M. O'Shaughnessy, c/o Nixon Peabody LLP, 101 Federal Street, Boston, Massachusetts 02110-1832.

6. The powers of the incorporator are to terminate upon the filing of this Certificate of Incorporation. The following individual shall serve as the Director of the corporation until the first annual meeting of stockholders, or any Consent in lieu thereof, or until successors are elected and qualify:

Michael K. Barron
c/o Nixon Peabody LLP
101 Federal Street
Boston, MA 02110-1832

7. To the fullest extent permitted by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended, a Director of this corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director.

8. The Board of Directors of the corporation shall have the power to adopt, amend or repeal from time to time the By-Laws of the corporation.

IN WITNESS WHEREOF, I have executed this Certificate of Incorporation this 10th day of March, 2000.

/s/ GREGORY M. O'SHAUGHNESSY

Gregory M. O'Shaughnessy, Incorporator

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
BEFORE PAYMENT OF CAPITAL
OF
NEUTRA PHARMACEUTICALS CORP.

I, the undersigned, being the sole Director of Neutra Pharmaceuticals Corp., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DO HEREBY CERTIFY:

Neutra Pharmaceuticals Corp., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"),

DOES HEREBY CERTIFY:

FIRST: That Article of the Certificate of Incorporation be and it hereby is amended to read as follows:

The name of the corporation is Synta Pharmaceuticals Corp.

SECOND: That the Certificate of Incorporation of the Corporation be amended by striking paragraph 4 in its entirety and substituting therefor:

4. The total number of shares that this corporation shall have authority to issue is 40,000,000 share of Common Stock, $0.0001 par value per share (the "Common Stock".

THIRD: That the corporation has not received any payment for any of its stock.

FOURTH: That the amendment was duly adopted in accordance with the provisions of section 241 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said Neutra Pharmaceuticals Corp., has caused this Certificate to be signed by Michael K. Barron, its President, this 12 day of July 2001.

Neutron Pharmaceuticals Corp.

BY: /s/ MICHAEL K. BARRON

Michael K. Barron, President

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

SYNTA PHARMACEUTICALS CORP.

I, the undersigned, being the President of Synta Pharmaceuticals Corp., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DO HEREBY CERTIFY:

Synta Pharmaceuticals Corp., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"),

DOES HEREBY CERTIFY:

FIRST: That the Certificate of Incorporation of the Corporation be amended by striking paragraph 4 in its entirety and substituting therefor:

4. The total number of shares that this corporation shall have

authority to issue is 100,000,000 share of Common Stock, $0.0001 par value per share, designated as "Common Stock".

SECOND: That the amendment was duly adopted in accordance with the provisions of section 241 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said Synta Pharmaceuticals Corp., has caused this Certificate to be signed by Dr. Safi R. Bahcall, its President, this 5th day of September, 2002.

Synta Pharmaceuticals Corp.

BY: /s/ DR. SAFI R. BAHCALL

Dr. Safi R. Bahcall, President

CERTIFICATE OF OWNERSHIP AND MERGER
PURSUANT TO DEL. CORP.L.ANN. SECTION 253

I, Dr. Safi R. Bahcall, Chief Executive Officer of Synta Pharmaceuticals Corp., a Delaware corporation (the "Corporation"), hereby certify as follows:

1. The Corporation currently owns one hundred percent (l00%) of the issued and outstanding shares of every class of stock of Diagon Genetics, Inc. (f/k/a DGN Genetics Acquisition Corp.), a Delaware corporation ("Diagon").

2. The following is a true and correct copy of the resolution adopted by the Board of Directors of the Corporation effective December 27, 2002, approving the merger of Diagon with and into the Corporation:

RESOLVED: That the Corporation enter into a statutory merger (the "MERGER") with Diagon Genetics, Inc. (f/k/a DGN Genetics Acquisition Corp.), a Delaware corporation ("Diagon") and the wholly-owned subsidiary of the Corporation, of which the Corporation shall be the survivor, and that, as of the effective date of the Merger, all of the assets of Diagon, subject to its liabilities, as such assets and liabilities may exist immediately prior to the effective date of the Merger, shall become the assets and liabilities of the Corporation; and that the Board of Directors hereby approves and adopts the aforesaid, all pursuant to and as set forth in the Plan of Merger attached hereto as EXHIBIT 1.

3. The foregoing resolution was adopted by the Corporation's Board of Directors on December 27, 2002.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Ownership and Mergers as of the 27 day of December 2002.

ATTEST: SYNTA PHARMACEUTICALS CORP.

/s/ MICHAEL K. BARRON

Michael K. Barron,
Assistant Secretary

/s/ DR. SAFI BAHCALL

Dr. Safi R. Bahcall,
Chief Executive Officer and Secretary

EXHIBIT 1

PLAN OF MERGER

DIAGON GENETICS, INC.
(A DELAWARE CORPORATION)

WITH AND INTO

SYNTA PHARMACEUTICALS CORP.
(A DELAWARE CORPORATION)

The Board of Directors of Synta Pharmaceuticals Corp., a Delaware corporation ("SYNTA"), adopted this PLAN OF MERGER (hereinafter "PLAN") by its unanimous written consent dated as of the 27th day of December, 2002.

WHEREAS, Synta is a corporation duly organized and existing under the laws of the State of Delaware, incorporated on March 10, 2000, and having a principal place of business in Lexington, Massachusetts; and

WHEREAS, Diagon Genetics, inc. (f/k/a DGN Genetics Acquisition Corp.), a wholly-owned subsidiary of Synta ("DIAGON"), is a corporation duly organized and existing under the laws of the State of Delaware, incorporated on December 23, 2002, and having a principal place of business in Lexington, Massachusetts, with authorized capital stock consisting of three thousand (3,000) shares of Common Stock, par value $.01 per share, all of which are duly issued and outstanding (the "DIAGON STOCK"); and

WHEREAS, Diagon and Synta (hereinafter sometimes collectively referred to as the "CORPORATIONS") are business corporations organized for the purpose of carrying on businesses of similar nature, and the Board of Directors of Synta believes it is advisable and to the advantage of the Corporations that they be merged to form a single Delaware corporation; and

WHEREAS, the Board of Directors of Synta has authorized and approved such merger and has authorized and approved the execution of this Plan; and

WHEREAS, the laws of the State of Delaware, under which each of the Corporations is organized, permit the merger.

1. DESCRIPTION OF MERGER. Diagon shall be merged with and into Synta in accordance with the provisions of Delaware Corporation Law Annotated Section 253. The surviving corporation shall be Synta (hereinafter sometimes referred to as the "SURVIVING CORPORATION"), which shall continue its corporate existence under the laws of the State of Delaware under the name set forth in Section 2 of this Plan.

Upon the effective date of the merger as described in Section 10 of this Plan, Diagon shall be merged with and into Synta and the separate existence of Diagon shall cease, except insofar as it may be continued by stature or in order to carry out the purposes of this Plan, and Synta shall continue to exist by virtue of and shall be governed by the laws of the State of Delaware. All rights, franchises and interests of the Corporations in and to every type of property shall be transferred to and vested in the Surviving Corporation by virtue of the merger, without further act or deed, and all claims, demands, property, and other interests of the Corporations shall be the property of the Surviving Corporation, and title to all real estate vested in either of the Corporations shall not revert or be in any way impaired by reason of the merger, but shall be vested in the Surviving Corporation.

The rights of the creditors of either of the Corporations shall not in any way be impaired, nor shall any liability or obligation, including taxes due or to become due, or any claim or demand in any cause, existing against either of the Corporations, or any shareholder or officer thereof, be released or impaired by the merger, but the Surviving Corporation shall be deemed to have assumed and shall be liable for all liabilities and obligations of each of the Corporations in the same manner and to the same extent as if such Surviving Corporation had itself incurred such liabilities or obligations.

It is the intention of the parties to this Plan that the merger described herein be accomplished pursuant to and in accordance with the requirements of Section 368(a)(l)(A) of the Internal Revenue Code of 1986, as amended, and that the tax attributes of Synta, including its federal taxpayer identification number, be assumed by the Surviving Corporation.

2. NAME OF SURVIVING CORPORATION. The name of the Surviving Corporation shall be Synta Pharmaceuticals Corp.

3. PURPOSE OF SURVIVING CORPORATION. The objects and purposes of Synta shall continue to be the objects and purposes of Synta Pharmaceuticals Corp.

4. PRINCIPAL PLACE OF BUSINESS. The location of the principal place of business of the Surviving Corporation shall be 45 Hartwell Avenue, Lexington, MA 02421.

5. CERTIFICATE OF INCORPORATION. The Certificate of Incorporation of Synta Pharmaceuticals Corp. in effect immediately prior to the effective date of the merger shall be the Certificate of Incorporation of the Surviving Corporation.

6. BY-LAWS. The By-Laws of Synta Pharmaceuticals Corp. in effect immediately prior to the effective date of the merger shall be the By-Laws of the Surviving Corporation.

7. DIRECTORS AND OFFICERS OF THE SURVIVING CORPORATION. The Board of Directors and Officers of the Surviving Corporation shall be the same as the Board of Directors and Officers of Synta immediately prior to the effective date of the merger.

8. FURTHER ACTS. In the event that this Plan is not previously abandoned by the Board of Directors of Synta in the manner prescribed by the provisions of Delaware Corporation Law Annotated Section 251(d), Synta will cause to be executed and filed and/or recorded any

documents prescribed by the laws of the State of Delaware and will cause to be performed all necessary acts within such jurisdictions and elsewhere to effectuate the Plan.

9. EFFECTIVE DATE OF MERGER. Subject to the provisions hereof, as soon as practicable after adoption of this Plan by the Board of Directors of Synta, the further procedures required in order to effectuate the merger as specified by the business corporation laws of Delaware shall be carried out and the merger shall become effective upon filing of the Certificate of Ownership and Merger in Delaware.

10. ABANDONMENT OR AMENDMENT. This Plan may be abandoned or amended by appropriate action taken by the Board of Directors of Synta, in its sole discretion and in the manner prescribed by the provisions of Delaware Corporation Law Annotated Section 251(d), any time prior to the time of filing of the Certificate of Ownership and Merger with the Delaware Secretary of State.

CERTIFICATE OF OWNERSHIP AND MERGER
PURSUANT TO DEL. CORP.L.ANN. SECTION 253

I, Dr. Safi R. Bahcall, Chief Executive Officer of Synta Pharmaceuticals Corp., a Delaware corporation (the "CORPORATION"), hereby certify as follows:

1. The Corporation currently owns one hundred percent (l00%) of the issued and outstanding shares of every class of stock of SBR Pharmaceuticals, Corp. (f/k/a Principia Associates, Inc.), a Delaware corporation ("SBR").

2. The following is a true and correct copy of the resolution adopted by the Board of Directors of the Corporation effective December 31, 2002, approving

the merger of SBR with and into the Corporation:

RESOLVED: That the Corporation enter into a statutory merger (the "MERGER") with SBR Pharmaceuticals Corp. (f/k/a Principia Associates, Inc.), a Delaware corporation ("SBR") and the wholly-owned subsidiary of the Corporation, of which the Corporation shall be the survivor, and that, as of the effective date of the Merger, all of the assets of SBR, subject to its liabilities, as such assets and liabilities may exist immediately prior to the effective date of the Merger, shall become the assets and liabilities of the Corporation; and that the Board of Directors hereby approves and adopts the aforesaid, all pursuant to and as set forth in the Plan of Merger attached hereto as EXHIBIT 1.

3. The foregoing resolution was adopted by the Corporation's Board of Directors on December 13, 2002.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Ownership and Merger as of the 27 day of December 2002.

ATTEST:

/s/ MICHAEL K. BARRON

Michael K. Barron,
Assistant Secretary

SYNTA PHARMACEUTICALS CORP.

/s/ DR. SAFI R. BAHCALL

Dr. Safi R. Bahcall,
Chief Executive Officer and Secretary

EXHIBIT 1

PLAN OF MERGER

SBR PHARMACEUTICALS CORP.
(A DELAWARE CORPORATION)

WITH AND INTO

SYNTA PHARMACEUTICALS CORP.
(A DELAWARE CORPORATION)

The Board of Directors of Synta Pharmaceuticals Corp., a Delaware corporation ("SYNTA"), adopted this PLAN OF MERGER (hereinafter "PLAN") by its unanimous written consent dated as of the 13th day of December, 2002.

WHEREAS, Synta is a corporation duly organized and existing under the laws of the State of Delaware, incorporated on March 10, 2000, and having a principal place of business in Lexington, Massachusetts; and

WHEREAS, SBR Pharmaceuticals Corp. (f/k/a Principia Associates, Inc.), a wholly-owned subsidiary of Synta ("SBR"), is a corporation duly organized and existing under the laws of the State of Delaware, incorporated on June 17, 2002, and having a principal place of business in Lexington, Massachusetts, with authorized capita] stock consisting of two million one hundred (2,000,100) shares of Common Stock, par value $.01 per share, of which one million three hundred thousand (1,300,000) shares are duly issued and outstanding (the "SBR STOCK"); and

WHEREAS, SBR and Synta (hereinafter sometimes collectively referred to as the "CORPORATIONS") are business corporations organized for the purpose of carrying on businesses of similar nature, and the Board of Directors of Synta believes it is advisable and to the advantage of the Corporations that they be merged to form a single Delaware corporation; and

WHEREAS, the Board of Directors of Synta has authorized and approved such merger and has authorized and approved the execution of this Plan; and

WHEREAS, the laws of the State of Delaware, under which each of the Corporations is organized, permit the merger.

1. DESCRIPTION OF MERGER. SBR shall be merged with and into Synta in accordance with the provisions of Delaware Corporation Law Annotated Section 253. The surviving corporation shall be Synta (hereinafter sometimes referred to as the "SURVIVING CORPORATION"), which shall continue its corporate existence under the laws of the State of Delaware under the name set forth in Section 2 of this Plan.

Upon the effective date of the merger as described in Section 10 of this Plan, SBR shall be merged with and into Synta and the separate existence of SBR shall cease, except insofar as it may be continued by stature or in order to carry out the purposes of this Plan, and Synta shall continue to exist by virtue of and shall be governed by the laws of the State of Delaware. All rights, franchises and interests of the Corporations in and to every type of property shall be transferred to and vested in the Surviving Corporation by virtue of the merger, without further act or deed, and all claims, demands, property, and other interests of the Corporations shall be the property of the Surviving Corporation, and title to all real estate vested in either of the Corporations shall not revert or be in any way impaired by reason of the merger, but shall be vested in the Surviving Corporation.

The rights of the creditors of either of the Corporations shall not in any way be impaired, nor shall any liability or obligation, including taxes due or to become due, or any claim or demand in any cause, existing against either of the Corporations, or any shareholder or officer thereof, be released or impaired by the merger, but the Surviving Corporation shall be deemed to have assumed and shall be liable for all liabilities and obligations of each of the Corporations in the same manner and to the same extent as if such Surviving Corporation had itself incurred such liabilities or obligations.

It is the intention of the parties to this Plan that the merger described herein be accomplished pursuant to and in accordance with the requirements of Section 368(a)(l)(A) of the Internal Revenue Code of 1986, as amended, and that the tax attributes of Synta, including its federal taxpayer identification number, be assumed by the Surviving Corporation.

2. NAME OF SURVIVING CORPORATION. The name of the Surviving Corporation shall be Synta Pharmaceuticals Corp.

3. PURPOSE OF SURVIVING CORPORATION. The objects and purposes of Synta shall continue to be the objects and purposes of Synta Pharmaceuticals Corp.

4. PRINCIPAL PLACE OF BUSINESS. The location of the principal place of business of the Surviving Corporation shall be 45 Hartwell Avenue, Lexington, MA 02421.

5. CERTIFICATE OF INCORPORATION. The Certificate of Incorporation of Synta Pharmaceuticals Corp. in effect immediately prior to the effective date of the merger shall be the Certificate of Incorporation of the Surviving Corporation.

6. BY-LAWS. The By-Laws of Synta Pharmaceuticals Corp. in effect immediately prior to the effective date of the merger shall be the By-Laws of the Surviving Corporation.

7. DIRECTORS AND OFFICERS OF THE SURVIVING CORPORATION. The Board of Directors and Officers of the Surviving Corporation shall be the same as the Board of Directors and Officers of Synta immediately prior to the effective date of the merger.

8. FURTHER ACTS. In the event that this Plan is not previously abandoned

by the Board of Directors of Synta in the manner prescribed by the provisions of Delaware Corporation Law

Annotated Section 251(d), Synta will cause to be executed and filed and/or recorded any documents prescribed by the laws of the State of Delaware and will cause to be performed all necessary acts within such jurisdictions and elsewhere to effectuate the Plan.

9. EFFECTIVE DATE OF MERGER. The merger shall become effective as of December 31, 2002.

10. ABANDONMENT OR AMENDMENT. This Plan may be abandoned or amended by appropriate action taken by the Board of Directors of Synta, in its sole discretion and in the manner prescribed by the provisions of Delaware Corporation Law Annotated Section 251(d), any time prior to the time of filing of the Certificate of Ownership and Merger with the Delaware Secretary of State.

CERTIFICATE
FOR RENEWAL AND REVIVAL OF CERTIFICATE OF INCORPORATION

Synta Pharmaceuticals Corp., a corporation organized under the laws of Delaware, the Certificate of Incorporation of which was filed in the office of the Secretary of State on the 10th day of March, 2000 and thereafter voided for non-payment of taxes, now desiring to procure a revival of its Certificate of Incorporation, hereby certifies as follows:

1. The name borne by the corporation at the time its Certificate of Incorporation became void is Synta Pharmaceuticals Corp.

2. Its registered office in the State of Delaware is located at Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle and the name of its registered agent at such address is The Corporation Trust Company.

3. The date when revival of the Certificate of Incorporation of this corporation is to commence is 29th* day of February, 2004, same being prior to the date the Certificate of Incorporation became void. Revival of the Certificate of Incorporation is to be perpetual.

4. This corporation was duly organized under the laws of Delaware and carried on the business authorized by its Certificate of Incorporation until the 1st day of March, 2004, at which time its Certificate of Incorporation became inoperative and void for non-payment of taxes and this Certificate of Renewal and Revival is filed by authority of the duly elected directors of the corporation with the laws of Delaware.

* (MUST BE THE DAY BEFORE THE DAY UPON WHICH THE CERTIFICATE OF INCORPORATION BECAME VOID.)

IN WITNESS WHEREOF, said Synta Pharmaceuticals Corp. in compliance with Section 312 of Title 8 of the Delaware Code has caused this Certificate to be signed by Michael K. Barron, its last and acting Assistant Secretary, * this 31st day of March, 2004.

SYNTA PHARMACEUTICALS CORP.

By: /s/ MICHAEL K. BARRON

Michael K. Barron, Assistant Secretary

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

SYNTA PHARMACEUTICALS CORP.

I, the undersigned, being the Chief Executive Officer of Synta Pharmaceuticals Corp., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DO HEREBY CERTIFY:

Synta Pharmaceuticals Corp., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"),

DOES HEREBY CERTIFY:

FIRST:That the Certificate of Incorporation of the Corporation be amended by striking paragraph 4 in its entirety and substituting therefor:

> "4. The total number of shares that this corporation shall have authority to issue is 150,000,000 share of Common Stock, $0.0001 par value per share, designated as "Common Stock"."

SECOND: That the amendment was duly adopted in accordance with the provisions of section 241 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said Synta Pharmaceuticals Corp. has caused this Certificate to be signed by Dr. Safi R. Bahcall, its Chief Executive Officer, this 4th day of November, 2004.

SYNTA PHARMACEUTICALS CORP.

BY: /s/ DR. SAFI R. BAHCALL

Dr. Safi R. Bahcall, Chief Executive Officer

Exhibit 3.3

AMENDED AS OF FEBRUARY 5, 2004

SYNTA PHARMACEUTICALS CORP.

BY-LAWS

ARTICLE I

OFFICES

SECTION 1. REGISTERED OFFICE. The registered office of the Corporation shall be in the City of Wilmington, County of New Castle, State of Delaware.

SECTION 2. OTHER OFFICES. The Corporation may also have offices at such other place or places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 1. TIME AND PLACE OF MEETINGS. All meetings of the stockholders for the election of directors shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. Meetings of stockholders for any other purpose may be held at such time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

SECTION 2. ANNUAL MEETINGS. Annual meetings of stockholders, commencing with the calendar year 2001, shall be held on the first Wednesday of August in each year if not a legal holiday under the laws of the state where such meeting is to be held, and if a legal holiday under the laws of said state, then on the next succeeding business day not a legal holiday under the laws of said state, at 10:00 A.M., or at such other date and time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which the stockholders shall elect by a plurality vote by written ballot a Board of Directors and transact such other business as may properly be brought before the meeting.

SECTION 3. NOTICE OF ANNUAL MEETINGS. Written notice of the annual meeting, stating the place, date, and hour of the meeting, shall be given to each stockholder of record entitled to vote at such meeting not less than 10 or more than 60 days before the date of the meeting.

SECTION 4. SPECIAL MEETINGS. Special meetings of the stockholders for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation, may be called at any time by order of the Board of Directors and shall be called by the Chairman of the Board, the Chief Executive Officer, or the Secretary at the request in writing of a majority of the Board of Directors. Such request shall state the purpose or purposes of the proposed special

meeting. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

SECTION 5. NOTICE OF SPECIAL MEETINGS. Written notice of a special meeting, stating the place, date, and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given to each stockholder of record entitled to vote at such meeting not less than 10 or more than 60 days before the date of the meeting.

SECTION 6. QUORUM. Except as otherwise provided by statute or the Certificate of Incorporation, the holders of stock having a majority of the voting power of the stock entitled to be voted thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time without notice (other than announcement at the meeting at which the adjournment is taken of the time and place of the adjourned meeting) until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 7. ORGANIZATION. At each meeting of the stockholders, the Chairman of the Board or the Chief Executive Officer, determined as provided in Article V of these By-laws, or if those officers shall be absent therefrom, another officer of the Corporation chosen as chairman present in person or by proxy and entitled to vote thereat, or if all the officers of the Corporation shall be absent therefrom, a stockholder holding of record shares of stock of the Corporation so chosen, shall act as chairman of the meeting and preside thereat. The Secretary, or if he shall be absent from such meeting or shall be required pursuant to the provisions of this Section 7 to act as chairman of such meeting, the person (who shall be an Assistant Secretary, if an Assistant Secretary shall be present thereat) whom the chairman of such meeting shall appoint, shall act as secretary of such meeting and keep the minutes thereof.

SECTION 8. ORDER OF BUSINESS. The order of business at annual meetings of stockholders and, so far as practicable, at other meetings of stockholders shall be as follows, unless changed by the vote of a majority in voting interest of those present in person or by proxy at such meeting and entitled to vote thereat:

(a) Call to order.

(b) Proof of due notice of meeting.

(c) Determination of quorum and examination of proxies.

(d) Announcement of availability of list of stockholders.

(e) Reading and disposing of minutes of last meeting of stockholders.

(f) Announcement of purposes for which the meeting was called.

(g) Nomination of directors.

(h) Entertainment of motions with respect to other business.

(i) Opening of polls for voting and collection of ballots.

(j) Reports of officers and committees.

(k) Report of voting judges.

(l) Other business.

(m) Adjournment.

SECTION 9. VOTING. Except as otherwise provided in the Certificate of Incorporation, each stockholder shall, at each meeting of the stockholders, be entitled to one vote in person or by proxy for each share of stock of the

Corporation held by him and registered in his name on the books of the Corporation on the date fixed pursuant to the provisions of Section 5 of Article VII of these By-laws as the record date for the determination of stockholders who shall be entitled to notice of and to vote at such meeting. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held directly or indirectly by the Corporation, shall not be entitled to vote. Any vote by stock of the Corporation may be given at any meeting of the stockholders by the stockholder entitled thereto, in person or by his proxy appointed by an instrument in writing subscribed by such stockholder or by his attorney thereunto duly authorized and delivered to the Secretary of the Corporation or to the secretary of the meeting; provided, however, that no proxy shall be voted or acted upon after three years from its date, unless said proxy shall provide for a longer period. Each proxy shall be revocable unless expressly provided therein to be irrevocable and unless otherwise made irrevocable by law. At all meetings of the stockholders all matters, except where other provision is made by law, the Certificate of Incorporation, or these By-laws, shall be decided by the vote of a majority of the votes cast by the stockholders present in person or by proxy and entitled to vote thereat, a quorum being present. Unless demanded by a stockholder of the Corporation present in person or by proxy at any meeting of the stockholders and entitled to vote thereat, or so directed by the chairman of the meeting, the vote thereat on any question other than the election or removal of directors need not be by written ballot. Upon a demand of any such stockholder for a vote by written ballot on any question or at the direction of such chairman that a vote by written ballot be taken on any question, such vote shall be taken by written ballot. On a vote by written ballot, each ballot shall be signed by the stockholder voting, or by his proxy, if there be such proxy, and shall state the number of shares voted.

SECTION 10. LIST OF STOCKHOLDERS. It shall be the duty of the Secretary or other officer of the Corporation who shall have charge of its stock ledger, either directly or through another officer of the Corporation designated by him or through a transfer agent appointed by the Board of Directors, to prepare and make, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote thereat, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days before said meeting, either at a place within the city where said meeting is to be held, which place shall be specified in the notice of said meeting, or, if not so specified, at the place where said meeting is to be held. The list shall also be produced and kept at the time and place of said meeting during the whole time thereof, and may be inspected by any stockholder of record who shall be present thereat. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, such list or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

SECTION 11. INSPECTORS OF VOTES. At each meeting of the stockholders, the chairman of such meeting may appoint two Inspectors of Votes to act thereat, unless the Board of Directors shall have theretofore made such appointments. Each Inspector of Votes so appointed shall first subscribe an oath or affirmation faithfully to execute the duties of an Inspector of Votes at such meeting with strict impartiality and according to the best of his ability. Such Inspectors of Votes, if any, shall take charge of the ballots, if any, at such meeting and, after the balloting thereat on any question, shall count the ballots cast thereon and shall make a report in writing to the secretary of such meeting of the results thereof. An Inspector of Votes need not be a stockholder of the Corporation, and any officer of the Corporation may be an Inspector of Votes on any question other than a vote for or against his election to any position with the Corporation or on any other question in which he may be directly interested.

SECTION 12. ACTIONS WITHOUT A MEETING. Any action required to be taken at

any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of stockholders, may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereat were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1. POWERS. The business and affairs of the Corporation shall be managed by its Board of Directors, which shall have and may exercise all such powers of the Corporation and do

all such lawful acts and things as are not by statute, the Certificate of Incorporation, or these By-laws directed or required to be exercised or done by the stockholders.

SECTION 2. NUMBER, QUALIFICATION, AND TERM OF OFFICE. The Board of Directors shall consist of one or more members. The initial Board of Directors shall consist of the Directors named in the Certificate of Incorporation. Thereafter, within the limits above specified, the number of Directors which shall constitute the whole Board of Directors shall be determined by resolution of the Board of Directors or by the stockholders at any annual or special meeting or otherwise pursuant to action of the stockholders. Directors need not be stockholders. The directors shall be elected at the annual meeting of the stockholders, except as provided in Sections 4 and 5 of this Article III, and each director elected shall hold office until the annual meeting next after his election and until his successor is duly elected and qualified, or until his death or retirement or until he resigns or is removed in the manner hereinafter provided. Such election shall be by written ballot.

SECTION 3. RESIGNATIONS. Any director may resign at any time by giving written notice of his resignation to the Corporation. Any such resignation shall take effect at the time specified therein, or if the time when it shall become effective shall not be specified therein, then it shall take effect immediately upon its receipt by the Secretary. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 4. REMOVAL OF DIRECTORS. Any director may be removed, either with or without cause, at any time, by the affirmative vote by written ballot of a majority in voting interest of the stockholders of record of the Corporation entitled to vote, given at an annual meeting or at a special meeting of the stockholders called for that purpose. The vacancy in the Board of Directors caused by any such removal shall be filled by the stockholders at such meeting or, if not so filled, by the Board of Directors as provided in Section 5 of this Article III.

SECTION 5. VACANCIES. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the annual meeting next after their election and until their successors are elected and qualified, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute.

MEETINGS OF THE BOARD OF DIRECTORS

SECTION 6. PLACE OF MEETINGS. The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Delaware.

SECTION 7. ANNUAL MEETINGS. The first meeting of each newly elected Board of Directors shall be held immediately following the annual meeting of stockholders, and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event such meeting is not held immediately following the annual meeting of stockholders, the meeting may be held at such time and place as

shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

SECTION 8. REGULAR MEETINGS. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

SECTION 9. SPECIAL MEETINGS; NOTICE. Special meetings of the Board of Directors may be called by the Chairman of the Board, the Chief Executive Officer or the Secretary on 24 hours' notice to each director, either personally or by telephone or by mail, telegraph, telex, cable, wireless, or other form of recorded communication; special meetings shall be called by the Chairman of the Board, the Chief Executive Officer or the Secretary in like manner and on like notice on the written request of two directors. Notice of any such meeting need not be given to any director, however, if waived by him in writing or by telegraph, telex, cable, wireless, or other form of recorded communication, or if he shall be present at such meeting.

SECTION 10. QUORUM AND MANNER OF ACTING. At all meetings of the Board of Directors, a majority of the directors at the time in office (but not less than one-third of the whole Board of Directors) shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 11. REMUNERATION. Unless otherwise expressly provided by resolution adopted by the Board of Directors, none of the directors shall, as such, receive any stated remuneration for his services; but the Board of Directors may at any time and from time to time by resolution provide that a specified sum shall be paid to any director of the Corporation, either as his annual remuneration as such director or member of any committee of the Board of Directors or as remuneration for his attendance at each meeting of the Board of Directors or any such committee. The Board of Directors may also likewise provide that the Corporation shall reimburse each director for any expenses paid by him on account of his attendance at any meeting. Nothing in this Section 11 shall be construed to preclude any director from serving the Corporation in any other capacity and receiving remuneration thereof.

COMMITTEES OF DIRECTORS

SECTION 12. EXECUTIVE COMMITTEE; HOW CONSTITUTED AND POWERS. The Board of Directors may in its discretion, by resolution passed by a majority of the whole Board of Directors, designate an Executive Committee consisting of one or more of the directors of the Corporation. Subject to the provisions of Section 141 of the General Corporation Law of the State of Delaware, the Certificate of Incorporation, and these By-laws, the Executive Committee shall have and may exercise, when the Board of Directors is not in session, all the powers and authority of the Board of Directors in the management of the business and affairs of the

Corporation, and shall have the power to authorize the seal of the Corporation to be affixed to all papers which may require it; but the Executive Committee shall not have the power to fill vacancies in the Board of Directors, the Executive Committee, or any other committee of directors or to elect or approve officers of the Corporation. The Executive Committee shall have the power and authority to authorize the issuance of common stock and grant and authorize options and other rights with respect to such issuance. The Board of Directors shall have the power at any time, by resolution passed by a majority of the whole Board of Directors, to change the membership of the Executive Committee, to fill all vacancies in it, or to dissolve it, either with or without cause.

SECTION 13. ORGANIZATION. The Chairman of the Executive Committee, to be selected by the Board of Directors, shall act as chairman at all meetings of the Executive Committee and the Secretary shall act as secretary thereof. In case of the absence from any meeting of the Executive Committee of the Chairman of the Executive Committee or the Secretary, the Executive Committee may appoint a chairman or secretary, as the case may be, of the meeting.

SECTION 14. MEETINGS. Regular meetings of the Executive Committee, of which no notice shall be necessary, may be held on such days and at such places, within or without the State of Delaware, as shall be fixed by resolution adopted by a majority of the Executive Committee and communicated in writing to all its members. Special meetings of the Executive Committee shall be held whenever called by the Chairman of the Executive Committee or a majority of the members of the Executive Committee then in office. Notice of each special meeting of the Executive Committee shall be given by mail, telegraph, telex, cable, wireless, or other form of recorded communication or be delivered personally or by telephone to each member of the Executive Committee not later than the day before the day on which such meeting is to be held. Notice of any such meeting need not be given to any member of the Executive Committee, however, if waived by him in writing or by telegraph, telex, cable, wireless, or other form of recorded communication, or if he shall be present at such meeting; and any meeting of the Executive Committee shall be a legal meeting without any notice thereof having been given, if all the members of the Executive Committee shall be present thereat. Subject to the provisions of this Article III, the Executive Committee, by resolution adopted by a majority of the whole Executive Committee, shall fix its own rules of procedure.

SECTION 15. QUORUM AND MANNER OF ACTING. A majority of the Executive Committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at a meeting thereof at which a quorum is present shall be the act of the Executive Committee.

SECTION 16. OTHER COMMITTEES. The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board of Directors, designate one or more other committees consisting of one or more directors of the Corporation, which, to the extent provided in said resolution or resolutions, shall have and manage, exercise, subject to the provisions of Section 141 of The General Corporation Law of the State of Delaware, the Certificate of Incorporation, and these By-laws, the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and shall have the power to authorize

the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power to fill vacancies in the Board of Directors, the Executive Committee, or any other committee or in their respective membership, to appoint or remove officers of the Corporation, or to authorize the issuance of shares of the capital stock of the Corporation, except that such a committee may, to the extent provided in said resolutions, grant and authorize options and other rights with respect to the common stock of the Corporation pursuant to and in accordance with any plan approved by the Board of Directors. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. A

majority of all the members of any such committee may determine its action and fix the time and place of its meetings and specify what notice thereof, if any, shall be given, unless the Board of Directors shall otherwise provide. The Board of Directors shall have power to change the members of any such committee at any time to fill vacancies, and to discharge any such committee, either with or without cause, at any time.

SECTION 17. ALTERNATE MEMBERS OF COMMITTEES. The Board of Directors may designate one or more directors as alternate members of the Executive Committee or any other committee, who may replace any absent or disqualified member at any meeting of the committee, or if none be so appointed, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

SECTION 18. MINUTES OF COMMITTEES. Each committee shall keep regular minutes of its meetings and proceedings and report the same to the Board of Directors at the next meeting thereof.

GENERAL

SECTION 19. ACTIONS WITHOUT A MEETING. Unless otherwise restricted by the Certificate of Incorporation or these By-laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or the committee.

SECTION 20. PRESENCE AT MEETINGS BY MEANS OF COMMUNICATIONS EQUIPMENT. Members of the Board of Directors, or of any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting conducted pursuant to this Section 20 shall constitute presence in person at such meeting.

ARTICLE IV

NOTICES

SECTION 1. TYPE OF NOTICE. Whenever, under the provisions of any applicable statute, the Certificate of Incorporation, or these By-laws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, in person or by mail, addressed to such director or stockholder, at his address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given in any manner permitted by Article III hereof and shall be deemed to be given at the time when first transmitted by the method of communication so permitted.

SECTION 2. WAIVER OF NOTICE. Whenever any notice is required to be given under the provisions of any applicable statute, the Certificate of Incorporation, or these By-laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto, and transmission of a waiver of notice by a director or stockholder by mail, telegraph, telex, cable, wireless, or other form of recorded communication may constitute such a waiver.

ARTICLE V

OFFICERS

SECTION 1. ELECTED AND APPOINTED OFFICERS. The elected officers of the Corporation shall be a Chief Executive Officer, a President, one or more Vice Presidents, with or without such descriptive titles as the Board of Directors shall deem appropriate, a Secretary, and a Treasurer, and, if the Board of Directors so elects, a Chairman of the Board (who shall be a director) and a Controller. The Board of Directors or the Executive Committee of the Board of Directors by resolution also may appoint one or more Assistant Vice Presidents, Assistant Treasurers, Assistant Secretaries, Assistant Controllers, and such other officers and agents as from time to time may appear to be necessary or advisable in the conduct of the affairs of the Corporation.

SECTION 2. TIME OF ELECTION OR APPOINTMENT. The Board of Directors at its annual meeting shall elect or appoint, as the case may be, the officers to fill the positions designated in order pursuant to Section 1 of this Article V. Officers of the Corporation may also be elected or appointed, as the case may be, at any other time.

SECTION 3. SALARIES OF ELECTED OFFICERS. The salaries of all elected officers of the Corporation shall be fixed by the Board of Directors.

SECTION 4. TERM. Each officer of the Corporation shall hold his office until his successor is duly elected or appointed and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Any officer elected or appointed by the Board of Directors or the Executive Committee may be removed at any time by the affirmative vote of a majority of the whole Board of Directors. Any vacancy occurring in any

office of the Corporation by death, resignation, removal, or otherwise may be filled by the Board of Directors or the appropriate committee thereof.

SECTION 5. DUTIES OF THE CHAIRMAN OF THE BOARD. The Chairman of the Board, if one be elected, shall preside when present at all meetings of the Board of Directors and, with the approval of the Chief Executive Officer, may preside at meetings of the stockholders. He shall advise and counsel the Chief Executive Officer and other officers of the Corporation, and shall exercise such powers and perform such duties as shall be assigned to or required of him from time to time by the Board of Directors.

SECTION 6. DUTIES OF THE CHIEF EXECUTIVE OFFICER. The Chief Executive Officer shall be the chief executive officer of the Corporation and, subject to the provisions of these By-laws, shall have general supervision of the affairs of the Corporation and shall have general and active control of all its business. He shall preside, when present, at all meetings of stockholders, except when the Chairman of the Board presides with the approval of the Chief Executive Officer and as may otherwise be provided by statute, and, in the absence of any other person designated thereto by these By-laws, at all meetings of the Board of Directors. He shall see that all orders and resolutions of the Board of Directors and the stockholders are carried into effect. He shall have general authority to execute bonds, deeds, and contracts in the name of the Corporation and affix the corporate seal thereto; to sign stock certificates; to cause the employment or appointment of such employees and agents of the Corporation as the proper conduct of operations may require, and to fix their compensation, subject to the provisions of these By-laws; to remove or suspend any employee or agent who shall have been employed or appointed under his authority or under authority of an officer subordinate to him; to suspend for cause, pending final action by the authority which shall have elected or appointed him, any officer subordinate to the Chief Executive Officer or the President; and, in general, to exercise all the powers and authority usually appertaining to the chief executive officer of a corporation, except as otherwise provided in these By-laws.

SECTION 7. DUTIES OF THE PRESIDENT. The President shall be an executive officer of the Corporation and, subject to the provisions of these By-laws, shall assist the Chief Executive Officer in the general supervision of the

affairs of the Corporation and shall have general and active control of all its business second to the Chief Executive Officer. He shall assist the Chief Executive Officer in seeing that all orders and resolutions of the Board of Directors and the stockholders are carried into effect. In the absence of the Chief Executive Officer or in the event of his inability or refusal to act, the President shall perform the duties of the Chief Executive Officer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer. The President shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe.

SECTION 8. DUTIES OF VICE PRESIDENTS. In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there may be more than one Vice President, the Vice Presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents

shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe.

SECTION 9. DUTIES OF ASSISTANT VICE PRESIDENTS. In the absence of a Vice President or in the event of his inability or refusal to act, the Assistant Vice President (or in the event there shall be more than one, the Assistant Vice Presidents in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their appointment) shall perform the duties and exercise the powers of that Vice President, and shall perform such other duties and have such powers as the Board of Directors, the Chief Executive Officer, or the Vice President under whose supervision he is appointed may from time to time prescribe.

SECTION 10. DUTIES OF THE SECRETARY. The Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the Corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the Executive Committee or other standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of the Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer under whose supervision he shall be. He shall have custody of the corporate seal of the Corporation, and he, or an Assistant Secretary, shall have the authority to affix the same to any instrument requiring it, and when so affixed, it may be attested by his signature or by the signature of such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature. The Secretary shall keep and account for all books, documents, papers, and records of the Corporation, except those for which some other officer or agent is properly accountable. He shall have authority to sign stock certificates and shall generally perform all the duties usually appertaining to the office of the secretary of a corporation.

SECTION 11. DUTIES OF ASSISTANT SECRETARIES. In the absence of the Secretary or in the event of his inability or refusal to act, the Assistant Secretary (or, if there shall be more than one, the Assistant Secretaries in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their appointment) shall perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board of Directors, the Chief Executive Officer or the Secretary may from time to time prescribe.

SECTION 12. DUTIES OF THE TREASURER. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of

the Corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer and the Board of Directors, at its regular meetings or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, he shall give the Corporation a bond (which shall be renewed every six years) in such sum and with such surety or

sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in his possession or under his control belonging to the Corporation. The Treasurer shall be under the supervision of the Vice President in charge of finance, if one is so designated, and he shall perform such other duties as may be prescribed by the Board of Directors, the Chief Executive Officer, or any such Vice President in charge of finance.

SECTION 13. DUTIES OF ASSISTANT TREASURERS. The Assistant Treasurer or Assistant Treasurers shall assist the Treasurer, and in the absence of the Treasurer or in the event of his inability or refusal to act, the Assistant Treasurer (or in the event there shall be more than one, the Assistant Treasurers in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their appointment) shall perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board of Directors, the Chief Executive Officer, or the Treasurer may from time to time prescribe.

SECTION 14. DUTIES OF THE CONTROLLER. The Controller, if one is appointed, shall have supervision of the accounting practices of the Corporation and shall prescribe the duties and powers of any other accounting personnel of the Corporation. He shall cause to be maintained an adequate system of financial control through a program of budgets and interpretive reports. He shall initiate and enforce measures and procedures whereby the business of the Corporation shall be conducted with the maximum efficiency and economy. If required, he shall prepare a monthly report covering the operating results of the Corporation. The Controller shall be under the supervision of the Vice President in charge of finance, if one is so designated, and he shall perform such other duties as may be prescribed by the Board of Directors, the Chief Executive Officer, or any such Vice President in charge of finance.

SECTION 15. DUTIES OF ASSISTANT CONTROLLERS. The Assistant Controller or Assistant Controllers shall assist the Controller, and in the absence of the Controller or in the event of his inability or refusal to act, the Assistant Controllers in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their appointment) shall perform the duties and exercise the powers of the Controller and perform such other duties and have such other powers as the Board of Directors, the Chief Executive Officer, or the Controller may from time to time prescribe.

ARTICLE VI

INDEMNIFICATION

SECTION 1. ACTIONS OTHER THAN BY OR IN THE RIGHT OF THE CORPORATION. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal,

administrative, or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he is or was a director, officer,

employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of NOLO CONTENDERE or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.

SECTION 2. ACTIONS BY OR IN THE RIGHT OF THE CORPORATION. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery of Delaware or such other court shall deem proper.

SECTION 3. DETERMINATION OF RIGHT TO INDEMNIFICATION. Any indemnification under Sections 1 or 2 of this Article VI (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 1 or 2 of this Article VI. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable if a quorom of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders.

SECTION 4. RIGHT TO INDEMNIFICATION. Notwithstanding the other provisions of this Article VI, to the extent that a director, officer, employee, or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 1 or 2 of this Article VI, or in defense of any claim, issue, or matter therein, he shall be

indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

SECTION 5. PREPAID EXPENSES. Expenses incurred by an officer or director in defending a civil or criminal action, suit, or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of such director or officer, to repay such amount if it shall ultimately be determined he is not entitled to be indemnified by the Corporation as authorized in this Article IV. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

SECTION 6. OTHER RIGHTS AND REMEDIES. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VI shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any By-law, agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 7. INSURANCE. Upon resolution passed by the Board of Directors, the Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article VI.

SECTION 8. MERGERS. For purposes of this Article VI, references to "the Corporation" shall include, in addition to the resulting or surviving corporation, constituent corporations (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees, or agents, so that any person who is or was a director, officer, employee, or agent of such constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise shall stand in the same position under the provisions of this Article VI with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

SECTION 9. DEFINITIONS. For the purposes of this Article VI, all words and phrases used herein shall have the meanings ascribed to them under Section 145 of the General Corporation Law of the state of Delaware.

ARTICLE VII

CERTIFICATES REPRESENTING STOCK

SECTION 1. RIGHT TO CERTIFICATE. Every holder of stock in the Corporation shall be entitled to have a certificate, signed by, or in the name of the Corporation by, the Chairman of the Board, the Chief Executive Officer, the President, or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by him in the Corporation. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences, and relative, participating, optional, or other special rights of each class of stock or series thereof and the qualifications, limitations, or restrictions of such preferences or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock; provided, that, except as otherwise provided in Section 202 of the General Corporation Law of the State of Delaware, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences, and relative, participating, optional, or other special rights of each class of stock or series thereof and the qualifications, limitations, or restrictions of such preferences or rights.

SECTION 2. FACSIMILE SIGNATURES. Any of or all the signatures on the

certificate may be facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

SECTION 3. NEW CERTIFICATES. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation and alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen, or destroyed or the issuance of such new certificate.

SECTION 4. TRANSFERS. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation, or authority to transfer, it shall be the duty of the Corporation, subject to any proper restrictions on transfer, to issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction upon its books.

SECTION 5. RECORD DATE. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment

of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be less than 10 or more than 60 days before the date of such meeting or any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 6. REGISTERED STOCKHOLDERS. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not provided by the laws of the State of Delaware.

ARTICLE VIII

CORPORATE RECORDS

SECTION 1. LOCATION. The books, accounts and records of the corporation may be kept at such place or places within or without the State of Delaware as the Board of Directors may from time to time determine.

SECTION 2. INSPECTION. The books, accounts and records of the corporation shall be open to inspection by any member of the Board of Directors at all times; and open to inspection by the stockholders at such times, and subject to such regulations as the Board of Directors may prescribe, except as otherwise provided by statute.

SECTION 3. CORPORATE SEAL. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization, and the word

"Delaware." The seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced, or otherwise.

ARTICLE IX

GENERAL PROVISIONS

SECTION 1. DIVIDENDS. Dividends upon the capital stock of the Corporation, if any, subject to the provisions of the Certificate of Incorporation, may be declared by the Board of Directors (but not any committee thereof) at any regular meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

SECTION 2. RESERVES. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in their absolute discretion, thinks proper as a reserve or reserves to meet

contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Board of Directors shall think conducive to the interest of the Corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

SECTION 3. ANNUAL STATEMENT. The Board of Directors shall present at each annual meeting, and at any special meeting of the stockholders when called for by vote of the stockholders, a full and clear statement of the business and condition of the Corporation.

SECTION 4. DEPOSITORIES. The Board of Directors shall appoint banks, trust companies, or other depositories in which shall be deposited from time to time the money or securities of the corporation.

SECTION 5. CHECKS, DRAFTS AND NOTES. All checks, drafts, or other orders for the payment and all notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers or agent or agents as shall from time to time be designated by resolution of the Board of Directors or by an officer appointed by the Board of Directors.

ARTICLE X

AMENDMENTS

These By-laws may be altered, amended, or repealed or new By-laws may be adopted by the stockholders or by the Board of Directors at any regular meeting of the stockholders or the Board of Directors or at any special meeting of the stockholders or the Board of Directors if notice of such alteration, amendment, repeal, or adoption of new By-laws be contained in the notice of such special meeting.

Exhibit 4.2.1

SYNTA PHARMACEUTICALS CORP.

AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT (this "Agreement") dated as of December 13, 2002, is by and among Synta Pharmaceuticals Corp., a Delaware corporation (the "Company"), Robert A. Day and Mountain Trail Investments, LLC, (singly, a "DAY INVESTOR", and collectively, the "DAY INVESTOR"), Keith R. Gollust, Gollust Trust II, and Wyandanch Partners, L.P. (singly, a "GOLLUST INVESTOR", and collectively, the "GOLLUST INVESTOR") and Cxsynta LLC, an affiliate of Caxton Corporation (the "Caxton Investor") (each an "INVESTOR" and, collectively, the "INVESTORS").

Reference is hereby made to that certain Investor Rights Agreement dated May 16, 2002 by and between the Company and Cxsynta LLC, which agreement is hereby amended and restated in its entirety and shall be without further force or effect as of the date hereof

RECITALS

WHEREAS, the Investors have purchased the number of shares (the "SHARES") of the Common Stock, $.0001 par value, of the Company (the "COMMON STOCK") set forth opposite their respective names on SCHEDULE A hereto;

WHEREAS, concurrently with the execution of this Agreement, the Investors have executed the Amended and Restated Stockholders' Agreement of even date herewith (the "STOCKHOLDERS' AGREEMENT") with the Company pursuant to which all parties have agreed to provide for certain board of director representation and meeting requirements, co-sale rights and rights of first refusal with respect to the Common Stock; and

WHEREAS, the Company wishes to provide the Investors with certain information rights, registration rights and rights of first refusal in conjunction with the purchase of their respective Shares;

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

1. DEFINITIONS. For purposes of this Agreement:

(a) The term "AFFILIATE" means any general or limited partner of any person that is a partnership, any member or manager of any person that is a limited liability company or any person or entity that, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, such person.

(b) The term "ACT" means the Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations of the SEC, all as shall be in effect at the time.

(c) The term "BUDGET" has the meaning set forth in SECTION 3.3 hereof.

(d) The term "COMPANY INDEMNIFIED PARTIES" has the meaning set forth in SECTION 2.6(a) hereof.

(e) The term "DEMAND PERIOD" has the meaning set forth in SECTION 2.2(a) hereof.

(f) The term "FORM S-3" means such form under the Act as in effect on

the date hereof or any registration form under the act subsequently adopted by the SEC that permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(g) The term "GAAP" means generally accepted accounting principles as consistently applied by the Company.

(h) The term "HOLDER" means any person owning or having the right to acquire Registrable Securities, or any assignee thereof, in accordance with SECTION 2.8 hereof.

(i) The term "INITIAL OFFERING" means the Company's first firm commitment underwritten public offering of its Common Stock under the Act.

(j) The term "1934 ACT" means the Securities Exchange Act of 1934, as amended, or any similar federal statute, and the rules and regulations of the SEC, all as shall be in effect at the time.

(k) The term "NEW SECURITIES" shall mean any equity securities of the Company, whether now authorized or not, and rights, options, or warrants to purchase said equity securities, and securities of any type whatsoever that are, or may become, convertible into said equity securities; PROVIDED, HOWEVER that "New Securities" does not include: (i) securities offered to the public pursuant to an Initial Offering; (ii) securities issued pursuant to the acquisition of another corporation or entity by the Company by merger, purchase of substantially all of the assets, or other reorganization whereby the Company acquires a majority of the voting power of such corporation or entity; (iii) up to ten million (10,000,000) shares of Common Stock issued or issuable to employees, consultants or directors of the Company pursuant to the Company's 2001 Stock Plan (including shares issued or issuable upon exercise of options previously granted), which number of shares may be adjusted upward by the affirmative vote of the Company's Board of Directors; (iv) up to three hundred sixty eight thousand eight hundred ninety four (368,894) shares of Common Stock issuable to employees of the Company pursuant to the Company's 2002 Employee Stock Purchase Plan; (v) securities issued to strategic partners of the Company, such as biotechnology, pharmaceutical, drug manufacturing or clinical research companies; (vi) securities issued to licensors of technology to the Company; or (vii) securities issued in connection with any bank lines of credit, equipment lease transactions, or real estate transactions; in each case as approved by the Company's Board of Directors.

(l) The term "NOTICE OF ACCEPTANCE" has the meaning set forth in SECTION 4.3

hereof.

(m) The term "OFFER" has the meaning set forth in SECTION 4.2 hereof.

(n) The term "PRO RATA AMOUNT" has the meaning set forth in SECTION 4.1 hereof.

(o) The term "REFUSED SECURITIES" has the meaning set forth in SECTION 4.4 hereof.

(p) The term "REGISTER," "REGISTERED," and "REGISTRATION" refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Act, and the declaration or ordering of effectiveness of such registration statement or document.

(q) The term "REGISTRABLE SECURITIES" means (i) any shares of Common Stock held by an Investor (ii) any shares of capital stock of the Company acquired by an Investor (or any transferee of an Investor) after the date hereof pursuant to the Stockholders' Agreement and (iii) any Common Stock

issued as (or issuable upon the conversion or exercise of any warrant, right or other security) a dividend or other distribution with respect to or because of stock splits, stock dividends, reclassifications, recapitalizations, or similar events, or in exchange for, or in replacement of the shares referenced in (i) and (ii) above, excluding in all cases, however, any Registrable Securities sold by a person in a transaction in which his, her or its rights under SECTION 2 hereof are not assigned. Registrable Securities shall exclude any shares which (A) have been registered under the Securities Act pursuant to an effective registration statement filed thereunder and disposed of in accordance with the registration statement covering them, or (B) may be publicly sold pursuant to and in compliance with SEC Rule 144 in any ninety (90) day period, provided that such shares shall not be excluded if (x) the number of shares proposed to be sold by such Investor is larger than the number of shares that may be sold in any single 90-day period pursuant to Rule 144 or (y) such Investor believes in good faith that a sale pursuant to Rule 144 will be less advantageous to it than a sale pursuant to Section 2.1 or 2.2.

(r) The term "REQUESTING HOLDERS" has the meaning set forth in SECTION 2.2(a) hereof.

(s) The term "SEC" means the Securities and Exchange Commission.

(t) The term "SELLING HOLDER" has the meaning set forth in SECTION 2.1(a) hereof.

(u) The term "SELLING HOLDER INDEMNIFIED PARTIES" has the meaning set forth in SECTION 2.6(b) hereof.

(v) The term "VIOLATION" has the meaning set forth in SECTION 2.6(a) hereof.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 PIGGYBACK REGISTRATION.

(a) If (but without any obligation to do so) the Company proposes to register (including for this purpose a registration effected by the Company for stockholders other than the Holders) any of its stock or other securities under the Act in connection with the public offering of such securities (other than a registration statement on Form S-8 or Form S-4, or their successors, or any registration statement covering only securities proposed to be issued in exchange for securities or assets of another corporation), the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder (a "SELLING HOLDER") given within thirty (30) days after mailing of such notice by the Company in accordance with the provisions hereof, the Company shall, subject to the provisions of SECTION 2.1(c), use all reasonable efforts to cause to be registered under the Act all of the Registrable Securities that each such Holder has requested to be registered.

(b) The Company shall have the right to terminate or withdraw any registration initiated by it under this SECTION 2.1 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The expenses of such withdrawn registration shall be borne by the Company in accordance with SECTION 2.5 hereof.

(c) In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required under this SECTION 2.1 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by it, which terms shall not contravene any of the terms hereof without the consent of the Selling Holders holding fifty percent (50%) of the Registrable Securities requested to be included in such registration statement, and enter into such an underwriting agreement in

customary form with an underwriter or underwriters selected by the Company. In connection with any such underwriting agreement, no Selling Holder shall be required to make representations and warranties other than representations and warranties regarding such Selling Holder's ownership and title to the Registrable Securities being sold by it and its plan of distribution with respect to its Registrable Securities. The number of securities which shall be included in such registration shall be in such quantity as the managing underwriter determines in its sole discretion will not materially and adversely affect the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities that the managing underwriter determines in its sole discretion will not materially and adversely affect the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, that the managing underwriter determines in writing in its sole discretion will not materially and adversely affect the offering (the securities so included to be apportioned pro rata among the Selling Holders according to the total amount of securities entitled to be included therein owned by each Selling Holder or in such other proportions as shall mutually be agreed to by such Selling Holders). Notwithstanding anything to the contrary contained in this Agreement, to the extent the stockholders of the Company that have requested to have securities included in such registration include stockholders other than Holders exercising contractual demand registration rights, then the Company will include in such registration, to the extent of the number and type which the Company is so advised can be sold in such offering, (i) FIRST all Registrable Securities requested for inclusion held by the Holders exercising contractual demand

registration rights, and

(ii) SECOND such securities requested to be included in such registration statement by all other stockholders. For purposes of the foregoing parenthetical concerning apportionment, for any selling stockholder that is a Holder of Registrable Securities and that is a partnership, limited liability company or corporation, the partners, members, retired partners, retired members and stockholders of such Holder, or the estates and family members of any such partners, members, retired partners and retired members and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single Selling Holder, and any pro rata reduction with respect to such Selling Holder shall be based upon the aggregate amount of Registrable Securities owned by all such related entities and individuals.

(d) In the event a Selling Holder (i) is unable to include in a registration by the Company under this SECTION 2.1 all of the Registrable Securities that such Holder has requested, or (ii) disapproves the terms of the underwriting as agreed upon between the Company and the underwriters selected by it, the Selling Holder will have the demand registration rights set forth in SECTION 2.2.

2.2 DEMAND REGISTRATION.

(a) Commencing at least one hundred eighty (180) days from the effective date of a registration statement that could have included Registrable Securities under SECTION 2.1 and expiring two (2) years from such effective date or until such time as the registration statement delayed pursuant to Section 2.2.(b) has been granted effectiveness (the "DEMAND PERIOD"), any Holders entitled to demand registration rights under Section 2.1(d) (the "REQUESTING HOLDERS") shall be entitled to request in writing during the Demand Period that the Company effect the registration, qualification or compliance of the Registrable Securities owned by such Requesting Holders; PROVIDED, HOWEVER, that the expected aggregate price to the public of the Registrable Securities will equal or exceed five million dollars ($5,000,000). If the Requesting Holders intend to distribute the Registrable Securities by means of an underwriting, they shall so advise the Company in their request. The underwriter shall be reasonably acceptable to the Company.

(b) The Company shall file a registration statement covering the Registrable Securities so requested to be registered as soon as practicable after receipt of the request or requests of the Requesting Holders, and shall use its commercially reasonable efforts to effect such registration, qualification or compliance (including, without limitation, the execution of an undertaking to file post-effective amendments, appropriate qualification under applicable blue sky or other state securities laws and appropriate compliance with applicable regulations issued under the Securities Act and any other governmental requirements or regulations) as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request; PROVIDED, HOWEVER, that if: (i) in the good faith judgment of the Board of Directors of the Company, such registration would be seriously detrimental to the Company and the Board of Directors of the Company concludes, as a result, that it is essential to defer the filing of such registration statement at such time, and (ii) the Company shall furnish to such Holders a certificate signed by the Chief Executive Officer of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company for such registration statement to be filed in the near future

and that it is, therefore, essential to defer the filing for a period of not more than one hundred twenty (120) days after receipt of the request of the Requesting Holders; and FURTHER PROVIDED, that the Company shall not defer its obligation in this manner more than once in any twelve-month period.

(c) The Company shall not be required to effect more than one (1) registration pursuant to this SECTION 2.2 during the Demand Period.

2.3 OBLIGATIONS OF THE COMPANY. Whenever required under this SECTION 2 to effect the registration of any Registrable Securities, the Company shall, at the earliest possible date:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use all reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for one hundred twenty (120) days from the effective date or, if earlier, until the distribution contemplated in the Registration Statement has been completed;

(b) as promptly as possible prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Act with respect to the disposition of all securities covered by such registration statement;

(c) as promptly as possible furnish to the Holders such numbers of copies of the registration statement and amendments thereto, a prospectus, including a preliminary prospectus, in conformity with the requirements of the Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(d) as promptly as possible use all reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue sky or other state securities laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(e) as promptly as possible in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering;

(f) as promptly as possible notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(g) as promptly as possible cause all such Registrable Securities registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by

the Company are then listed;

(h) as promptly as possible. provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration; and

(i) if such securities are being sold in an underwritten offering, as promptly as possible furnish at the request of any Holder requesting registration of Registrable Securities pursuant hereto, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant hereto, (A) an opinion, dated such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, and to the Holders requesting registration of Registrable Securities, and (B) a letter dated such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters, and to the Holders requesting registration of Registrable Securities.

2.4 INFORMATION FROM HOLDER. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this SECTION 2 with respect to the Registrable Securities of any Selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be required to effect the registration of such Holder's Registrable Securities.

2.5 EXPENSES OF REGISTRATION. All expenses (other than underwriting discounts and commissions and the fees and expenses of counsel to the Selling Holders) incurred in connection with registrations, filings or qualifications pursuant to SECTIONS 2.1 and 2.2 including without limitation all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company shall be borne by the Company.

2.6 INDEMNIFICATION. In the event any Registrable Securities are included in a registration statement under this SECTION 2:

(a) The Company will indemnify and hold harmless each Holder, the partners, members, managers, officers, directors and stockholders of each Holder, any underwriter (as defined in the Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Act or the 1934 Act (collectively, the "COMPANY INDEMNIFIED PARTIES"), against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the Act, the 1934 Act or any state securities laws, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively, a "VIOLATION"): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained, therein or any amendments or supplements thereto, (ii) the omission or alleged omission to

state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Act, the 1934 Act, any blue sky or other state securities laws or any rule or regulation promulgated under the Act, the

1934 Act or any blue sky or other state securities laws; and the Company will pay to each such Company Indemnified Party any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; PROVIDED, HOWEVER, that the indemnity agreement contained in this SECTION 2.6(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Company Indemnified Party, and FURTHER PROVIDED in the case of a demand registration pursuant to SECTION 2.2, that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of any Company Indemnified Party, from whom the person asserting any such losses, claims, damages or liabilities purchased shares in the offering, if a copy of the prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Company Indemnified Party to such person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the shares to such person, and if the prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage or liability.

(b) Each Selling Holder will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Act, any underwriter, any other Holder selling securities in such registration statement and any controlling person of any such underwriter or other Holder (collectively, the "SELLING HOLDER INDEMNIFIED PARTIES"), against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing Selling Holder Indemnified Parties may become subject, under the Act, the 1934 Act or any state securities laws, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for. use in connection with such registration; and each such Holder will reimburse a Selling Holder Indemnified Party for any legal or other expenses reasonably incurred by such person in connection with investigating or defending any such loss, claim, damage, liability or action; PROVIDED, HOWEVER, that the indemnity agreement contained in this SECTION 2.6(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Selling Holder (which consent shall not be unreasonably withheld); and FURTHER PROVIDED, that in no event shall any indemnity under this SECTION 2.6(b) exceed the net proceeds (after underwriting discounts and commissions) from the offering received by such Selling Holder; and FURTHER PROVIDED, that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of a Selling Holder Indemnified Party from whom the person asserting any such losses, claims, damages or liabilities purchased shares in the offering, if a copy of the prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Selling Holder Indemnified Party to such person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the shares to such person, and if the prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage or liability.

(c) Promptly after receipt by an indemnified party under this SECTION 2.6 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this SECTION 2.6, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory .to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual conflict of interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this SECTION 2.6, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this SECTION 2.6.

(d) If the indemnification provided for in this SECTION 2.6 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party, and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; PROVIDED HOWEVER, that, in any such case (A) no such Holder will be required to contribute any amount in excess of the net proceeds (after underwriting discounts and commissions) from the offering received by such Holder, and (B) no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

(e) Notwithstanding anything to the contrary in the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in this Agreement shall control, unless otherwise consented to in writing by the Holders of at least two-thirds of the Registrable Securities.

(f) The obligations of the Company and Holders under this SECTION 2.6 shall survive the completion of any offering of Registrable Securities in a registration statement under this SECTION 2, and otherwise.

2.7 REPORTS UNDER SECURITIES EXCHANGE ACT OF 1934. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in SEC Rule 144, at all times after ninety (90) days after the effective date of the Initial Offering;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Act and the 1934 Act; and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, promptly upon request (i) a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the Initial Offering), the Act and the 1934 Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to such form.

2.8 ASSIGNMENT OF REGISTRATION RIGHTS. The rights to cause the Company to register Registrable Securities pursuant to this SECTION 2 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee of such securities that (i) is an Affiliate of the Holder or (ii) after such assignment or transfer, holds at least one percent (1%) of the issued and outstanding shares of the Company's Common Stock, provided that: (a) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; and (b) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement, including without limitation the provisions of SECTION 2.9 below.

2.9 "MARKET STAND-OFF' AGREEMENT. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the Initial Offering and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days): (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (whether such shares or any such securities are then owned by the Holder or are thereafter acquired), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise;

PROVIDED, HOWEVER, that all executive officers and directors of the Company and all other holders of at least one percent (1%) of Common Stock enter into similar agreements. The underwriters in connection with the Initial Offering are intended third-party beneficiaries of this SECTION 2.9 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

2.10 TERMINATION OF REGISTRATION RIGHTS. No Holder shall be entitled to exercise any right provided for in this SECTION 2 after the earlier to occur of(a) the date that is five (5) years following the consummation of the Initial Offering, and (b) the date on which all of the Investors' Registrable Shares may

be sold within a ninety (90) day period pursuant to SEC Rule 144.

3. INFORMATION RIGHTS. Subject to the limitations set forth in SECTION 3.4:

3.1 ACCESS TO RECORDS. The Company agrees to afford to each Investor, upon such Investor's reasonable prior request, free and full access, during normal business hours, to all books, records and properties of the Company and to all officers and employees of the Company having responsibility for financial or accounting matters generally, for any reasonable purpose whatsoever.

3.2 FINANCIAL REPORTS. The Company agrees to furnish each Investor with the following:

(a) QUARTERLY REPORTS. Within thirty (30) days after the end of each fiscal quarter, an unaudited financial statements of the Company, which shall be prepared in accordance with GAAP (except that the financial report may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto which may be required in accordance with GAAP).

(b) ANNUAL REPORTS. Within one hundred twenty (120) days after the end of each fiscal year of the Company, audited financial statements of the Company, prepared in accordance with GAAP.

(c) OTHER REPORTS AND INFORMATION. Within a reasonable period of time, such other reports and financial information as may be reasonably requested by an Investor.

3.3 BUDGET. At least twenty (20) days prior to the beginning of each fiscal year of the Company, the Company shall prepare and submit a budget for such fiscal year (the "BUDGET") to the Board of Directors of the Company and the Investors. The Budget shall be accepted as the Budget for such fiscal year when it has been approved by the Board of Directors of the Company.

3.4 LIMITATIONS ON RIGHTS OF THE INVESTORS UNDER SECTION 3. The Company shall provide the access rights and information required by SECTION 3 to an Investor so long as such Investor

shall own at least five percent (5%) of the issued and outstanding Common Stock of the Company (the "THRESHOLD AMOUNT"), PROVIDED that, in the case of a Day Investor, the Threshold Amount shall be determined based upon the aggregate amount of the Company's issued and outstanding Common Stock held by the Day Investors, and FURTHER PROVIDED that, in the case of a Gollust Investor, the Threshold Amount shall be determined based upon the aggregate amount of the Company's issued and outstanding Common Stock held by the Gollust Investors. The Company's obligations to the Investors pursuant to SECTION 3 shall terminate upon the closing of an Initial Offering.

4. RIGHT OF FIRST REFUSAL.

4.1 The Company hereby grants to each Investor, so long as such Investor shall own at least the Threshold Amount, the right of first refusal to purchase a pro rata portion of any New Securities that the Company may, from time to time, propose to sell or issue (the "PRO RATA AMOUNT"), PROVIDED that, in the case of a Day Investor, the Threshold Amount shall be determined based upon the aggregate amount of the Company's issued and outstanding Common Stock held by the Day Investors, and FURTHER PROVIDED that, in the case of a Gollust Investor, the Threshold Amount shall be determined based upon the aggregate amount of the Company's issued and outstanding Common Stock held by the Gollust Investors. Each Investor's Pro Rata Amount, for purposes of this right of first refusal, is the ratio of (i) the number of shares of Common Stock then held of record by such Investor, assuming the full conversion into Common Stock of any convertible shares of the capital stock of the Company held by such Investor, to (ii) the total number of shares of Common Stock outstanding immediately prior to the issuance of New Securities, assuming the conversion into Common Stock of any convertible shares of the Company's capital stock then outstanding.

4.2 The Company shall not issue, sell or exchange, agree to issue, sell or exchange, or reserve or set aside for issuance, sale or exchange any New Securities unless the Company shall deliver to the Investors a written notice of any proposed or intended issuance, sale or exchange of New Securities (the "OFFER"), which Offer shall (i) identify and describe the New Securities, (ii) describe the price and other terms upon which they are to be issued, sold or exchanged, and the number or amount of the New Securities to be issued, sold or exchanged, (iii) identify the persons or entities, if known, to which or with which the New Securities are to be offered, issued, sold or exchanged and (iv) offer to issue and sell to or exchange with each of the Investors their respective Pro Rata Amount. Each Investor shall have the right, for a period of thirty (30) days following delivery of the Offer, to purchase or acquire, at a price and upon the other terms specified in the Offer, the number or amount of New Securities described above. The Offer by its terms shall remain open and irrevocable for such 30-day period.

4.3 To accept an Offer, in whole or in part, an Investor must deliver a written notice to the Company prior to the end of the 30-day period of the Offer, setting forth the portion of the Pro Rata Amount that such Investor elects to purchase (the "NOTICE OF ACCEPTANCE").

4.4 The Company shall have ninety (90) days from the expiration of the period set forth in SECTION 4.2 above to issue, sell or exchange all or any part of such New Securities as to which a Notice of Acceptance has not been given by an Investor (the "REFUSED SECURITIES"), but only to the offerees or purchasers (if identified) and only upon terms and conditions (including,

without limitation, unit prices and interest rates) which are described in the Offer.

4.5 In the event the Company shall propose to sell less than all the Refused Securities (any such sale to be in the manner and on the terms specified in SECTION 4.4 above), then an Investor may, at its sole option and in its sole discretion, reduce the number or amount of the New Securities specified in its Notice of Acceptance to an amount that shall be not less than the number or amount of the New Securities that such Investor elected to purchase pursuant to SECTION 4.3 above multiplied by a fraction, (i) the numerator of which shall be the number or amount of New Securities the Company actually proposes to issue, sell or exchange (including New Securities to be issued or sold to Investor pursuant to SECTION 4.3 above prior to such reduction) and (ii) the denominator of which shall be the number or amount of all New Securities that the Company initially proposed to offer, sell or exchange as described in the Offer. In the event that an Investor so elects to reduce the number or amount of New Securities specified in its Notice of Acceptance, the Company may not issue, sell or exchange more than the reduced number or amount of the New Securities unless and until such securities have again been offered to the Investors in accordance with SECTION 4.2 above.

4.6 Upon the closing of the issuance, sale or exchange of all or less than all the Refused Securities and the payment in full therefor by the Investor(s) to the Company in immediately available funds, the Investor(s) shall acquire from the Company, and the Company shall issue to the Investor(s), the number of New Securities specified in the Notices of Acceptance, as reduced pursuant to SECTION 4.5 above if the Investor(s) has so elected, upon the terms and conditions specified in the Offer. The purchase by the Investor(s) of any New Securities is subject in all cases to the preparation, execution and delivery by the Company and each Investor returning a Notice of Acceptance of a purchase agreement relating to such New Securities reasonably satisfactory in form and substance to such Investor(s) and its or their counsel.

5. MISCELLANEOUS.

5.1 SUCCESSORS AND ASSIGNS. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding

upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

5.2 GOVERNING LAW. This Agreement shall be governed by and construed under the laws of the State of Delaware, other than the laws relating to conflict or choice of laws.

5.3 COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5.4 TITLES AND SUBTITLES AND CONSTRUCTION. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. Unless the context of this Agreement clearly requires otherwise, (i) references to the plural include the singular, and the singular the plural, (ii) references to one

gender include all genders, (iii) "or" has the inclusive meaning frequently identified with the phrase "and/or," (iv) "including" has the inclusive meaning frequently identified with the phrase "but not limited to" and (v) "hereunder" or "herein" refer to the entire Agreement. The section and other headings contained in this Agreement are for reference purposes only and shall not control or affect the construction of this Agreement or the interpretation thereof in any respect. Section and subsection references are to this Agreement unless otherwise specified.

5.5 NOTICES. All notices, requests, consents, and other communications under this Agreement shall be in writing, and shall be delivered by hand or sent by reputable overnight courier service or electronic facsimile transmission (with a copy sent by first class mail, postage prepaid), or mailed by United States first class certified or registered mail, return receipt requested, postage prepaid:

If to the Company, at Synta Pharmaceuticals Corp., 45 Hartwell Avenue, Lexington, Massachusetts 02421, attention: Dr. Safi R. Bahcall, Chief Executive Officer, facsimile number (530) 323-7045, with a copy to Nixon Peabody LLP, 101 Federal Street, Boston, MA 02110 attention: Michael K. Barron, Esq., facsimile number (866) 947-1784), or at such other address as may be furnished in writing by the Company to the Investors;

If to Cxsynta LLC, at Caxton Corporation, Princeton Plaza, Building 2, 731 Alexander Road, Princeton, New Jersey 08540, attention Scott B. Bernstein, Esq., facsimile number 609- 419-0470, or at such other address as may be furnished in writing by the Investor to the Company.

If to Robert A. Day, at Mountain Trail Investments, LLC, 865 South Figueroa St., Suite 700, Los Angeles, California 90017, facsimile number 213-452-2822, Attn: Jonathan D. Jaffrey, or at such other address as may be furnished in writing by the Investor to the Company.

If to Mountain Trail Investments, LLC, at Mountain Trail Investments, LLC, 865 South Figueroa St., Suite 700, Los Angeles, California 90017, facsimile number 213-452-2822, Attn: Jonathan D. Jaffrey, or at such other address as may be furnished in writing by the Investor to the Company, with a copy to Richard N. Foster at 21 East 79th Street, New York, New York 10021.

If to Keith R. Gollust, at Keith R. Gollust c/o Gollust Management, Inc., 500 Park Avenue, Suite 510, New York, New York 10022, facsimile number 212-319-8779, or at such other address as may be furnished in writing by the Investor to the Company.

If to Gollust Trust II, at Keith R. Gollust, c/o Gollust Management, Inc.,

500 Park Avenue, Suite 510, New York, New York 10022 facsimile number 212-319-8779, or at such other address as may be furnished in writing by the Investor to the Company.

If to Wyandanch Partners, L.P., at Keith R. Gollust, c/o Gollust Management, Inc., 500 Park Avenue, Suite 510, New York, New York 10022 facsimile number 212-319-8779, or at such other address as may be furnished in writing by the Investor to the Company.

Notices provided in accordance with this SECTION 5.5 shall be deemed delivered (i) if personally delivered or sent by electronic facsimile transmission with written confirmation, when

received, or (ii) if sent by a nationally recognized overnight courier service, twenty four (24) hours after deposit with such courier service, or (iii) if sent by United States certified or registered mail, return receipt requested, forty eight (48) hours after deposit in the mail.

5.6 EXPENSES. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

5.7 ENTIRE AGREEMENT; AMENDMENTS AND WAIVERS. This Agreement constitutes the full and entire understanding and agreement among the parties with regard to the subject matter hereof. To the extent any of the terms of this Agreement are inconsistent with the terms of any subscription agreement for the Shares executed by an Investor or the Stockholders' Agreement, the applicable terms of this Agreement shall control with respect to the subject matter hereof. Any term of' this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and each of the Investors. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each of the Investors, its successors and assigns, and the Company.

5.8 SPECIFIC PERFORMANCE. The parties recognize that various of the rights of the Investors under this Agreement are unique and, accordingly, the Investors (and their respective successors and assigns) shall, in addition to such other remedies as may be available to each of them at law or in equity, have the right to enforce their respective rights hereunder by actions for injunctive relief and specific performance to the extent permitted by law.

5.9 SEVERABILITY. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY. SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties have executed this Agreement, under seal, as of the date first above written.

SYNTA PHARMACEUTICAL CORP.

By: /s/ SAFI R. BAHCALL

Print Name: Safi R. Bahcall

Title: Chief Executive Officer

CxSYNTA LLC

By: /s/ SCOTT B. BERNSTEIN

Print Name: Scott B. Bernstein

Title: Secretary

MOUNTAIN TRAIL INVESTMENTS, LLC

By: /s/ RICHARD N. FOSTER

Print Name: Richard N. Foster

Title: Attorney-in-Fact

/s/ ROBERT A. DAY

Robert A. Day

/s/ KEITH R. GOLLUST

Keith R. Gollust

GOLLUST TRUST II

By: /s/ KENNETH S. DAVIDSON

Print Name: Kenneth S. Davidson

Title: Trustee

WYANDANCH PARTNERS, L.P.

By: /s/ KEITH R. GOLLUST

Print Name: Keith R. Gollust

Title: G.P.

Exhibit 4.2.2

SYNTA PHARMACEUTICALS CORP.

FIRST AMENDMENT
TO THE
AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT

This First Amendment (the "AMENDMENT") to the Amended and Restated Investor Rights Agreement, dated December 13, 2002, by and among Synta Pharmaceuticals Corp., a Delaware corporation (the "COMPANY"), and the Investors named therein (the "INVESTOR RIGHTS AGREEMENT"), is made as of January 11, 2005, by and among the Company and the Investors. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Investor Rights Agreement.

WHEREAS, Section 2 of the Investor Rights Agreement sets forth certain rights granted to the Investors with respect to the registration of the Registrable Securities;

WHEREAS, the Company and the Investors wish to alter the registration rights granted to the Investors as set forth in the Investor Rights Agreement;

WHEREAS, the Company wishes to grant these registration rights to an additional Investor by adding an additional party to the Investor Rights Agreement, and the Company and the Investors wish to amend the Investor Rights Agreement to add such additional Investor;

WHEREAS, Section 4 of the Investor Rights Agreement sets forth certain rights granted to the Investors with respect to the right of first refusal to purchase certain securities issued by the Company;

WHEREAS, the Company and the Investors wish to amend the Investor Rights Agreement to provide that the rights set forth in Section 4 terminate upon the closing of an Initial Offering; and

WHEREAS, in accordance with Section 5.7 of the Investor Rights Agreement, by executing and delivering this Amendment, the Company and each Investor has approved this Amendment.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Amendment and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. AMENDMENT OF INVESTOR RIGHTS AGREEMENT.

(i) The Investor Rights Agreement is hereby amended by deleting the preamble in its entirety and by substituting in lieu thereof the following:

"THIS AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT (this "AGREEMENT") dated as of December 13, 2002, is by and among Synta Pharmaceuticals Corp., a Delaware corporation (the "COMPANY"), Robert A. Day and Mountain Trail Investments, LLC,

(singly, a "DAY INVESTOR", and collectively, the "DAY INVESTOR"), Keith R. Gollust, Gollust Trust II, and Wyandanch Partners, L.P. (singly, a "GOLLUST INVESTOR", and collectively, the "GOLLUST INVESTOR") and Bruce Kovner and Cxsynta LLC, an affiliate of Caxton Corporation (singly, a "CAXTON INVESTOR", and collectively, the "CAXTON INVESTOR") (each an "INVESTOR" and, collectively, the "INVESTORS")."

(ii) The Investor Rights Agreement is hereby amended by deleting Sections 1(d), (e), (h), (q), (r), (t), (u) and (v) in their entirety and by substituting in lieu thereof the following:

"(d) The term "COMPANY INDEMNIFIED PARTIES" has the meaning set forth in SECTION 2.7(a) hereof."

"(e) [Intentionally omitted.]"

"(h) The term "HOLDER" means any person owning or having the right to acquire Registrable Securities, or any assignee thereof, in accordance with SECTION 2.9 hereof."

"(q) The term "REGISTRABLE SECURITIES" means (i) any shares of Common Stock held by an Investor (ii) any shares of capital stock of the Company acquired by an Investor (or any transferee of an Investor) after the date hereof pursuant to the Stockholders' Agreement and (iii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right or other security) a dividend or other distribution with respect to or because of stock splits, stock dividends, reclassifications, recapitalizations, or similar events, or in exchange for, or in replacement of the shares referenced in (i) and (ii) above, excluding in all cases, however, any Registrable Securities sold by a person in a transaction in which his, her or its rights under SECTION 2 hereof are not assigned. Registrable Securities shall exclude any shares which (A) have been registered under the Securities Act pursuant to an effective registration statement filed thereunder and disposed of in accordance with the registration statement covering them, or (B) may be publicly sold pursuant to and in compliance with SEC Rule 144 in any ninety (90) day period, provided that such shares shall not be excluded if (x) the number of shares proposed to be sold by such Investor is larger than the number of shares that may be sold in any single 90-day period pursuant to Rule 144 or (y) such Investor believes in good faith that a sale pursuant to Rule 144 will be less advantageous to it than a sale pursuant to SECTIONS 2.1, 2.2 or 2.3."

"(r) The term "REQUESTING HOLDERS" has the meaning set forth in SECTION 2.1(a) hereof."

"(t) The term "SELLING HOLDER" has the meaning set forth in SECTION 2.2(a) hereof."

"(u) The term "SELLING HOLDER INDEMNIFIED PARTIES" has the meaning set forth in SECTION 2.7(b) hereof."

"(v) The term "VIOLATION" has the meaning set forth in SECTION 2.7(a) hereof."

(iii) The Investor Rights Agreement is hereby amended by deleting Section 2 in its entirety and by substituting in lieu thereof the following:

"2. Registration Rights. The Company covenants and agrees as follows:

2.1 DEMAND REGISTRATION.

(a) Commencing upon the expiration of any lock-up agreement that the Holders have entered into with the underwriters in connection with an Initial Offering pursuant to SECTION 2.10, subject to the limitations set forth in this SECTION 2, the Holders of not less than 60% of the then outstanding Registrable Securities (the "REQUESTING HOLDERS") may at any time give to the Company a written request for the registration (a "DEMAND REGISTRATION") by the Company under the Act of all or any part of the Registrable Securities held by such Requesting Holders. Within 15 business days after the receipt by the Company of any such written request, the Company will give written notice of such request to all Holders of Registrable Securities.

(b) Subject to the limitations set forth in this SECTION 2, after the receipt of a written request for a Demand Registration, (i) the Company will

be obligated to include in such Demand Registration all Registrable Securities with respect to which the Company receives from Holders of Registrable Securities the written requests of such Holders for inclusion in such Demand Registration, within 30 days after the date on which the Company gives to all Holders a written notice of registration request pursuant to SECTION 2.1(a), and (ii) the Company shall file a registration statement covering all such Registrable Securities as soon as practicable after receipt of the written requests of such Holders for inclusion in such Demand Registration, and shall use its commercially reasonable efforts to effect the registration of all such Registrable Securities. All written requests made by Holders of Registrable Securities pursuant to this SECTION 2.1(b) will specify the number of Registrable Securities to be registered and will also specify the intended method of disposition thereof. If the Requesting Holders intend to distribute the Registrable Securities by means of an underwriting, they shall so advise the Company in their request. The underwriter shall be reasonably acceptable to the Company.

(c) The registration statement filed pursuant to any Demand Registration pursuant to this SECTION 2.1 may, subject to the limitations set forth in this SECTION 2, include other securities of the Company which are held by persons other than the Holders who, by virtue of agreements with the Company, are entitled to include their securities in any such registration.

(d) The Company shall not be required to effect any Demand Registration of any Registrable Securities pursuant to this SECTION 2.1 if the anticipated aggregate offering price, net of underwriting discounts and commissions, of the Registrable Securities will not equal or exceed fifteen million dollars ($15,000,000).

(e) The Company shall not be required to effect more than two (2) Demand Registrations pursuant to this SECTION 2.1.

(f) The Company will not be obligated to effect any Demand Registration of any Registrable Securities pursuant to this SECTION 2.1 during the period commencing on the date falling 90 days prior to the Company's estimated date of filing of, and ending on the date 180

days following the effective date of, any registration statement pertaining to any registration initiated by the Company, for the account of the Company (other than with respect to securities registered solely in connection with acquisitions, employee benefit plans, and the like), if the written request of the Requesting Holders for such Demand Registration pursuant to SECTION 2.1(a) hereof is received by the Company after the Company has commenced an underwritten registration initiated by the Company and provides reasonable evidence that it commenced activities directly related to such filing before receiving the written request of the Holders; PROVIDED, HOWEVER, that the Company will use its commercially reasonable efforts in good faith to cause any such registration statement to be filed and to become effective as expeditiously as is reasonably possible.

(g) The Company will not be obligated to effect any Demand Registration of any Registrable Securities pursuant to this SECTION 2.1 for not more than a 120-day period, if: (i) in the good faith judgment of the Board of Directors of the Company, such registration would be seriously detrimental to the Company and the Board of Directors of the Company concludes, as a result, that it is essential to defer the filing of such registration statement at such time, and (ii) the Company shall furnish to such Holders a certificate signed by the Chief Executive Officer of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company for such registration statement to be filed in the near future and that it is, therefore, essential to defer the filing for a period of not more than 120 days after receipt of the request of the Requesting Holders; and FURTHER PROVIDED, that the Company shall not defer its obligation in this manner more than once in any twelve-month period.

(h) If the managing underwriters in any Demand Registration advise the Company that the number of securities proposed to be included in such registration exceeds, in the opinion of the managing underwriters of such registration in light of marketing factors, the number of securities to which such registration should be limited (the "UNDERWRITERS' MAXIMUM NUMBER"), then: (i) the Company will be obligated to include in such registration that number of Registrable Securities requested by Holders to be included in such registration as does not exceed the Underwriters' Maximum Number, and such number of Registrable Securities will be allocated PRO RATA among such Holders on the basis of the number of Registrable Securities held by each such Holder; (ii) if the Underwriters' Maximum Number exceeds the number of Registrable Securities requested by Holders to be included in such registration, then the Company will be entitled to include in such registration that number of securities as has been requested by the Company to be included in such registration for the account of the Company and that is not greater than such excess; and (iii) if the Underwriters' Maximum Number exceeds the sum of the number of Registrable Securities that the Company is obligated under clause (i) above to include in such Demand Registration plus the number of securities that the Company proposes to offer and sell for its own account in such registration, then the Company may include in such registration that number of other securities as security holders other than Holders may have requested be included in such registration and that is not greater than such excess, and such number of excess securities will be allocated PRO RATA among such security holders other than the Holders on the basis of the number of such securities requested to be included in such registration by each such security holder. Neither the Company nor any of its other security holders will be entitled to include any securities in any underwritten Demand Registration unless the Company or such security holders (as the case may be) agree in writing to sell such securities

on the same terms and conditions as apply to the Registrable Securities held by Holders to be included in such Demand Registration.

2.2 PIGGYBACK REGISTRATION.

(a) At any time subsequent to the expiration of any lock-up agreement that the Holders have entered into with the underwriters in connection with an Initial Offering pursuant to SECTION 2.10, if (but without any obligation to do so) the Company proposes to register (including for this purpose a registration effected by the Company for stockholders other than the Holders) any of its stock or other securities under the Act (other than a registration statement on Form S-8 or Form S-4, or their successors, or any registration statement effected solely to implement an employee benefit plan or covering only securities proposed to be issued in exchange for securities or assets of another corporation), the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder (a "SELLING HOLDER") received within 30 days after the date on which the Company gives such notice in accordance with the provisions hereof, the Company shall, subject to the provisions of this SECTION 2, use all reasonable efforts to cause to be registered under the Act all of the Registrable Securities that each such Holder has requested to be registered.

(b) The Company shall have the right to terminate or withdraw any registration initiated by it under this SECTION 2.2 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The expenses of such withdrawn registration shall be borne by the Company in accordance with SECTION 2.6 hereof.

(c) In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required under this SECTION 2.2 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by it, which terms shall not contravene any of the terms hereof without the consent of the Selling Holders holding at least 50% of the Registrable Securities requested to be included in such registration statement, and enter into such an underwriting agreement in

customary form with an underwriter or underwriters selected by the Company. In connection with any such underwriting agreement, no Selling Holder shall be required to make representations and warranties other than representations and warranties regarding such Selling Holder's ownership and title to the Registrable Securities being sold by it and its plan of distribution with respect to its Registrable Securities. The number of securities which shall be included in such registration shall be in such quantity as the managing underwriter determines in its sole discretion will not materially and adversely affect the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities that the managing underwriter determines in its sole discretion will not materially and adversely affect the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, that the managing underwriter determines in writing in its sole discretion will not materially and adversely affect the offering (the securities so included to be apportioned pro rata among the Selling Holders according to the total amount of securities entitled to be included therein owned by each Selling Holder or in such other proportions as shall mutually be agreed to by such Selling Holders).

Notwithstanding anything to the contrary contained in this Agreement, to the extent the stockholders of the Company that have requested to have securities included in such registration include stockholders other than Holders exercising contractual demand registration rights, then the Company will include in such registration, to the extent of the number and type which the Company is so advised can be sold in such offering, (i) FIRST all Registrable Securities requested for inclusion held by the stockholders exercising contractual demand registration rights, and (ii) SECOND such securities requested to be included in such registration statement by all other stockholders. For purposes of the foregoing parenthetical concerning apportionment, for any selling stockholder that is a Holder of Registrable Securities and that is a partnership, limited liability company or corporation, the partners, members, retired partners, retired members and stockholders of such Holder, or the estates and family members of any such partners, members, retired partners and retired members and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single Selling Holder, and any pro rata reduction with respect to such Selling Holder shall be based upon the aggregate amount of Registrable Securities owned by all such related entities and individuals.

2.3 FORM S-3 REGISTRATION. At any time after the Company becomes eligible to file a registration statement on Form S-3, a Holder or Holders of Registrable Securities may request the Company, in writing, to effect the registration of such Registrable Securities on Form S-3; PROVIDED, HOWEVER, that such Registrable Securities are sufficient to result in an anticipated aggregate offering price, net of underwriting discounts and commissions, of at least ten million dollars ($10,000,000). Upon receipt of any such request, the Company shall:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(b) use its commercially reasonable efforts to effect such registration to permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within 30 days after receipt of such written notice from the Company; PROVIDED, HOWEVER, that the Company shall not be obligated to effect any such registration pursuant to this SECTION 2.3: (i) if Form S-3 is not available for such offering by the Holders; or (ii) for not more than a 120-day period, if: (A) in the good faith judgment of the Board of Directors of the Company, such registration would be seriously detrimental to the Company and the Board of Directors of the Company concludes, as a result, that it is essential to defer the filing of such registration statement at such time, and (B) the Company shall furnish to such Holders a certificate signed by the Chief

Executive Officer of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company for such registration statement to be filed in the near future and that it is, therefore, essential to defer the filing for a period of not more than 120 days after receipt of the request of the Holders; PROVIDED, HOWEVER, that the Company shall not defer its obligation in this manner more than once in any twelve-month period.

(c) The Company shall not be required to effect more than two (2) registrations pursuant to this SECTION 2.3 in any rolling 12-month period.

(d) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the Holders, and, in any event, shall use its commercially reasonable efforts to effect the registration of all such Registrable Securities and other securities.

2.4 OBLIGATIONS OF THE COMPANY. Whenever required under this SECTION 2 to effect the registration of any Registrable Securities, the Company shall, at the earliest possible date:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use all reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for 120 days from the effective date or until the distribution contemplated in the Registration Statement has been completed;

(b) as promptly as possible prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Act with respect to the disposition of all securities covered by such registration statement;

(c) as promptly as possible furnish to the Holders such numbers of copies of the registration statement and amendments thereto, a prospectus, including a preliminary prospectus, in conformity with the requirements of the Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(d) as promptly as possible use all reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue sky or other state securities laws of such jurisdictions as shall be reasonably requested by the Holders, PROVIDED, that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(e) as promptly as possible in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering;

(f) as promptly as possible notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(g) as promptly as possible cause all such Registrable Securities

registered pursuant hereto to be listed on each securities exchange on which similar securities issued by the Company are then listed; and

(h) if such securities are being sold in an underwritten offering, as promptly as possible furnish at the request of any Holder requesting registration of Registrable Securities pursuant hereto, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant hereto, (A) an opinion, dated such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, and to the Holders requesting registration of Registrable Securities, and (B) a letter dated such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters, and to the Holders requesting registration of Registrable Securities.

2.5 INFORMATION FROM HOLDER. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this SECTION 2 with respect to the Registrable Securities of any Selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be required to effect the registration of such Holder's Registrable Securities.

2.6 EXPENSES OF REGISTRATION. All expenses (other than underwriting discounts and commissions and the fees and expenses of counsel to the Holders) incurred in connection with registrations, filings or qualifications pursuant to this SECTION 2, including, without limitation, all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company, shall be borne by the Company.

2.7 INDEMNIFICATION. In the event any Registrable Securities are included in a registration statement under this SECTION 2:

(a) The Company will indemnify and hold harmless each Holder, the partners, members, managers, officers, directors and stockholders of each Holder, any underwriter (as defined in the Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Act or the 1934 Act (collectively, the "COMPANY INDEMNIFIED PARTIES"), against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the Act, the 1934 Act or any state securities laws, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively, a "VIOLATION"): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained, therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Act, the 1934 Act, any blue sky or other state securities laws or any rule or regulation promulgated under the Act, the 1934 Act or any blue sky or other state securities laws; and the Company will pay to each such Company Indemnified Party any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage or liability (or actions in respect thereof); PROVIDED, HOWEVER, that the indemnity agreement contained in this

SECTION 2.7(a) shall not apply to amounts paid in settlement of any such loss, claim, damage or liability if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability

or action to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Company Indemnified Party, and FURTHER PROVIDED, that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of any Company Indemnified Party, from whom the person asserting any such losses, claims, damages or liabilities purchased shares in the offering, if a copy of the prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Company Indemnified Party to such person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the shares to such person, and if the prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage or liability.

(b) Each Holder selling securities in such registration statement will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Act, any underwriter, any other Holder selling securities in such registration statement and any controlling person of any such underwriter or other Holder (collectively, the "SELLING HOLDER INDEMNIFIED PARTIES"), against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing Selling Holder Indemnified Parties may become subject, under the Act, the 1934 Act or any state securities laws, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse a Selling Holder Indemnified Party for any legal or other expenses reasonably incurred by such person in connection with investigating or defending any such loss, claim, damage or liability (or actions in respect thereof); PROVIDED, HOWEVER, that the indemnity agreement contained in this SECTION 2.7(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of such indemnifying Holder (which consent shall not be unreasonably withheld); and FURTHER PROVIDED, that in no event shall any indemnity under this SECTION 2.7(b) exceed the net proceeds (after underwriting discounts and commissions) from the offering received by such indemnifying Holder; and FURTHER PROVIDED, that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of a Selling Holder Indemnified Party from whom the person asserting any such losses, claims, damages or liabilities purchased shares in the offering, if a copy of the prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Selling Holder Indemnified Party to such person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the shares to such person, and if the prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage or liability.

(c) Promptly after receipt by an indemnified party under this SECTION 2.7 of notice of the commencement of any action (including any governmental action), such

indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this SECTION 2.7, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; PROVIDED, HOWEVER, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual conflict

of interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this SECTION 2.7 but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this SECTION 2.7.

(d) If the indemnification provided for in this SECTION 2.7 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; PROVIDED, HOWEVER, that, in any such case (A) no such Holder will be required to contribute any amount in excess of the net proceeds (after underwriting discounts and commissions) from the offering received by such Holder, and (B) no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

(e) Notwithstanding anything to the contrary in the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) The obligations of the Company and Holders under this SECTION 2.7 shall survive the completion of any offering of Registrable Securities in a registration statement under this SECTION 2, and otherwise.

2.8 REPORTS UNDER SECURITIES EXCHANGE ACT OF 1934. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without

registration or pursuant to a registration on Form S-3, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in SEC Rule 144, at all times after 90 days after the effective date of the Initial Offering;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Act and the 1934 Act; and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, promptly upon request (i) a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after 90 days after the effective date of the Initial Offering), the Act and the 1934 Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports

and documents so filed by the Company, and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to such form.

2.9 ASSIGNMENT OF REGISTRATION RIGHTS. The rights to cause the Company to register Registrable Securities pursuant to this SECTION 2 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee of such securities that (i) is an Affiliate of the Holder or (ii) after such assignment or transfer, holds at least one percent (1%) of the issued and outstanding shares of the Company's Common Stock, PROVIDED, that: (a) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; and (b) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement, including without limitation the provisions of SECTION 2.10 below.

2.10 "MARKET STAND-OFF' AGREEMENT. Each Holder hereby agrees that, if requested by the managing underwriter, it will not, without the prior written consent of the managing underwriter, sell or otherwise transfer or dispose of (subject to customary exceptions) any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (whether such shares or any such securities are then owned by the Holder or are thereafter acquired) during the period commencing on the date of the final prospectus relating to the Initial Offering and ending on the date specified by the Company and the managing underwriter (such period not to exceed 180 days); PROVIDED, HOWEVER, that all executive officers and directors of the Company and all other holders of at least one percent (1%) of Common Stock enter into similar agreements. The underwriters in connection with the Initial Offering are intended third-party beneficiaries of this SECTION 2.10 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

2.11 TERMINATION OF REGISTRATION RIGHTS. No Holder shall be entitled to exercise any right provided for in this SECTION 2 after the later to occur of (a) the date that is five (5) years following the consummation of the Initial Offering, and (b) the date on which all of such Holder's Registrable Securities may be sold within a 90-day period pursuant to SEC Rule 144."

(iv) The Investor Rights Agreement is hereby amended by adding the following Section 4.7:

"4.7 The obligations and covenants set forth in this SECTION 4 shall terminate and be of no further force and effect upon the closing of an Initial Offering."

(v) The Investor Rights Agreement is hereby amended by adding the following address to Section 5.5:

"If to Bruce Kovner, at Bruce Kovner, c/o Caxton Corporation, Princeton Plaza, Building 2, 731 Alexander Road, Princeton, New Jersey 08540, facsimile number 609-419-0470, or at such other address as may be furnished in writing by the Investor to the Company."

(vi) Except as amended hereby, all of the terms and conditions of the Investor Rights Agreement shall remain in full force and effect.

2. COUNTERPARTS. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which

together shall constitute one and the same instrument.

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IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first above written.

COMPANY:

SYNTA PHARMACEUTICALS CORP.

By: /s/ Safi R. Bahcall

Name: Safi R. Bahcall
Title: Chief Executive Officer

[First Amendment to the Amended and Restated Investor Rights Agreement, Signature Page, CONTINUED]

INVESTORS:

CxSYNTA LLC

By: /s/ Bruce Kovner

Name: Bruce Kovner
Title:

/s/ Bruce Kovner

Bruce Kovner

MOUNTAIN TRAIL INVESTMENTS, LLC

By: /s/ Richard N. Foster

Name: Richard N. Foster
Title: Partner

GOLLUST TRUST II

By: /s/ Kenneth S. Davidson

Name: Kenneth S. Davidson
Title: Trustee

WYANDANCH PARTNERS, L.P.

By: /s/ Keith R. Gollust

Name: Keith R. Gollust
Title:

/s/ Keith R. Gollust

Keith R. Gollust

Exhibit 10.1

SYNTA PHARMACEUTICALS CORP.

2001 STOCK PLAN

1. DEFINITIONS.

Unless otherwise specified or unless the context otherwise requires, the following terms, as used in this Synta Pharmaceuticals Corp. 2001 Stock Plan, have the following meanings:

ADMINISTRATOR means the Board of Directors, unless it has delegated power to act on its behalf to the Committee, in which case the Administrator means the Committee.

AFFILIATE means a corporation which, for purposes of Section 424 of the Code, is a parent or subsidiary of the Company, direct or indirect.

BOARD OF DIRECTORS means the Board of Directors of the Company.

CODE means the United States Internal Revenue Code of 1986, as amended.

COMMITTEE means the committee of the Board of Directors to which the Board of Directors has delegated power to act under or pursuant to the provisions of the Plan.

COMMON STOCK means shares of the Company's common stock, $.0001 par value per share.

COMPANY means Synta Pharmaceuticals Corp., a Delaware corporation.

DISABILITY or DISABLED means permanent and total disability as defined in Section 22(e)(3) of the Code.

FAIR MARKET VALUE of a Share of Common Stock means:

(1) If the Common Stock is listed on a national securities exchange or traded in the over-the-counter market and sales prices are regularly reported for the Common Stock, the closing or last price of the Common Stock on the composite tape or other comparable reporting system for the trading day immediately preceding the applicable date;

(2) If the Common Stock is not traded on a national securities exchange but is traded on the over-the-counter market, if sales prices are not regularly reported for the Common Stock for the trading day referred to in clause (1), and if bid and asked prices for the Common Stock are regularly reported, the mean between the bid and the asked price for the Common Stock at the close of trading in the over-the-counter market for the trading day on which Common Stock was traded immediately preceding the applicable date; and

(3) If the Common Stock is neither listed on a national securities exchange nor traded in the over-the-counter market, such value as the Administrator, in good faith, shall determine.

ISO means an option meant to qualify as an incentive stock option under Section 422 of the Code.

KEY EMPLOYEE means an employee of the Company or of an Affiliate (including, without limitation, an employee who is also serving as an officer or director of the Company or of an Affiliate), designated by the Administrator to be eligible to be granted one or more Stock Rights under the Plan.

NON-QUALIFIED OPTION means an option which is not intended to qualify as an ISO.

OPTION means an ISO or Non-Qualified Option granted under the Plan.

OPTION AGREEMENT means an agreement between the Company and a Participant delivered pursuant to the Plan, in such form as the Administrator shall approve.

PARTICIPANT means a Key Employee, director or consultant to whom one or more Stock Rights are granted under the Plan. As used herein, "Participant" shall include "Participant's Survivors" where the context requires.

PLAN means this Synta Pharmaceuticals Corp. 2001 Stock Plan.

SHARES means shares of the Common Stock as to which Stock Rights have been or may be granted under the Plan or any shares of capital stock into which the Shares are changed or for which they are exchanged within the provisions of Paragraph 3 of the Plan. The Shares issued under the Plan may be authorized and unissued shares or shares held by the Company in its treasury, or both.

STOCK GRANT means a grant by the Company of Shares under the Plan.

STOCK GRANT AGREEMENT means an agreement between the Company and a Participant delivered pursuant to the Plan, in such form as the Administrator shall approve.

STOCK RIGHT means a right to Shares of the Company granted pursuant to the Plan -- an ISO, a Non-Qualified Option or a Stock Grant.

SURVIVORS means a deceased Participant's legal representatives or any person or persons who acquired the Participant's rights to a Stock Right by will or by the laws of descent and distribution.

2. PURPOSES OF THE PLAN.

The Plan is intended to encourage ownership of Shares by Key Employees and directors of and certain consultants to the Company in order to attract such people, to induce them to work for the benefit of the Company or of an Affiliate and to provide additional incentive for them to promote the success of the

Company or of an Affiliate. The Plan provides for the granting of ISOs, Non-Qualified Options and Stock Grants.

3. SHARES SUBJECT TO THE PLAN.

The number of Shares which may be issued from time to time pursuant to this Plan shall be 15,000,000, or the equivalent of such number of Shares after the Administrator, in its sole discretion, has interpreted the effect of any stock split, stock dividend, combination, recapitalization or similar transaction in accordance with Paragraph 23 of the Plan.

If an Option ceases to be outstanding, in whole or in part, or if the Company shall reacquire any Shares issued pursuant to a Stock Grant, the Shares which were subject to such Option and any Shares so reacquired by the Company shall be available for the granting of other Stock Rights under the Plan. Any Option shall be treated as outstanding until such Option is exercised in full, or terminates or expires under the provisions of the Plan, or by agreement of the parties to the pertinent Option Agreement.

4. ADMINISTRATION OF THE PLAN.

The Administrator of the Plan will be the Board of Directors, except to the extent the Board of Directors delegates its authority to the Committee, in which case the Committee shall be the Administrator. Subject to the provisions of the Plan, the Administrator is authorized to:

a. Interpret the provisions of the Plan or of any Option or Stock Grant and to make all rules and determinations which it deems necessary or advisable for the administration of the Plan;

b. Determine which employees of the Company or of an Affiliate shall be designated as Key Employees and which of the Key Employees, directors and consultants shall be granted Stock Rights; and

c. Determine the number of Shares for which Stock Rights shall be granted.

d. Specify the terms and conditions upon which Stock Rights may be granted;

provided, however, that all such interpretations, rules, determinations, terms and conditions shall be made and prescribed in the context of preserving the tax status under Section 422 of the Code of those Options which are designated as ISOs. Subject to the foregoing, the interpretation and construction by the Administrator of any provisions of the Plan or of any Stock Right granted under it shall be final, unless otherwise determined by the Board of Directors, if the Administrator is the Committee.

5. ELIGIBILITY FOR PARTICIPATION.

The Administrator will, in its sole discretion, name the Participants in the Plan, provided, however, that each Participant must be a Key Employee, director or consultant of the Company or of an Affiliate at the time a Stock Right is granted. Notwithstanding the foregoing, the Administrator may authorize the grant of a Stock Right to a person not then an employee, director or consultant of the Company or of an Affiliate; provided, however, that the actual grant of such Stock Right shall be conditioned upon such person becoming eligible to become a Participant at or prior to the time of the delivery of the Agreement evidencing such Stock Right. ISOs may be granted only to Key

Employees. Non-Qualified Options and Stock Grants may be granted to any Key Employee, director or consultant of the Company or an Affiliate. The granting of any Stock Right to any individual shall neither entitle that individual to, nor disqualify him or her from, participation in any other grant of Stock Rights.

6. TERMS AND CONDITIONS OF OPTIONS.

Each Option shall be set forth in writing in an Option Agreement, duly executed by the Company and, to the extent required by law or requested by the Company, by the Participant. The Administrator may provide that Options be granted subject to such terms and conditions, consistent with the terms and conditions specifically required under this Plan, as the Administrator may deem appropriate including, without limitation, subsequent approval by the shareholders of the Company of this Plan or any amendments thereto.

A. NON-QUALIFIED OPTIONS: Each Option intended to be a Non-Qualified Option shall be subject to the terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company, subject to the following minimum standards for any such Non-Qualified Option:

a. OPTION PRICE: Each Option Agreement shall state the option price (per share) of the Shares covered by each Option, which option price shall be determined by the Administrator but shall not be less than the par value per share of Common Stock.

b. NUMBER OF SHARES: Each Option Agreement shall state the number of Shares to which it pertains.

c. OPTION PERIODS: Each Option Agreement shall state the date or dates on which it first is exercisable and the date after which it may no longer be exercised, and may provide that the Option rights accrue or become exercisable in installments over a period of months or years, or upon the occurrence of certain conditions or the attainment of stated goals or events.

d. OPTION CONDITIONS: Exercise of any Option may be conditioned upon the Participant's execution of a Share purchase agreement in form satisfactory to the Administrator providing for certain protections for the Company and its other shareholders, including requirements that:

i. The Participant's or the Participant's Survivors' right to sell or transfer the Shares may be restricted; and

ii. The Participant or the Participant's Survivors may be required to execute letters of investment intent and must also acknowledge that the Shares will bear legends noting any applicable restrictions.

e. DIRECTORS' OPTIONS. Each director of the Company who is not an employee of the Company or any Affiliate, upon first being elected or appointed to the Board of Directors, and upon every fourth anniversary thereof provided that on such dates such director has been in

the continued and uninterrupted service as a director of the Company or the Affiliate since his or her election or appointment and is a director and is not an employee or consultant of the Company or the Affiliate at such time, may, within the discretion of the Board of Directors, be granted a Non-Qualified Option to purchase such number of shares as determined by the Board of Directors. Such Option may be granted to a director on such date as he or she was appointed to be a director, and upon every fourth anniversary thereof provided that on such date such director has been in the continued and uninterrupted service as a director of the Company or the Affiliate since his or her initial appointment as a director, and is a director and is not an employee or consultant of the Company or the Affiliate at such time. Each such Option shall (i) have an exercise price equal to the Fair Market Value (per share) of the Shares on the date of grant of the Option, (ii) have a term of ten (10) years, and (iii) provided that the grantee of the Option still serves as a director of the Company or the Affiliate, become cumulatively exercisable as follows: 25% upon the first anniversary of the date of the grant of the Option, and 6.25% upon the expiration of each successive quarter thereafter. Any director entitled to receive an Option grant under this subparagraph may elect to decline the Option.

Except as otherwise provided in the pertinent Option Agreement, if a director who receives Options pursuant to this subparagraph:

a. ceases to be a member of the Board of Directors for any reason other than death or Disability, any unexercised Options granted to such director may be exercised by the director within a period of ninety (90) days after the date the director ceases to be a member of the Board of Directors, but only to the extent of the number of Shares with respect to which the Options are exercisable on the date the director ceases to be a member of the Board of Directors, and in no event later than the expiration date of the Option; or

b. ceases to be a member of the Board of Directors by reason of his or her death or Disability, any unexercised Options granted to such director may be exercised by the director (or by the director's personal representative, or the director's Survivors) within a period of one hundred eighty (180) days after the date the director ceases to be a member of the Board of Directors, but only to the extent of the number of Shares with respect to which the Options are exercisable on the date the director ceases to be a member of the Board of Directors, and in no event later than the expiration date of the Option.

B. ISOs: Each Option intended to be an ISO shall be issued only to a Key Employee and be subject to the following terms and conditions, with such additional restrictions or changes as the Administrator determines are appropriate but not in conflict with Section 422 of the Code and relevant regulations and rulings of the Internal Revenue Service:

a. MINIMUM STANDARDS: The ISO shall meet the minimum standards required of Non-Qualified Options, as described in Paragraph 6(A) above, except clauses (a) and (e) thereunder.

b. OPTION PRICE: Immediately before the Option is granted, if the Participant owns, directly or by reason of the applicable attribution rules in Section 424(d) of the Code:

i. Ten percent (10%) OR LESS of the total combined voting power of all classes of stock of the Company or an Affiliate, the Option price per share of the Shares covered by each Option shall not be less than one hundred percent (100%) of the Fair Market Value per share of the Shares on the date of the grant of the Option.

ii. More than ten percent (10%) of the total combined voting power of all classes of stock of the Company or an Affiliate, the Option

price per share of the Shares covered by each Option shall not be less than one hundred ten percent (110%) of the said Fair Market Value on the date of grant.

c. TERM OF OPTION: For Participants who own

i. Ten percent (10%) OR LESS of the total combined voting power of all classes of stock of the Company or an Affiliate, each Option shall terminate not more than ten (10) years from the date of the grant or at such earlier time as the Option Agreement may provide.

ii. More than ten percent (10%) of the total combined voting power of all classes of stock of the Company or an Affiliate, each Option shall terminate not more than five (5) years from the date of the grant or at such earlier time as the Option Agreement may provide.

d. LIMITATION ON YEARLY EXERCISE: The Option Agreements shall restrict the amount of Options which may be exercisable in any calendar year (under this or any other ISO plan of the Company or an Affiliate) so that the aggregate Fair Market Value (determined at the time each ISO is granted) of the stock with respect to which ISOs are exercisable for the first time by the Participant in any calendar year does not exceed one hundred thousand dollars ($100,000),

provided that this subparagraph (d) shall have no force or effect if its inclusion in the Plan is not necessary for Options issued as ISOs to qualify as ISOs pursuant to Section 422(d) of the Code.

7. TERMS AND CONDITIONS OF STOCK GRANTS.

Each offer of a Stock Grant to a Participant shall state the date prior to which the Stock Grant must be accepted by the Participant, and the principal terms of each Stock Grant shall be set forth in a Stock Grant Agreement, duly executed by the Company and, to the extent required by law or requested by the Company, by the Participant. The Stock Grant Agreement shall be in a form approved by the Administrator and shall contain terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company, subject to the following minimum standards:

(a) Each Stock Grant Agreement shall state the purchase price (per share), if any, of the Shares covered by each Stock Grant, which purchase price shall be determined by the Administrator but shall not be less than the minimum consideration required by the Delaware General Corporation Law on the date of the grant of the Stock Grant;

(b) Each Stock Grant Agreement shall state the number of Shares to which the Stock Grant pertains; and

(c) Each Stock Grant Agreement shall include the terms of any right of the Company to reacquire the Shares subject to the Stock Grant, including the time and events upon which such rights shall accrue and the purchase price therefor, if any.

8. EXERCISE OF OPTIONS AND ISSUE OF SHARES.

An Option (or any part or installment thereof) shall be exercised by giving written notice to the Company at its principal executive office address, together with provision for payment of the full purchase price in accordance with this Paragraph for the Shares as to which the Option is being exercised, and upon compliance with any other condition(s) set forth in the Option Agreement. Such written notice shall be signed by the person exercising the Option, shall state the number of Shares with respect to which the Option is being exercised and shall contain any representation required by the Plan or the Option Agreement. Payment of the purchase price for the Shares as to which such Option is being exercised shall be made (a) in United States dollars in cash or by check, or (b) at the discretion of the Administrator, through delivery of shares of Common Stock having a Fair Market Value equal as of the date of the exercise to the cash exercise price of the Option, or (c) at the discretion of the Administrator, by having the Company retain from the shares otherwise issuable upon exercise of the Option, a number of shares having a Fair Market Value equal as of the date of exercise to the exercise price of the Option, or (d) at the discretion of the Administrator, by delivery of the grantee's personal recourse note bearing interest payable not less than annually at no less than 100% of the applicable Federal rate, as defined in Section 1274(d) of the Code, or (e) at the discretion of the Administrator, in accordance with a cashless exercise program established with a securities brokerage firm, and approved by the Administrator, or (f) at the discretion of the Administrator, by any combination of (a), (b), (c), (d) and (e) above. Notwithstanding the foregoing, the Administrator shall accept only such payment on exercise of an ISO as is permitted by Section 422 of the Code.

The Company shall then reasonably promptly deliver the Shares as to which such Option was exercised to the Participant (or to the Participant's

Survivors, as the case may be). In determining what constitutes "reasonably promptly," it is expressly understood that the issuance and delivery of the Shares may be delayed by the Company in order to comply with any law or regulation (including, without limitation, state securities or "blue sky" laws) which requires the Company to take any action with respect to the Shares prior to their issuance. The Shares shall, upon delivery, be evidenced by an appropriate certificate or certificates for fully paid, non-assessable Shares.

The Administrator shall have the right to accelerate the date of exercise of any installment of any Option; provided that the Administrator shall not accelerate the exercise date of any installment of any Option granted to any Key Employee as an ISO (and not previously converted into a Non-Qualified Option pursuant to Paragraph 26) if such acceleration would violate the annual vesting limitation contained in Section 422(d) of the Code, as described in Paragraph 6.B.d.

The Administrator may, in its discretion, amend any term or condition of an outstanding Option provided (i) such term or condition as amended is permitted by the Plan, (ii) any such

amendment shall be made only with the consent of the Participant to whom the Option was granted, or in the event of the death of the Participant, the Participant's Survivors, if the amendment is adverse to the Participant, and (iii) any such amendment of any ISO shall be made only after the Administrator, after consulting the counsel for the Company, determines whether such amendment would constitute a modification (as that term is defined in Section 424(h) of the Code) of any Option which is an ISO or would cause any adverse tax consequences for the holder of such ISO.

9. ACCEPTANCE OF STOCK GRANT AND ISSUE OF SHARES.

A Stock Grant (or any part or installment thereof) shall be accepted by executing the Stock Grant Agreement and delivering it to the Company at its principal office address, together with provision for payment of the full purchase price, if any, in accordance with this Paragraph for the Shares as to which such Stock Grant is being accepted, and upon compliance with any other conditions set forth in the Stock Grant Agreement. Payment of the purchase price for the Shares as to which such Stock Grant is being accepted shall be made (a) in United States dollars in cash or by check, or (b) at the discretion of the Administrator, through delivery of shares of Common Stock having a fair market value equal as of the date of acceptance of the Stock Grant to the purchase price of the Stock Grant determined in good faith by the Administrator, or (c) at the discretion of the Administrator, by delivery of the grantee's personal recourse note bearing interest payable not less than annually at no less than 100% of the applicable Federal rate, as defined in Section 1274(d) of the Code, or (d) at the discretion of the Administrator, by any combination of (a), (b) and (c) above.

The Company shall then reasonably promptly deliver the Shares as to which such Stock Grant was accepted to the Participant (or to the Participant's Survivors, as the case may be), subject to any escrow provision set forth in the Stock Grant Agreement. In determining what constitutes "reasonably promptly," it is expressly understood that the issuance and delivery of the Shares may be delayed by the Company in order to comply with any law or regulation (including, without limitation, state securities or "blue sky" laws) which requires the Company to take any action with respect to the Shares prior to their issuance.

The Administrator may, in its discretion, amend any term or condition of an outstanding Stock Grant or Stock Grant Agreement provided (i) such term or condition as amended is permitted by the Plan, and (ii) any such amendment shall be made only with the consent of the Participant to whom the Stock Grant was made, if the amendment is adverse to the Participant.

10. RIGHTS AS A SHAREHOLDER.

No Participant to whom a Stock Right has been granted shall have rights as a shareholder with respect to any Shares covered by such Stock Right, except after due exercise of the Option or acceptance of the Stock Grant and tender of the full purchase price, if any, for the Shares being purchased pursuant to such exercise or acceptance and registration of the Shares in the Company's share register in the name of the Participant.

11. ASSIGNABILITY AND TRANSFERABILITY OF STOCK RIGHTS.

By its terms, a Stock Right granted to a Participant shall not be transferable by the Participant other than (i) by will or by the laws of descent and distribution, or (ii) as otherwise determined by the Administrator and set forth in the applicable Option Agreement or Stock Grant Agreement. The designation of a beneficiary of a Stock Right by a Participant, with the prior approval of the Administrator and in such form as the Administrator shall prescribe, shall not be deemed a transfer prohibited by this Paragraph. Except as provided above, a Stock Right shall only be exercisable or may only be accepted, during the Participant's lifetime, by such Participant (or by his or her legal representative) and shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of any Stock Right or of any rights granted thereunder contrary to the provisions of this Plan, or the levy of any attachment or similar process upon a Stock Right, shall be null and void.

12. EFFECT ON OPTIONS OF TERMINATION OF SERVICE OTHER THAN "FOR CAUSE" OR DEATH OR DISABILITY.

Except as otherwise provided in the pertinent Option Agreement in the event of a termination of service (whether as an employee, director or consultant) with the Company or an Affiliate before the Participant has exercised an Option, the following rules apply:

a. A Participant who ceases to be an employee, director or consultant of the Company or of an Affiliate (for any reason other than termination "for cause", Disability, or death for which events there are special rules in Paragraphs 13, 14, and 15, respectively), may exercise any Option granted to him or her to the extent that the Option is exercisable on the date of such termination of service, but only within such term as the Administrator has designated in the pertinent Option Agreement.

b. Except as provided in Subparagraph (c) below, or Paragraph 14 or 15, in no event may an Option Agreement provide, if an Option is intended to be an ISO, that the time for exercise be later than three (3) months after the Participant's termination of employment.

c. The provisions of this Paragraph, and not the provisions of Paragraph 14 or 15, shall apply to a Participant who subsequently becomes Disabled or dies after the termination of employment, director status or consultancy, provided, however, in the case of a Participant's Disability or death within three (3) months after the termination of employment, director status or consultancy, the Participant or the Participant's Survivors may exercise the Option within one (1) year after the date

of the Participant's termination of employment, but in no event after the date of expiration of the term of the Option.

d. Notwithstanding anything herein to the contrary, if subsequent to a Participant's termination of employment, termination of director status or termination of consultancy, but prior to the exercise of an Option, the Board of Directors determines that, either prior or subsequent to the Participant's termination, the Participant engaged in conduct which would constitute "cause", then such Participant shall forthwith cease to have any right to exercise any Option.

e. A Participant to whom an Option has been granted under the Plan who is absent from work with the Company or with an Affiliate because of temporary disability (any disability other than a Disability as defined in Paragraph 1 hereof), or who is on leave of absence for any purpose, shall not, during the period of any such absence, be deemed, by virtue of such absence alone, to have terminated such Participant's employment, director status or consultancy with the Company or with an Affiliate, except as the Administrator may otherwise expressly provide.

f. Except as required by law or as set forth in the pertinent Option Agreement, Options granted under the Plan shall not be affected by any change of a Participant's status within or among the Company and any Affiliates, so long as the Participant continues to be an employee, director or consultant of the Company or any Affiliate.

13. EFFECT ON OPTIONS OF TERMINATION OF SERVICE "FOR CAUSE".

Except as otherwise provided in the pertinent Option Agreement, the following rules apply if the Participant's service (whether as an employee, director or consultant) with the Company or an Affiliate is terminated "for cause" prior to the time that all his or her outstanding Options have been exercised:

a. All outstanding and unexercised Options as of the time the Participant is notified his or her service is terminated "for cause" will immediately be forfeited.

b. For purposes of this Plan, "cause" shall include (and is not limited to) dishonesty with respect to the Company or any Affiliate, insubordination, substantial malfeasance or non-feasance of duty, unauthorized disclosure of confidential information, and conduct substantially prejudicial to the business of the Company or any Affiliate. The determination of the Administrator as to the existence of "cause" will be conclusive on the Participant and the Company.

c. "Cause" is not limited to events which have occurred prior to a Participant's termination of service, nor is it necessary that the Administrator's finding of "cause" occur prior to termination. If the Administrator determines, subsequent to a Participant's termination of service but prior to the exercise of an Option, that

either prior or subsequent to the Participant's termination the Participant engaged in conduct which would constitute "cause", then the right to exercise any Option is forfeited.

d. Any definition in an agreement between the Participant and the Company or an Affiliate, which contains a conflicting definition of "cause" for termination and which is in effect at the time of such termination, shall supersede the definition in this Plan with respect to such Participant.

14. EFFECT ON OPTIONS OF TERMINATION OF SERVICE FOR DISABILITY.

Except as otherwise provided in the pertinent Option Agreement, a Participant who ceases to be an employee, director or consultant of the Company or of an Affiliate by reason of Disability may exercise any Option granted to such Participant:

a. To the extent exercisable but not exercised on the date of Disability; and

b. In the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion of any additional rights as would have accrued had the Participant not become Disabled prior to the end of the accrual period which next ends following the date of Disability. The proration shall be based upon the number of days of such accrual period prior to the date of Disability.

A Disabled Participant may exercise such rights only within the period ending one (1) year after the date of the Participant's termination of employment, directorship or consultancy, as the case may be, notwithstanding that the Participant might have been able to exercise the Option as to some or all of the Shares on a later date if the Participant had not become Disabled and had continued to be an employee, director or consultant or, if earlier, within the originally prescribed term of the Option.

The Administrator shall make the determination both of whether Disability has occurred and the date of its occurrence (unless a procedure for such determination is set forth in another agreement between the Company and such Participant, in which case such procedure shall be used for such determination). If requested, the Participant shall be examined by a physician selected or approved by the Administrator, the cost of which examination shall be paid for by the Company.

15. EFFECT ON OPTIONS OF DEATH WHILE AN EMPLOYEE, DIRECTOR OR CONSULTANT.

Except as otherwise provided in the pertinent Option Agreement, in the event of the death of a Participant while the Participant is an employee, director or consultant of the Company or of an Affiliate, such Option may be exercised by the Participant's Survivors:

a. To the extent exercisable but not exercised on the date of death; and

b. In the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion of any additional rights which would have accrued had the Participant not died prior to the end of the accrual period which next ends following the date of death. The proration shall be based

upon the number of days of such accrual period prior to the Participant's death.

If the Participant's Survivors wish to exercise the Option, they must take all necessary steps to exercise the Option within one (1) year after the date of death of such Participant, notwithstanding that the decedent might have been able to exercise the Option as to some or all of the Shares on a later date if he or she had not died and had continued to be an employee, director or consultant or, if earlier, within the originally prescribed term of the Option.

16. EFFECT OF TERMINATION OF SERVICE ON STOCK GRANTS.

In the event of a termination of service (whether as an employee, director or consultant) with the Company or an Affiliate for any reason before the Participant has accepted a Stock Grant, such offer shall terminate.

For purposes of this Paragraph 16 and Paragraph 17 below, a Participant to whom a Stock Grant has been offered under the Plan who is absent from work with the Company or with an Affiliate because of temporary disability (any disability other than a permanent and total Disability as defined in Paragraph 1 hereof), or who is on leave of absence for any purpose, shall not, during the period of any such absence, be deemed, by virtue of such absence alone, to have terminated such Participant's employment, director status or consultancy with the Company or with an Affiliate, except as the Administrator may otherwise expressly provide.

In addition, for purposes of this Paragraph 16 and Paragraph 17 below, any change of employment or other service within or among the Company and any Affiliates shall not be treated as a termination of employment, director status or consultancy so long as the Participant continues to be an employee, director or consultant of the Company or any Affiliate.

17. EFFECT ON STOCK GRANTS OF TERMINATION OF SERVICE OTHER THAN "FOR CAUSE" OR DEATH OR DISABILITY.

Except as otherwise provided in the pertinent Stock Grant Agreement, in the event of a termination of service (whether as an employee, director or consultant), other than termination "for cause," Disability, or death for which events there are special rules in Paragraphs 18, 19, and 20, respectively, before all Company rights of repurchase shall have lapsed, then the Company shall have the right to repurchase that number of Shares subject to a Stock Grant as to which the Company's repurchase rights have not lapsed.

18. EFFECT ON STOCK GRANTS OF TERMINATION OF SERVICE "FOR CAUSE".

Except as otherwise provided in the pertinent Stock Grant Agreement, the following rules apply if the Participant's service (whether as an employee, director or consultant) with the Company or an Affiliate is terminated "for cause":

a. All Shares subject to any Stock Grant shall be immediately subject to repurchase by the Company at the purchase price, if any, thereof.

b. For purposes of this Plan, "cause" shall include (and is not limited to) dishonesty with respect to the employer, insubordination, substantial malfeasance or non-feasance of duty, unauthorized disclosure of confidential information, and conduct substantially prejudicial to the business of the Company or any Affiliate. The determination of the Administrator as to the existence of "cause" will be

conclusive on the Participant and the Company.

c. "Cause" is not limited to events which have occurred prior to a Participant's termination of service, nor is it necessary that the Administrator's finding of "cause" occur prior to termination. If the Administrator determines, subsequent to a Participant's termination of service, that either prior or subsequent to the Participant's termination the Participant engaged in conduct which would constitute "cause," then the Company's right to repurchase all of such Participant's Shares shall apply.

d. Any definition in an agreement between the Participant and the Company or an Affiliate, which contains a conflicting definition of "cause" for termination and which is in effect at the time of such termination, shall supersede the definition in this Plan with respect to such Participant.

19. EFFECT ON STOCK GRANTS OF TERMINATION OF SERVICE FOR DISABILITY.

Except as otherwise provided in the pertinent Stock Grant Agreement, the following rules apply if a Participant ceases to be an employee, director or consultant of the Company or of an Affiliate by reason of Disability: to the extent the Company's rights of repurchase have not lapsed on the date of Disability, they shall be exercisable; provided, however, that in the event such rights of repurchase lapse periodically, such rights shall lapse to the extent of a pro rata portion of the Shares subject to such Stock Grant as would have lapsed had the Participant not become Disabled prior to the end of the vesting period which next ends following the date of Disability. The proration shall be based upon the number of days of such vesting period prior to the date of Disability.

The Administrator shall make the determination both of whether Disability has occurred and the date of its occurrence (unless a procedure for such determination is set forth in another agreement between the Company and such Participant, in which case such procedure shall be

used for such determination). If requested, the Participant shall be examined by a physician selected or approved by the Administrator, the cost of which examination shall be paid for by the Company.

20. EFFECT ON STOCK GRANTS OF DEATH WHILE AN EMPLOYEE, DIRECTOR OR CONSULTANT.

Except as otherwise provided in the pertinent Stock Grant Agreement, the following rules apply in the event of the death of a Participant while the Participant is an employee, director or consultant of the Company or of an Affiliate: to the extent the Company's rights of repurchase have not lapsed on the date of death, they shall be exercisable; provided, however, that in the event such rights of repurchase lapse periodically, such rights shall lapse to the extent of a pro rata portion of the Shares subject to such Stock Grant as would have lapsed had the Participant not died prior to the end of the vesting period which next ends following the date of death. The proration shall be based upon the number of days of such vesting period prior to the Participant's death.

21. PURCHASE FOR INVESTMENT.

Unless the offering and sale of the Shares to be issued upon the particular exercise or acceptance of a Stock Right shall have been effectively registered under the Securities Act of 1933, as now in force or hereafter

amended (the "1933 Act"), the Company shall be under no obligation to issue the Shares covered by such exercise unless and until the following conditions have been fulfilled:

a. The person(s) who exercise(s) or accept(s) such Stock Right shall warrant to the Company, prior to the receipt of such Shares, that such person(s) are acquiring such Shares for their own respective accounts, for investment, and not with a view to, or for sale in connection with, the distribution of any such Shares, in which event the person(s) acquiring such Shares shall be bound by the provisions of the following legend which shall be endorsed upon the certificate(s) evidencing their Shares issued pursuant to such exercise or such grant:

> "The shares represented by this certificate have been taken for investment and they may not be sold or otherwise transferred by any person, including a pledgee, unless (1) either (a) a Registration Statement with respect to such shares shall be effective under the Securities Act of 1933, as amended, or (b) the Company shall have received an opinion of counsel satisfactory to it that an exemption from registration under such Act is then available, and (2) there shall have been compliance with all applicable state securities laws."

b. At the discretion of the Administrator, the Company shall have received an opinion of its counsel that the Shares may be issued upon such particular exercise or acceptance in compliance with the 1933 Act without registration thereunder.

22. DISSOLUTION OR LIQUIDATION OF THE COMPANY.

Upon the dissolution or liquidation of the Company, all Options granted under this Plan which as of such date shall not have been exercised and all Stock Grants which have not been accepted will terminate and become null and void; provided, however, that if the rights of a Participant or a Participant's Survivors have not otherwise terminated and expired, the Participant or the Participant's Survivors will have the right immediately prior to such dissolution or liquidation to exercise or accept any Stock Right to the extent that the Stock Right is exercisable or subject to acceptance as of the date immediately prior to such dissolution or liquidation.

23. ADJUSTMENTS.

Upon the occurrence of any of the following events, a Participant's rights with respect to any Stock Right granted to him or her hereunder shall be adjusted as hereinafter provided, unless otherwise specifically provided in the pertinent Option Agreement or Stock Grant Agreement:

A. STOCK DIVIDENDS AND STOCK SPLITS. If (i) the shares of Common Stock shall be subdivided or combined into a greater or smaller number of shares or if the Company shall issue any shares of Common Stock as a stock dividend on its outstanding Common Stock, or (ii) additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Common Stock, the number of shares of Common Stock deliverable upon the exercise or acceptance of such Stock Right may be appropriately increased or decreased proportionately, and appropriate adjustments may be made in the purchase price per share to reflect such events.

B. CONSOLIDATIONS OR MERGERS. If the Company is to be consolidated with or acquired by another entity in a merger, sale of all or substantially all of the Company's assets or otherwise (an "Acquisition"), the Administrator or the board of directors of any entity assuming the obligations of the Company hereunder (the "Successor Board"), shall, as to outstanding Options, either (i) make appropriate provision for the continuation of such Options by substituting on an equitable basis for the Shares then subject to such Options either the consideration payable with respect to the outstanding shares of Common Stock in connection with the Acquisition or securities of any successor or acquiring entity; or (ii) upon written notice to the Participants, provide that all Options must be exercised (either to the extent then exercisable or, at the discretion of the Administrator, all Options being made fully exercisable for purposes of this Subparagraph) at the end of which period the Options shall terminate; or (iii) terminate all Options in exchange for a cash payment equal to the excess of the Fair Market Value of the Shares subject to such Options (either to the extent then exercisable or, at the discretion of the

Administrator, all Options being made fully exercisable for purposes of this Subparagraph) over the exercise price thereof.

With respect to outstanding Stock Grants, the Administrator or the Successor Board, shall either (i) make appropriate provisions for the continuation of such Stock Grants by substituting on an equitable basis for the Shares then subject to such Stock Grants either the consideration payable with respect to the outstanding Shares of Common Stock in connection with the Acquisition or securities of any successor or acquiring entity; or (ii) upon written notice to the Participants, provide that all Stock Grants must be accepted (to the extent then subject to acceptance) within a specified number of days of the date of such notice, at the end of which period the offer of the Stock Grants shall terminate; or (iii) terminate all Stock Grants in exchange for a cash payment equal to the excess of the Fair Market Value of the Shares subject to such Stock Grants over the purchase price thereof, if any. In addition, in the event of an Acquisition, the Administrator may waive any or all Company repurchase rights with respect to outstanding Stock Grants.

C. RECAPITALIZATION OR REORGANIZATION. In the event of a recapitalization or reorganization of the Company (other than a transaction described in Subparagraph B above) pursuant to which securities of the Company or of another corporation are issued with respect to the outstanding shares of Common Stock, a Participant upon exercising or accepting a Stock Right shall be entitled to receive for the purchase price, if any, paid upon such exercise or acceptance the securities which would have been received if such Stock Right had been exercised or accepted prior to such recapitalization or reorganization.

D. MODIFICATION OF ISOs. Notwithstanding the foregoing, any adjustments made pursuant to Subparagraph A, B or C with respect to ISOs shall be made only after the Administrator, after consulting with counsel for the Company, determines whether such adjustments would constitute a "modification" of such ISOs (as that term is defined in Section 424(h) of the Code) or would cause any adverse tax consequences for the holders of such ISOs. If the Administrator determines that such adjustments made with respect to ISOs would constitute a modification of such ISOs, it may refrain from making such adjustments, unless the holder of an ISO specifically requests in writing that such adjustment be made and such writing indicates that the holder has full knowledge of the consequences of such "modification" on his or her income tax treatment with respect to the ISO.

24. ISSUANCES OF SECURITIES.

Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with

respect to, the number or price of shares subject to Stock Rights. Except as expressly provided herein, no adjustments shall be made for dividends paid in cash or in property (including without limitation, securities) of the Company prior to any issuance of Shares pursuant to a Stock Right.

25. FRACTIONAL SHARES.

No fractional shares shall be issued under the Plan and the person exercising a Stock Right shall receive from the Company cash in lieu of such fractional shares equal to the Fair Market Value thereof.

26. CONVERSION OF ISOs INTO NON-QUALIFIED OPTIONS; TERMINATION OF ISOs.

The Administrator, at the written request of any Participant, may in its discretion take such actions as may be necessary to convert such Participant's ISOs (or any portions thereof) that have not been exercised on the date of conversion into Non-Qualified Options at any time prior to the expiration of such ISOs, regardless of whether the Participant is an employee of the Company or an Affiliate at the time of such conversion. Such actions may include, but not be limited to, extending the exercise period or reducing the exercise price of the appropriate installments of such Options. At the time of such conversion, the Administrator (with the consent of the Participant) may impose such conditions on the exercise of the resulting Non-Qualified Options as the Administrator in its discretion may determine, provided that such conditions shall not be inconsistent with this Plan. Nothing in the Plan shall be deemed to give any Participant the right to have such Participant's ISOs converted into Non-Qualified Options, and no such conversion shall occur until and unless the Administrator takes appropriate action. The Administrator, with the consent of the Participant, may also terminate any portion of any ISO that has not been exercised at the time of such conversion.

27. WITHHOLDING.

In the event that any federal, state, or local income taxes, employment taxes, Federal Insurance Contributions Act ("F.I.C.A.") withholdings or other amounts are required by applicable law or governmental regulation to be withheld from the Participant's salary, wages or other remuneration in connection with the exercise or acceptance of a Stock Right or in connection with a Disqualifying Disposition (as defined in Paragraph 28) or upon the lapsing of any right of repurchase, the Company may withhold from the Participant's compensation, if any, or may require that the Participant advance in cash to the Company, or to any Affiliate of the Company which employs or employed the Participant, the statutory minimum amount of such withholdings unless a different withholding arrangement, including the use of shares of the Company's Common Stock or a promissory note, is authorized by the Administrator (and permitted by law). For purposes hereof, the fair market value of the shares withheld for purposes of payroll withholding shall be determined in the manner provided in Paragraph 1 above, as of the most recent practicable date prior to the date of exercise. If the fair market value of the shares withheld is less than the amount of payroll withholdings required, the Participant may be required to advance the difference in cash to the Company or the Affiliate employer. The Administrator in its discretion may condition the exercise of an Option for less than the then Fair Market Value on the Participant's payment of such additional withholding.

28. NOTICE TO COMPANY OF DISQUALIFYING DISPOSITION.

Each Key Employee who receives an ISO must agree to notify the Company in writing immediately after the Key Employee makes a "Disqualifying Disposition" of any shares acquired pursuant to the exercise of an ISO. A Disqualifying Disposition is any disposition (including any sale) of such shares before the later of (a) two years after the date the Key Employee was granted the ISO, or (b) one year after the date the Key Employee acquired Shares by exercising the ISO. If the Key Employee has died before such stock is sold, these holding period requirements do not apply and no Disqualifying Disposition can occur thereafter.

29. TERMINATION OF THE PLAN.

The Plan will terminate on the date which is ten (10) years from the EARLIER of the date of its adoption and the date of its approval by the shareholders of the Company. The Plan may be terminated at an earlier date by vote of the shareholders of the Company; provided, however, that any such earlier termination shall not affect any Option Agreements or Stock Grant Agreements executed prior to the effective date of such termination.

30. AMENDMENT OF THE PLAN AND AGREEMENTS.

The Plan may be amended by the shareholders of the Company. The Plan may also be amended by the Administrator, including, without limitation, to the extent necessary to qualify any or all outstanding Stock Rights granted under the Plan or Stock Rights to be granted under the Plan for favorable federal income tax treatment (including deferral of taxation upon exercise) as may be afforded incentive stock options under Section 422 of the Code, and to the extent necessary to qualify the shares issuable upon exercise or acceptance of any outstanding Stock Rights granted, or Stock Rights to be granted, under the Plan for listing on any national securities exchange or quotation in any national automated quotation system of securities dealers. Any amendment approved by the Administrator which the Administrator determines is of a scope that requires shareholder approval shall be subject to obtaining such shareholder approval. Any modification or amendment of the Plan shall not, without the consent of a Participant, adversely affect his or her rights under a Stock Right previously granted to him or her. With the consent of the Participant affected, the Administrator may amend outstanding Option Agreements and Stock Grant Agreements in a manner which may be adverse to the Participant but which is not inconsistent with the Plan. In the discretion of the Administrator, outstanding Option Agreements and Stock Grant Agreements may be amended by the Administrator in a manner which is not adverse to the Participant.

31. EMPLOYMENT OR OTHER RELATIONSHIP.

Nothing in this Plan or any Option Agreement or Stock Grant Agreement shall be deemed to prevent the Company or an Affiliate from terminating the employment, consultancy

or director status of a Participant, nor to prevent a Participant from terminating his or her own employment, consultancy or director status or to give any Participant a right to be retained in employment or other service by the Company or any Affiliate for any period of time.

32. GOVERNING LAW.

This Plan shall be construed and enforced in accordance with the law of the State of Delaware.

Exhibit 10.3

SYNTA PHARMACEUTICALS CORP.
DIRECTOR COMPENSATION POLICY

The Board of Directors of Synta Pharmaceuticals Corp. (the "Company") has approved the following policy which establishes compensation to be paid to non-employee directors of the Company, effective January 1, 2005, to provide an inducement to obtain and retain the services of qualified persons to serve as members of the Company's Board of Directors. Each such director will receive as compensation for his or her services (i) a stock option grant upon his or her initial appointment or election to the Board of Directors of the Company and (ii) an annual fee payable in cash and/or stock, all as further set forth herein.

APPLICABLE PERSONS

This Policy shall apply to each director of the Company who (a) is not an employee of the Company or any Affiliate and (b) does not receive compensation as a consultant to the Company or any Affiliate unless such compensation is received solely for services provided as a member of the Scientific Advisory Board (each, an "Outside Director"). Affiliate shall mean a corporation which is a direct or indirect parent or subsidiary of the Company, as determined pursuant to Section 424 of the Internal Revenue Code of 1986, as amended.

STOCK OPTION GRANT UPON INITIAL APPOINTMENT OR ELECTION AS A DIRECTOR

NUMBER OF SHARES

Each new Outside Director on the date of his or her initial appointment or election to the Board of Directors, shall be granted a non-qualified stock option to purchase 60,000 shares of the Company's common stock under the Company's then applicable stockholder-approved stock plan (the "Stock Plan"), subject to automatic adjustment in the event of any stock split or other recapitalization affecting the Company's common stock.

VESTING PROVISION

Such option shall vest as to 25% of such grant on the first anniversary of the date of grant of the option and as to an additional 6.25% of such grant at the end of each successive three-month period thereafter continuing until the fourth anniversary of the date of grant, provided such Outside Director continues to serve as a member of the Board of Directors. However, in the event of termination of service of an Outside Director, such option shall vest to the extent of a pro rata portion through the Outside Director's last day of service based on the number of days accrued in the applicable period prior to his or her termination of service.

EXERCISE PRICE AND TERM OF OPTION

Each option granted shall have an exercise price per share equal to the Fair Market Value (as defined in the Stock Plan) of the shares of common stock of the Company on the date of grant of the option, have a term of ten years and shall be subject to the terms and conditions of the Stock Plan. Each such option grant shall be evidenced by the issuance of a non-qualified stock option agreement.

EARLY TERMINATION OF OPTION UPON TERMINATION OF SERVICE

If an Outside Director:

a. ceases to be a member of the Board of Directors for any reason other than death or disability, any then vested and unexercised options granted to such Outside Director may be exercised by the director within a period of three months after the date the director ceases to be a member of the Board of Directors and in no event later than the expiration date of the option; or

b. ceases to be a member of the Board of Directors by reason of his or her death or disability, any then vested and unexercised options granted to such director may be exercised by the director (or by the director's personal representative, or the director's survivors) within a period of one year after the date the director ceases to be a member of the Board of Directors and in no event later than the expiration date of the option.

ANNUAL FEE

Each Outside Director shall be compensated on an annual basis for providing services to the Company. Except as otherwise set forth in this Policy, director compensation shall be paid for the period from July 1 through June 30 of each year. Each Outside Director shall receive compensation consisting of one of the following combinations of cash and/or a grant of common stock, subject to certain contractual restrictions, under the Stock Plan, at the election of each Outside Director, as follows:

- $40,000 cash,
- $30,000 cash and such number of shares of the Company's common stock as is equal to $10,000 on the date of grant of the shares,
- $20,000 cash and such number of shares of the Company's common stock as is equal to $20,000 on the date of grant of the shares,
- $10,000 cash and such number of shares of the Company's common stock as is equal to $30,000 on the date of grant of the shares, or
- such number of shares of the Company's common stock as is equal to $40,000 on the date of the grant of the shares.

The number of shares to be received by an Outside Director shall be calculated by dividing the total dollar amount that the Outside Director has elected to be paid in shares of common stock by the Fair Market Value (as defined in the Stock Plan) of the shares of common

stock of the Company on the last business day prior to the date of grant of the shares (rounded down to the nearest whole number so that no fractional shares shall be issued).

ELECTION

Each Outside Director shall make an election on the form provided by the Company, indicating the combination of his or her annual compensation, prior to each annual meeting of stockholders. If the Company does not schedule an annual meeting of stockholders to be held on or before June 30th of any year, each Outside Director shall make his or her election by June 15th of the applicable year.

CASH PAYMENTS

Any cash portion to be paid to an Outside Director shall be paid

quarterly in arrears as of the last day of each calendar quarter. If an Outside Director dies, resigns or is removed during any quarter, he or she shall be entitled to a cash payment on a pro rata basis through his or her last day of service.

RESTRICTED STOCK GRANTS

Shares of common stock shall be granted at the first meeting of the Board of Directors following each annual stockholders meeting, or if no such meeting of the Board of Directors shall occur before June 30 of the applicable year, by unanimous written consent dated June 30 of that year. The shares shall be subject to a lapsing repurchase right such that the shares shall be subject to forfeiture to the Company if such Outside Director does not continue to serve as a member of the Board of Directors as of the end of the applicable quarter as follows: the repurchase right shall lapse as to 25% of each such grant on each of September 30, December 31, March 31 and June 30 thereafter, provided such Outside Director continues to serve as a member of the Board of Directors as of the applicable date.

INITIAL ANNUAL FEE UPON INSTITUTION OF POLICY

On the date of adoption of this Policy, each Outside Director then serving shall be entitled to receive compensation prorated for the period from January 1, 2005 through June 30, 2005. Each Outside Director shall make an election on or before January 14, 2005 as to the combination of cash and/or stock to be received. The Board of Directors shall, by unanimous written consent dated January 18, 2005, grant any shares to be issued as part of such compensation. The shares to be issued shall be subject to a lapsing repurchase right such that the Company's repurchase right shall lapse as to 50% of each such grant on each of March 31, 2005 and June 30, 2005, provided such Outside Director continues to serve as a member of the Board of Directors as of the applicable date.

INITIAL ANNUAL FEE FOR NEWLY APPOINTED OR ELECTED DIRECTORS

Each Outside Director who is first appointed or elected to the Board of Directors after the date of the adoption of this Policy shall receive his or her first year's annual fee prorated in accordance with the terms of this Policy from the beginning of the next calendar quarter after his or her initial appointment or election through the following June 30. Each such Outside Director

shall make an election prior to the beginning of the next calendar quarter after his or her initial appointment or election as to the combination of cash and/or stock. The Board of Directors shall, by unanimous written consent dated the date of the first day of such quarter, grant any shares to be issued to such Outside Director as part of such compensation. Any such shares shall be subject to a pro rata lapsing repurchase right as of the last day of each quarter remaining in such initial period, provided such Outside Director continues to serve as a member of the Board of Directors as of the end of the applicable quarter.

PURCHASE PRICE AND OTHER PROVISIONS APPLICABLE TO ALL STOCK GRANTS

Shares granted shall have a purchase price equal to the par value of the common stock on the date of grant and shall be subject to the terms and conditions of the Stock Plan. The terms of such grant shall be evidenced by a restricted stock agreement to be entered into between the Company and the Outside Director. In addition, in the event of termination of service of an Outside Director, the Company's lapsing repurchase right shall be deemed to have lapsed to the extent of a pro rata portion of the shares through the Outside Director's last day of service based on the number of days accrued in the applicable period prior to his or her termination of service.

BOARD COMMITTEE COMPENSATION

Each Outside Director shall also receive an annual fee of $5,000 for each Committee of the Board of Directors on which such individual serves. However, the Chairman of each Committee, other than the Audit Committee, shall receive an annual fee of $10,000, and the Chairman of the Audit Committee shall receive an annual fee of $15,000 for services as Chairman. Payment shall commence effective January 1, 2005 and shall be made quarterly in arrears on the last day of each calendar quarter and upon death, resignation or removal, payment shall be made pro rata through the last day of service.

EXPENSES

Upon presentation of documentation of such expenses reasonably satisfactory to the Company, each Outside Director shall be reimbursed for his or her reasonable out-of-pocket business expenses incurred in connection with attending meetings of the Board of Directors, Committees thereof or in connection with other Board related business.

AMENDMENTS

The Board of Directors shall review this Policy from time to time to assess whether any amendments in the type and amount of compensation provided herein should be adjusted in order to fulfill the objectives of this Policy.

DATED: January 11, 2005

Exhibit 10.4

300,000 SHARES OF COMMON STOCK GRANT DATE: MAY 27, 2004

SYNTA PHARMACEUTICALS CORP.

NON-QUALIFIED STOCK OPTION AGREEMENT

SYNTA PHARMACEUTICALS CORP., a Delaware corporation (the "Company"), grants to KEITH R. GOLLUST (the "Optionee"), as of the date set forth above, the right and option (this "Option") to purchase from the Company up to 300,000 shares (the "Option Shares") of the Common Stock, $.0001 par value, of the Company (the "Common Stock"). This Option is subject to the following terms and conditions:

1. OPTION PRICE. The price to be paid for each share of Common Stock upon exercise of the whole or any part of this Option shall be $2.7108 (the "Purchase Price").

2. VESTING. This Option shall be exercisable with respect to 150,000 shares of the Option Shares as of the Grant Date, and the remainder of the Option Shares will become exercisable thereafter in eight equal cumulative quarterly installments of 18,750 shares, the first such installment occurring on August 27, 2004, PROVIDED THAT Optionee on the applicable installment date is providing services to the Company as a director, advisor or consultant. If the Optionee is granted the right to receive any new, substituted or additional securities or other property (including money paid other than as a regular cash dividend) pursuant to Section 6, then such new or substituted securities (together with the Option Shares, the "Option Securities") or other property shall be issued upon the exercise of this Option subject to the same vesting schedule applicable to this Option.

3. OPTION PERIOD. This Option shall terminate and be of no further force or effect at 5:00 P.M., Boston time, on May 27, 2014.

4. EXERCISE OF OPTION; PAYMENT FOR SHARES. This Option may be exercised at any time and from time to time, subject to the limitations of Sections 2 and 3 and set forth elsewhere in this Agreement, for up to the aggregate number of shares of Option Securities specified herein, but in no event for the purchase of other than whole shares. A written notice of exercise in the form of Exhibit A attached hereto, signed by the Optionee or his heirs or permitted assignees (the "Exercising Party"), shall be delivered to the Company at its principal office specifying the number of Option Securities with respect to which this Option is being exercised. Such notice shall be accompanied by this Agreement and by payment of the purchase price of the Option Securities being acquired, which payment may be (a) in United States dollars in cash, by check or by wire transfer to a deposit account specified by the Company, (b) at the discretion of the Company, through delivery to the Company of shares of its capital stock held by the Exercising Party for at least six (6) months prior to the exercise of this Option or retention by the Company of shares otherwise issuable upon exercise of this Option, in each case having a Fair Market Value (as defined in Section 7 below) as of the date of exercise equal to the number of exercised shares multiplied by the Purchase Price, (c) at the discretion of the Company, in accordance with a cashless exercise program established with a securities brokerage firm, or (d) by any combination of (a), (b), or (c) above.

5. NO RIGHTS AS STOCKHOLDERS NO RIGHT TO CONTINUING RELATIONSHIP. The Optionee shall not be deemed, for any purpose, to have any rights whatsoever with respect to Option Securities to which this Option shall not have been exercised and payment made as aforesaid. The Optionee shall have no rights as a stockholder with respect to shares of Option Securities until the date of issuance of such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such Option Securities are issued, except as provided in Section 6. The Optionee shall not

be deemed to have any rights to a continued relationship with the Company by virtue of the grant or exercise of this Option. The Optionee acknowledges that he has no right to continue as a director, advisor or consultant of the Company and that the Company, its Board, and/or its shareholders may terminate or remove the Optionee from his position as a director, advisor, or consultant with or without reason or cause at any time so long as such action to terminate or remove is in accordance with the Company's by-laws and applicable law.

6. EXTRAORDINARY EVENTS. Upon the occurrence of any of the following events, the Optionee's rights with respect to the Option Securities shall be adjusted as hereinafter provided:

(a) STOCK DIVIDENDS AND STOCK SPLITS. If (i) the shares of the Company's Common Stock shall be subdivided or combined into a greater or smaller number of shares or if the Company shall issue any shares of Common Stock as a stock dividend on its outstanding Common Stock, or (ii) additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Common Stock, the number of shares of Common Stock deliverable upon the exercise of the Optionee's rights pursuant to this Option shall be appropriately increased or decreased proportionately, and appropriate adjustments may be made in the purchase price per share to reflect such events.

(b) CONSOLIDATIONS OR MERGERS. If the Company is to be consolidated with or acquired by another entity in a merger, sale of all or substantially all of the Company's assets or otherwise (an "Acquisition"), the Board of Directors of any entity assuming the obligations of the Company hereunder, shall either (i) make appropriate provision for the continuation of this Option by substituting on an equitable basis for the Option Securities either the consideration payable with respect to the outstanding shares of Common Stock in connection with the Acquisition or securities of any successor or acquiring entity; or (ii) upon written notice to the Optionee, provide that the Option must be exercised (either to the extent then exercisable or, at the discretion of the Board of Directors, all Option Securities being made fully exercisable for purposes of this subparagraph) prior to a specified date at the end of which period this Option shall terminate; or (iii) terminate this Option in exchange for a cash payment equal to the excess of the Fair Market Value of the Option Securities (either to the extent then exercisable or, at the discretion of the Board of Directors, all Option Securities being made fully exercisable for purposes of this subparagraph) over the exercise price thereof.

(c) RECAPITALIZATION OR REORGANIZATION. In the event of a recapitalization or reorganization of the Company (other than a transaction described in subparagraph (b) above) pursuant to which securities of the Company or of another corporation are substituted or exchanged for the outstanding shares of Common Stock, the Optionee upon exercising the

Option shall be entitled to receive for the Purchase Price the securities which would have been received if this Option had been exercised prior to such recapitalization or reorganization.

7. FAIR MARKET VALUE. The fair market value ("Fair Market Value") of the Option Securities for purposes of this Option shall be an amount per share determined as follows:

(1) If the Option Securities are listed on a national securities exchange or traded in the over-the-counter market and sales prices are regularly reported for the Option Securities, the per share fair market value shall be the closing or last price of the Option Securities on the composite tape or other comparable reporting system for the trading day immediately preceding the applicable date;

(2) If the Option Securities are not traded on a national securities exchange but are traded on the over-the-counter market, if sales prices are not regularly reported for the Option Securities for

the trading day referred to in clause (1), and if bid and asked prices for the Option Securities are regularly reported, the per share fair market value shall be the mean between the bid and the asked price for the Option Securities at the close of trading in the over-the-counter market for the trading day on which Option Securities were traded immediately preceding the applicable date; and

(3) If the Option Securities are neither listed on a national securities exchange nor traded in the over-the-counter market, the per share fair market value shall be such value as the Company's Board of Directors, in good faith, shall determine.

8. NON-ASSIGNABILITY OF OPTION RIGHTS. Except as set forth below, the Option shall (a) not be assignable or transferable by the Optionee, either voluntarily or by operation of law, except by will or the laws of descent and distribution; (b) be exercisable only by the Optionee during the life of the Optionee; and (c) not be transferred, assigned, pledged, hypothecated or disposed of in any other way (whether by operation of law or otherwise), or be subject to execution, attachment or similar process. Notwithstanding the foregoing, the Optionee may upon written notice to the Company at any time assign or transfer the Option to a tax exempt organization as defined in Section501(c)(3) of the United States Internal Revenue Code of 1986, as amended (the "Code"), to a private foundation as defined in Section509(a) of the Code, or to a charitable remainder trust under Section664 of the Code, provided that:

(i) such transferee shall automatically be bound by the terms of this Option;

(ii) if requested, Optionee shall provide the Company with reasonable documentation verifying the federal tax exempt status of such transferee; and

(iii) if this Option terminates for any reason, the Optionee or his personal representative shall give notice to such transferee of such termination.

9. INVESTMENT REPRESENTATION; COMPLIANCE WITH LISTING REQUIREMENTS AND LAW. The Optionee, by acceptance of this Option, hereby represents and warrants that this Option and any and all shares of the Option Securities which the Optionee shall acquire upon the exercise of this Option are being and will be acquired for his own account for investment and not with a view to, or for sale in connection with, any distribution thereof. It shall be a condition to the Optionee's right to purchase the Option Securities that the Company may require such steps or satisfaction

of such conditions as the counsel for the Company may reasonably deem necessary to comply with any law, rule or regulation applicable to the issuance of such Option Securities, including, without limitation, (a) that the Option Securities reserved for issue upon the exercise of this Option shall have been duly listed, upon official notice of issuance, upon any national securities exchange on which the Option Securities may then be listed, and (b) that either (i) a registration statement under the Securities Act of 1933, as amended (the "Act"), and the rules and regulations promulgated thereunder with respect to such shares shall be in effect or (ii) in the opinion of counsel for the Company the proposed purchase shall be exempt from registration under the Act and the Optionee shall have made such undertakings and agreements with the Company as the Company may reasonably require. The certificates representing the shares of Option Securities purchased under this Option may contain such legends as counsel for the Company shall deem necessary to comply with such applicable law, rule or regulation.

The exercise of this Option shall be subject to the requirement that if, at any time, counsel to the Company shall determine that the listing, registration or qualification of the Option Securities upon any securities exchange or under any state or federal law, or the consent or approval of any governmental or regulatory body, or that the disclosure of non-public information or the satisfaction of any other condition is necessary as a condition of, or in

connection with, the issuance or purchase of the Option Securities, such shares may not be issued or this Option exercised, in whole or in part, unless such listing, registration, qualification, consent or approval, or satisfaction of such condition shall have been effected or obtained on conditions acceptable to the Company. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration or qualification, or to satisfy such condition.

10. PAYMENT OF TAXES.

(a) The Company's obligation to deliver the Option Securities upon the exercise of this Option shall be subject to the satisfaction by the Exercising Party of all applicable federal, state and local income and employment tax withholding requirements.

(b) Upon the exercise of this Option, the Exercising Party shall pay to the Company, or authorize it to deduct from other amounts payable to the Exercising Party, the amount of any taxes that the Company or any of its subsidiaries is required to withhold with respect to such exercise. Subject to the prior approval of the Company, which may be withheld by the Company in its discretion, the Exercising Party may elect to satisfy such obligations, in whole or in part, by (i) causing the Company to withhold shares of the Option Securities otherwise issuable pursuant to the exercise of this Option, or (ii) delivering to the Company, at the time this Option is exercised, shares of the Company's capital stock held by the Exercising Party for at least six (6) months prior to the exercise of the Option. The shares of the Company's capital stock so delivered or withheld shall have a Fair Market Value equal to such withholding obligation. The Fair Market Value of the shares of the Company's capital stock used to satisfy such withholding obligation shall be determined by the Company as of the date that the amount of tax to be withheld is to be determined.

(c) Notwithstanding the foregoing, in the event that the Exercising Party is a person required to file reports under Section 16(a) of the Securities Exchange Act of 1934, as amended, no election to use shares of the Company's capital stock for the payment of

withholding taxes shall be effective unless made in compliance with any applicable requirement of Rule 16b-3 (unless it is intended that the transaction not qualify for exemption under Rule 16b-3).

11. MISCELLANEOUS. This Option may not be altered or amended except by a written instrument signed by the Company and the Optionee. This Option contains the entire agreement and understanding between the Company and the Optionee with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements or understandings. This Option shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to any conflict of laws principles. If any provision of this Option shall be determined to be illegal and unenforceable, the remaining provisions shall be severable and enforceable in accordance with their terms. All the terms and provisions of this Option shall be binding upon and inure to the benefit of the parties hereto and, subject to the terms and provisions of Section 8 their respective heirs, legal representatives, successors and permitted assigns.

IN WITNESS WHEREOF, the Company has caused this Option to be executed on its behalf and its corporate seal to be hereunto affixed as of the date first set forth above.

SYNTA PHARMACEUTICALS CORP.

By: /S/ DR. SAFI BAHCALL

Name: Dr. Safi Bahcall

Title: President and Chief Executive Officer

The undersigned hereby accepts and agrees to the terms and conditions contained in this Option as of the date specified above.

/S/ KEITH R. GOLLUST

KEITH R. GOLLUST

EXHIBIT A

EXERCISE NOTICE

Synta Pharmaceuticals Corp.
45 Hartwell Avenue
Lexington, MA 02421
Attn.: Chief Financial Officer

This Exercise Notice is pursuant to a Non-Qualified Stock Option Agreement dated as of May 27, 2004 (the "Option"), by and between Synta Pharmaceuticals Corp. (the "Company") and Keith R. Gollust. Unless otherwise noted herein, capitalized terms used in this Exercise Notice have the meanings set forth in the Option. The undersigned, the recipient or permitted assignee of the Optionee, hereby elects today to exercise the Option to purchase _____ shares of the Option Securities of the Company (the "Purchased Shares"), and with this Exercise Notice the undersigned is delivering to you one or more of the following in payment of the aggregate exercise price for the shares (the "Exercise Price"):

(a) $_____ in cash, by personal check or by wire transfer;

(b) stock certificates for _____ shares of the Company's capital stock (the "Certificates") with a Fair Market Value of $_____,accompanied by duly executed stock power(s) for each Certificate; or

(c) notice of the undersigned's consent for the Company to retain _____ shares of the Option Securities with a Fair Market Value of $_____ .

Accordingly, please issue a stock certificate for the shares in the undersigned's name and have it delivered to the undersigned at the address indicated below. Notwithstanding, the undersigned understands that the Company may issue a stock certificate for less than the total number of Purchased Shares in the event the Company withholds shares in order to satisfy any applicable withholding tax obligation of the Company. The undersigned acknowledges his or its responsibility to comply with the tax withholding requirements set forth in Section 10 of the Option.

The undersigned hereby acknowledge that he or it has been given the opportunity to ask questions of, and to obtain such information from, the Company as he or it deems necessary to evaluate the merits of making an investment in the Option Securities of the Company.

The undersigned hereby confirms that he or it is acquiring the Option Securities for the undersigned's own account for investment and not with any present intention of selling or otherwise distributing the shares, and the undersign confirms that he or it will in no event sell, transfer, pledge or otherwise dispose of the shares prior to (a) receipt of an opinion of counsel for the Company authorizing any such proposed sale, transfer, pledge or other disposition, (b) receipt of a "no action" letter from the Securities and Exchange Commission or (c) registration of the Option Securities under the Securities Act of 1933, as amended. The undersigned

understands that the certificate representing the Option Securities will bear a legend noting these restrictions on transferability.

Dated:

Print Name

Signature

Address:

Social Security No. or E.I.N.:

Exhibit 10.5

DUFFY HARTWELL LIMITED PARTNERSHIP
COMMERCIAL LEASE

1. PARTIES:

DUFFY HARTWELL LIMITED PARTNERSHIP, a Massachusetts limited partnership located at 411 Waverley Oaks Rd. Waltham MA, LESSOR, which expression shall include its successors and assigns where the context so admits, does hereby lease to SHIONOGI BIORESEARCH, CORP. a Massachusetts corporation located at 187 East Emerson St. Lexington MA c/o LanBo Chen, LESSEE, which expression shall include its successors, and assigns where the context so admits, and the LESSEE hereby leases the following described Premises:

2. PREMISES:

Twenty-four Thousand, Four Hundred and Twenty (24,420) sq. ft., more or less, (the "Leased Premises") in the LESSOR'S Building located at 45 Hartwell Ave. Lexington MA, including exclusive use of the loading platform all as shown on Exhibit A, "Floor Plan", attached hereto, together with the right to use in common, with others entitled thereto, any hallways, and stairways necessary for access to said Leased Premises.

Appurtenant to the Premises the LESSEE shall have the right, in common with others entitled thereto, to use access ways, driveways, walkways and any other common facilities necessary for access to or beneficial use of the Leased Premises.

LESSEE shall have right to use four parking spaces per one thousand square feet of net leased space as unassigned parking spaces in the parking areas adjacent to the Buildings on the site. LESSEE shall have rights in common with other lessees to use of the common entrance serving the Leased Premises.

The Leased Premises shall be delivered "AS-IS" for build out by the LESSEE to its requirements, at LESSEE'S sole cost. See Exhibit B, "Buildout Obligations" for obligations of each party, cost allowance to LESSEE, and contingencies.

3. TERM:

The term of this lease shall be for Ten (10) years commencing on the Commencement Date (defined below) and ending on November 30, 2006.

The Commencement Date shall be the earlier of completion of the LESSEE'S work and fit up of the Lease Premises, or December 1, 1996. The LESSEE's work shall be deemed complete upon issuance of a certificate of occupancy for the Premises by the Town of Lexington MA

4. RENT:

The LESSEE shall pay to LESSOR rent at the rates per year, shown below, which rent shall be payable in advance in the monthly installments shown below on the first day of each month.

YEAR	ANNUAL RENT	MO. RENT	$/SF RATE
1-5	$ 383,382.40	$ 31,990.20	$ 15.72
6-10	$ 481,562.40	$ 40,130.20	$ 19.72

The parties acknowledge that the exact area of the Lease Premises shall be measured from the interior surface of the exterior windows and the center line of demising walls for net usable space, to this will be added a prorata share of common areas of the building to determine Rentable Space.

5. SECURITY DEPOSIT:

Upon the execution of this lease, the LESSEE shall pay to the LESSOR the amount of $36,060, which shall be held as a security for the LESSEE'S performance as herein provided and promptly refunded to the LESSEE at the end of this lease subject to the LESSEE'S satisfactory compliance with the conditions hereof.

6. RENT ADJUSTMENT:

A. TAX ADJUSTMENT

If in any tax year commencing with the fiscal year 1998 (the fiscal year ending June 30, 1998), the real estate taxes on the land and buildings, of which the Leased Premises are a part, are assessed an increase in value attributable to the LESSEE's improvements, LESSEE shall pay the real estate taxes attributable to that increase in assessed valuation. In the event the taxes otherwise levied on the real estate are in excess of the amount of the real estate taxes thereon for the fiscal year 1997 (hereinafter called the "Base Year"), LESSEE will pay to LESSOR as additional rent hereunder, when and as designated by notice in writing by LESSOR, Fifty (50%) percent of such excess. Such share of increased real estate taxes shall be paid as may occur in each year of the term of this lease or any extension or renewal thereof and proportionately for any part of a fiscal year. LESSOR'S demand shall be accompanied by a copy of the applicable tax bill or bills and a statement showing the manner of calculation of LESSEE'S proportionate share of such taxes. If the LESSOR obtains an abatement of any such excess real estate tax, a proportionate share of such abatement, less the reasonable fees and costs incurred in obtaining the same, if any, shall be refunded to the LESSEE. LESSEE may itself, or with any co-tenant, seek review of the assessed valuation of the property of witch the Leased Premises are a part, or otherwise seek abatement of real estate taxes in any year in which the LESSOR declines to seek such review or reduction, provided it shall do so at its own cost or expense.

For purposes of this adjustment the fiscal year 1997 tax rate shall be $1.08 per square foot, or $54,472.08 for the land and building of which the lease premises are a part.

LESSEE shall not be required to pay any income, profits, excise, franchise, estate, succession, inheritance or transfer taxes of LESSOR or any other party.

B. OPERATING COSTS

The LESSEE shall pay to the LESSOR as additional rent hereunder within thirty (30) days after notice in writing by LESSOR, Fifty (50%) per cent of any operating costs incurred during the calendar year which are in excess of $4.00 per square foot. LESSOR'S demand shall be accompanied by a statement of the applicable operating costs and a statement showing the manner of calculation of LESSEE'S proportionate share of such costs. In the event LESSEE wishes verification of the costs and its share, LESSOR will present substantiation of charges, if requested, authorize its' independent C.P.A. to provide certification of the statement and charges to the LESSEE, and LESSEE shall bear the expense of the C.P.A. certification. In the alternative, LESSEE may at its own expense audit LESSOR'S books and records with respect to operating costs (but only as regards this particular property, and not of any other property or other affiliates of LESSOR). The operating costs increase shall be prorated should this lease be in effect with respect to only a portion of any calendar year, or which pertain to less than a fully occupied building. Operating costs are defined for the purpose of this agreement as:

Maintenance Expenses of LESSOR for building structure and exterior grounds.
Management Expenses (allocated at Five (5%) percent of gross rent)
Premiums for Casualty and public liability Insurance

Exceptions to Operating Costs are defined in Exhibit E.

C. BUILDING ACCESS

The LESSEE shall have unlimited access to the Building without charge.

7. UTILITIES:

The LESSEE shall pay, as they become due, all bills for electricity, water and sewer use and other utilities (whether they are used for furnishing heat, cooling or other purposes) that are furnished to the Leased Premises and which are separately metered. The LESSOR agrees to provide utility services to the LEASED PREMISES, all subject to interruption due to any accident, to the making of repairs, alterations, or improvements, to labor difficulties, to trouble in obtaining fuel, electricity, service, or supplies from the sources from which they are usually obtained for said building, or to any cause beyond the LESSOR'S control, provided LESSOR shall make reasonable and diligent efforts to restore service in the event of any such-disruption.

LESSOR shall have no obligation to provide utilities or equipment other than the utilities and equipment within the premises as of the Commencement Date of this lease which include the HVAC now serving the Leased Premises. In the event LESSEE requires additional utilities or equipment, the installation and maintenance thereof shall be the LESSEE'S sole obligation, provided that such installation shall be the subject to the written consent of the LESSOR. Costs for the installation of separate metering for utilities shall be borne by the LESSOR.

8. USE OF LEASED PREMISES:

The LESSEE shall use the Leased Premises only for the purpose of office, light manufacturing and R&D purposes including without limitation biotechnological research, development and production.

9. COMPLIANCE WITH LAW:

The LESSEE acknowledges that no trade or occupation shall be conducted in the Leased Premises or use made thereof which will be unlawful, improper, noisy or offensive, or contrary to any law or any municipal by-law or ordinance in force in the Town of Lexington in which the premises are situated. LESSEE shall not be responsible to make alterations, installations, additions or improvements to the Leased Premises required by applicable law except if required due to improvements installed by or special or extraordinary uses by LESSEE.

10. FIRE INSURANCE:

The LESSEE shall not permit any use of the Leased Premises which will make voidable any insurance on the property of which the Leased Premises are a part, or on the contents of said 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. The LESSEE shall on demand reimburse the LESSOR, and all other tenants all extra insurance premiums caused by the LESSEE'S use of the premises.

11. MAINTENANCE:

A. LESSEE'S OBLIGATIONS

The LESSEE agrees to maintain the Leased Premises in as good condition as at the beginning of the term, fair wear and tear and damage by fire and other casualty excepted. Also excepted are elements which are LESSOR'S obligation to maintain

hereunder. LESSEE, whenever necessary, shall replace plate glass and other glass therein. Upon occupancy the LESSEE acknowledges that, except for any latent defects, the Leased Premises are then in good condition as at Lease execution, and the glass whole. The LESSEE shall not permit the Leased Premises to be overloaded, damaged, stripped, or defaced, nor suffer any waste. LESSEE shall obtain written consent of LESSOR before erecting any sign on the exterior of the Leased Premises, which consent shall not be unreasonably withheld or delayed. LESSEE shall be responsible for maintenance of the HVAC, plumbing, and other facilities which LESSEE shall install within the Leased Premises, and for cleaning of and trash removal from the Leased Premises.

B. LESSOR'S OBLIGATIONS

The LESSOR agrees to maintain the structure, roof, foundation, and exterior of the building of which the Leased Premises are a part, and such mechanical, electrical and plumbing facilities, and fire protection facilities as are common to lessees of the building, and parking lot, exterior lighting, exterior window frames and the common areas of the building in the same condition as it is at the commencement of the term or as it may be put in during the

term of this lease, but in any event in good, clean, tenantable and working order, condition and repair, reasonable wear and tear, damage by fire and other casualty only excepted (subject to the provisions of Section 18, below), unless such maintenance is required because of the LESSEE or those for whose conduct the LESSEE is legally responsible. LESSOR shall maintain access ways and common areas of the land in neat and orderly condition including clearance of snow and ice in the walkways and parking lot. LESSOR shall keep the building and common areas under its control in compliance with all current and future zoning laws and other applicable municipal laws, regulations and ordinances.

12. ALTERATIONS/ADDITIONS:

The LESSEE shall design, construct and maintain such tenant improvements as it may require, at LESSEE'S sole cost, and subject to the prior written approval of plans by the LESSOR, which approval shall not be unreasonably withheld or delayed. Thereafter LESSEE may make alterations and additions provided the LESSOR consents thereto in writing. LESSOR shall respond within five business days of receipt of LESSEE'S plans. All such allowed alterations shall be at LESSEE'S expense and shall be in quality at least equal to the approved construction. LESSEE shall not permit any mechanics' liens, or similar liens, to remain upon the Leased Premises for labor and material furnished to LESSEE or claimed to have been furnished to LESSEE in connection with work of any character performed or claimed to have been performed at the direction of LESSEE and shall cause any such lien to be released of record forthwith without cost to LESSOR. Any alterations or improvements made by the LESSEE shall become the property of the LESSOR at the termination of occupancy as provided herein except for LESSEE'S trade improvements, alterations, installations, fixtures and equipment which shall remain the LESSEE'S property and shall be removed by LESSEE upon termination of the Lease, with the prompt repair by LESSEE of any and all damages occasioned by their removal. To confirm the foregoing, LESSEE will submit its plans for any alteration or improvement to LESSOR in writing before installation with a request for removal at LESSEE'S expense upon termination of this lease, and LESSOR'S approval of such request, shall be on the condition that LESSEE shall restore and repair all damages caused by the removal.

13. ASSIGNMENT SUBLEASING:

The LESSEE shall not assign or sublet the whole or any part of the Leased Premises without LESSOR'S prior written consent which shall not be unreasonably withheld or delayed. Notwithstanding such consent, LESSEE shall remain liable to LESSOR for the payment of all rent and for the full performance of the covenants and conditions of this lease. However, LESSEE may, without obtaining such consent, make an assignment to any successor in interest by way of merger or other reorganization (except bankruptcy reorganization), "going public" or

"going private" transaction or acquisition of substantially all the assets or stock of LESSEE, or an assignment of leasehold rights as a component of security interest for a reputable financing institution.

14. SUBORDINATION:

This lease shall be subject and subordinate to any and all mortgages, deeds of trust and other instruments in the nature of a mortgage, now or any time hereafter, which may constitute a lien or liens on the property of which the Leased Premises are a part and the LESSEE shall, when requested, promptly execute and deliver such written instruments as shall be necessary to show the subordination of this lease to said mortgages, deeds, of trust or other such instruments in the nature of a mortgage, provided, however, that the mortgagee executes and delivers to LESSEE a non-disturbance and recognition agreement providing in substance that should the mortgagee or any party holding by, through on under the mortgagee (including without limitation any purchaser at foreclosure) acquire title to the property, then, as long as LESSEE is not in default, the mortgagee or such other party shall recognize this Lease and not disturb LESSEE'S rights hereunder.

15. LESSOR'S ACCESS:

The LESSOR or agents of the LESSOR may, at reasonable times and upon appropriate notice, (normally one day's prior notice) enter to view the Leased Premises and may remove placards and signs not approved and affixed to the exterior of the Leased Premises as herein provided, and make repairs and alterations as LESSOR should elect to do. The LESSOR may show the Leased Premises to others, and at any time within six (6) months before the expiration of the term, may affix to any suitable part of the lease premises a notice for letting or selling the Leased Premises or property of which the Leased Premises are a part and keep the same so affixed without hindrance or molestation. LESSOR shall use best effort to minimize inconvenience and interference with LESSEE and LESSEE'S business operations.

16. INDEMNIFICATION & LIABILITY:

The LESSEE shall save the LESSOR harmless from all loss and damage occasioned by the use or escape of water or by the bursting of pipes, as well as from any claim or damage resulting from neglect in removing snow or ice from the sidewalks bordering upon the premises so leased, or by any nuisance made or suffered on the Leased Premises, unless such loss is caused by the neglect of the LESSOR. The removal of snow and ice from the sidewalks bordering upon the Leased Premises shall be LESSOR'S responsibility. LESSOR shall save the LESSEE harmless from loss or damage occasioned by acts or omissions of the LESSOR, its employees or agents.

17. LESSEE'S LIABILITY INSURANCE:

(a) The LESSEE shall maintain with respect to the Leased Premises and the property of which the Leased Premises are a part comprehensive public liability insurance in the amount of $1 million Combined Single Limit and property damage insurance in the amount of the value of the replacement of LESSEE'S personal property and improvements in responsible companies qualified to do business in the state. The LESSEE shall deposit with the LESSOR certificates for such insurance at or prior to the commencement of the term, and thereafter within (30) days prior to the expiration of any

such policies. All such insurance certificates shall provide that such policies shall not be canceled without at least ten (10) days prior written notice to each assured named therein.

(b) All fire and property casualty insurance which either party

carries with respect to the building, Leased Premises or any property therein, whether or not required, shall include provisions which deny to the insurer acquisition by subrogation of rights of recovery against the other party to the extent such rights have been waived by the insured party prior to occurrence of loss, insofar as and to the extent that such provisions may be effective without making it impossible to obtain insurance coverage from responsible companies qualified to do business in the Commonwealth of Massachusetts (even though extra premium may result therefrom). In the event that any extra premium is payable by either party as a result of this provision, the other party shall reimburse the party paying such premium the amount of such extra premium. If at the request of one party, this non subrogation provision is waived as to such party, then the obligation of reimbursement by such party shall cease for such period of time as such waiver shall be effective. Each party shall be entitled to have duplicates or certificates of any policies containing such provisions. Each party hereby waives all rights of recovery against the other for loss or injury against which the waiving party is protected by insurance containing said non-subrogation provisions, reserving, however, any rights with respect to any excess of loss or injury over the amount recovered from such insurance.

18. FIRE, CASUALTY AND EMINENT DOMAIN:

Should fifty (50%) percent or more of the Leased Premises, or the property of which they are a part, be substantially damaged by fire or other casualty, or be taken by eminent domain, the LESSOR may elect to terminate this lease. If the LESSOR does not elect to terminate, or if the damage is less than fifty (50%) percent of the Leased Premises or of the property, LESSOR shall then diligently restore the building, property and Leased Premises to substantially their condition at the inception of the Lease, as soon as reasonably possible. When such fire, casualty, or taking renders the Leased Premises substantially unsuitable for their intended use, a just and proportionate abatement of rent shall be made, and the LESSEE, may elect to terminate this lease if:

(a) the LESSOR fails to give written notice within thirty (30) days of the fire, casualty or taking of intention to restore Leased Premises, to the condition existing at inception of the lease, and before LESSEE'S improvements or

(b) the LESSOR fails to restore the Leased Premises to the condition substantially the same at inception of the Lease (December 1, 1996) within on hundred and eighty (180) days of said fire, casualty or taking.

The LESSOR reserves, and the LESSEE grants to the LESSOR, all rights which the LESSEE may have for damages or injury to the Leased Premises for any taking by eminent domain, except for damage to the LESSEE'S fixtures, improvements, additions, property, or equipment.

19. LATE PAYMENT, DEFAULT AND BANKRUPTCY:

A. LATE PAYMENT: LESSEE agrees that because actual damages for a late payment or a dishonored check are difficult to fix or ascertain, but recognizing that damage and injury result therefore, LESSEE agrees that if payments of rent and other obligations are not received in hand by LESSOR five (5) business days after the date is due, LESSEE agrees to pay liquidated damages of $100.00 plus 18% per annum on the delinquent amount from the due date. The postmark on the payment received plus two (2) days, shall be conclusive evidence of whether the payment is delinquent. However, LESSOR is not responsible for late deliveries by U.S. Mail. LESSEE agrees to pay a liquidated damage of $25.00 for each dishonored check. In the event that two or more of the LESSEE'S checks are dishonored in a 12 month period, the LESSOR, in addition to other Rights, shall have the right to demand payment by Certified Check or Money Order.

B. DEFAULT AND BANKRUPTCY: In the event that (a) the LESSEE shall default in the payment of any installment of rent or other sum herein specified and such default shall continue for ten (10) days after written notice of payment default, or if such written notice of payment default is required in three

events or more in any calendar year, thereafter ten days after the payment due date without written notice being required for the balance of such year; or (b) the LESSEE shall default in the observance or performance of any other of the LESSEE'S material covenants, agreement, or obligations hereunder and such default shall not be corrected within thirty (30) days after written notice thereof from LESSOR, of if such default is not susceptible to cure within thirty days, in the event the LESSEE shall fail to commence to cure within the thirty days or thereafter diligently to prosecute such cure to completion; or (c) the LESSEE shall be declared bankrupt or insolvent according to law, or, if any assignment shall be made of LESSEE'S property for the benefit of creditors, then the LESSOR shall have the right thereafter, while such default continues, to re-enter and take complete possession of the Leased Premises, to declare the term of this lease ended, and remove the LESSEE'S effects, without prejudice to any remedies which might be otherwise used for arrears of rent or other default. The LESSEE shall indemnify the LESSOR against all loss of rent and other payments which the LESSOR may incur by reason of such termination during the residue of the term. LESSOR shall make reasonable efforts to relet the Leased Premises, and net rents received by the LESSOR shall be credited to the LESSEE'S obligations hereunder. If the LESSEE shall default, after reasonable notice thereof, in the observance or performance of any conditions or covenants on LESSEE'S part to be observed or performed under or by virtue of any of the provisions in any article of this lease and shall fail to cure such default within the applicable cure period, then the LESSOR, without being under any obligation to do so and without thereby waiving such default, may remedy such default for the account and at the expense of the LESSEE. If the LESSOR makes any expenditures or incurs any obligations for the payment of money in connection therewith, including but not limited to, reasonable attorney's fees in instituting, prosecuting or defending any action or proceeding, such sums paid or obligations insured, with interest at the rate of 12 per cent per annum and costs, shall be paid to the LESSOR by the LESSEE as additional rent.

20. NOTICE:

Any notice from the LESSOR to the LESSEE relating to the Leased Premises or to the occupancy thereof, shall be deemed duly served, if delivered in hand at the Leased Premises addressed to the LESSEE, or if mailed to the Leased Premises, registered or

certified mail, return receipt requested, postage prepaid, addressed to the LESSEE. Any notice from the LESSEE to the LESSOR relating to the Leased Premises or to the occupancy thereof, shall be deemed duly served, if mailed to the LESSOR by registered or certified mail, return receipt requested, postage prepaid, addresses to the LESSOR at such address as the LESSOR may from time to time advise in writing. Until such advice all rent shall be paid and all notices sent to the LESSOR at 411 Waverley Oaks Road, Waltham MA 02154. All Notices under this Lease shall be in writing.

21. SURRENDER:

The LESSEE shall at the expiration or other termination of this lease remove all LESSEE'S goods and effects from the Leased Premises, (including, without hereby limiting the generality of the foregoing all signs and lettering affixed or painted by the LESSEE, either inside or outside the Leased Premises). LESSEE shall deliver to the LESSOR the Leased Premises and all keys, locks thereto, and subject to the provisions of Section 12, above, the fixtures connected therewith and all alterations and additions made to or upon the Leased Premises, in good condition, fair wear and tear, damage by fire or other casualty and elements which are the LESSOR'S responsibility to maintain and repair excepted. In the event of the LESSEE'S failure to remove any of LESSEE'S property from the premises, LESSOR is hereby authorized, without liability to LESSEE for loss or damage thereto, and at the sole risk of LESSEE, to remove and store any of the property at LESSEE'S expense, or to retain same under LESSOR'S control or to sell at public or private sale, without notice, any or all of the property not so removed and to apply the net proceeds of such sale to the payment of any sum hereunder, or to destroy such property.

22. BROKERAGE:

The Brokers named herein: Fallon Hines and O'Connor, Inc. and Leggat McCall/Grubb & Ellis warrant that they are duly licensed as such by the Commonwealth of Massachusetts, and join in this agreement and become parties hereto, insofar as any provisions of this agreement expressly apply to them, and to any amendments or modifications of such provisions to which they agree in writing.

LESSOR agrees to pay the above named Brokers upon the term commencement date a fee for professional services as agreed between LESSOR and Brokers under a separate agreement.

Each party represents and warrants that it has not retained or dealt with any other broker or brokers in connection with this Lease, and each party agrees to indemnify, defend and save harmless the other party from any claims for fees or commissions arising out of its dealings with any other broker with respect to this Lease.

24. QUIET ENJOYMENT

LESSOR covenants and agrees that upon paying rent and performing all the covenants and conditions of the Lease LESSEE shall and may peacefully and quietly have, hold and enjoy the Lease Premises for the term specified, subject to the terms of the Lease.

25. OTHER PROVISIONS:

It is also understood and agreed that:

a. The attached Commercial Lease Addendum and the following Exhibits are incorporated by reference:

Exhibits:
- A. Layout of Leased Premises
- B. Buildout Obligations
- C. INTENTIONALLY OMMITTED
- D. Right of First Refusal on Additional Space
- E. Exclusions from Operating Expenses
- F. INTENTIONALLY OMMITTED
- G. INTENTIONALLY OMMITTED
- H. INTENTIONALLY OMMITTED
- I. Hazardous Waste Provisions

b. LESSEE shall have a Five Year option to extend the term of the Lease at market rates prevailing at the time of exercise of such option(s) for office space. Such option shall be exercised by written notice to LESSOR no less than six months prior to the expiration of the then current term. See Addendum Part D for procedure.

c. LESSEE shall have a Right of First Refusal on additional space in the building, in accordance with provisions of Exhibit D.

d. For Hazardous Waste Provisions, see Exhibit I.

e. LESSOR approval of LESSEE requests, under any provisions of this Lease, shall not be unreasonably withheld or delayed.

f. At the request of either, the parties shall mutually execute and deliver a notice of lease in recordable form pursuant to Massachusetts General Laws, Chapter 183, Section 4, and either party may record such notice in the applicable registry of deeds.

IN WITNESS WHEREOF, the said parties hereunto set their hand and seal as of this 4th day of November, 1996.

SHIONOGI BIORESEARCH CORP.	DUFFY HARTWELL LIMITED PARTNERSHIP
LESSEE	LESSOR
/S/ LAN BO CHEN	/S/ NORMAN J. DUFFY
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Lan Bo Chen	NORMAN J. DUFFY,
President	General Partner

DUFFY HARTWELL LIMITED PARTNERSHIP
COMMERCIAL LEASE ADDENDUM

A. LESSEE OBLIGATIONS

1. LESSEE shall not change the color or appearance of the outside of the Leased Premises except upon the prior written consent of the LESSOR. However, LESSEE may install a its own emergency power generator to the exterior rear of the building.

2. LESSEE shall not post signs on or about the Premises without LESSOR'S prior approval, however LESSEE shall be entitled to reasonable signage to be erected a LESSEE'S own cost and expense, and in compliance with any relevant municipal regulations.

3. The parking areas shall not be used for storage of unused, damaged or unregistered vehicles, nor shall the LESSEE store merchandise or other materials in the parking areas.

4. LESSEE shall not otherwise store vehicles, containers, or refuse outside the Leased Premises, except for routine parking of vehicles and delivery or pickup of products or materials.

5. LESSEE shall be responsible to dispose of LESSEE trash and refuse.

6. The LESSEE may maintain insurance required by this Lease under a blanket policy of insurance which insures the LESSEE and any affiliates of the LESSEE.

7. No animals, reptiles or pets of any kind shall be kept in or about the building, except for research purposes in accordance with applicable laws and regulations.

B. LESSOR OBLIGATIONS

1. LESSOR shall, at its own cost and expense, maintain in good condition and repair all structural components of the building containing the Leased Premises, including the foundation, floor, walls, exterior, roof, common area, if any, of the Building, landscaping, parking areas and access ways.

2. LESSOR shall remove snow and ice from the access roadway, the parking areas, and the walkways which serve the building, provide exterior lighting, and LESSOR will remove snow or ice from the roof of the building if, as and when the conditions cause roof leakage or threaten ice falls over access ways.

3. LESSOR shall maintain with insurance companies, licensed in Massachusetts, all risk fire insurance policies with extended coverage insuring the property containing the Leased Premises against loss or damage caused by fire or casualty in an amount equal to the full replacement cost of the Building.

C. SUBLEASING PROVISION

The following provisions supplements the provisions of Section 13, "Assignment-Subleasing" above.

(i) If, after November 30, 2001, LESSEE requests consent of LESSOR for sublease or assignment of all or a material portion of the Lease Premises, LESSOR may refuse consent for the purpose of re-lease of the Leased Premises or the portion thereof to the assignee, the sub-LESSEE or to a third party. Upon the mutual agreement of the parties, hereto, this lease shall then terminate at a mutually agreed date as to the Leased Premises or the portion thereof, as if the Lease had expired on its termination date. However, LESSEE may withdraw the request for consent for sublease or assignment within five business days of receipt of notice by LESSOR of LESSOR'S intent to refuse consent for the purpose of re-lease.

(ii) The LESSOR shall be deemed to approve any assignment or sub-lease to a parent, subsidiary or affiliate of the LESSEE upon written assurance by LESSEE that the subsequent use will be in conformance with and subject to section 8, above, "USE OF LEASED PREMISES".

(iii) Provided that LESSEE pays all rent and other charges under this Lease, LESSEE shall be entitled to all rent and consideration received in connection with any assignment or subleasing, even if in excess of the rent hereunder.

D. MARKET RATE RENT FOR EXTENSION OPTIONS

Upon receipt of written notice from the LESSEE of intent to extend, under Section 25(b) of the Lease, LESSOR shall respond within thirty days with a quotation for market rate rent. For this purpose "market rate" shall mean the rate for office space in comparable buildings in the general area, and not for space with the specialized improvements installed by the LESSEE (the parties agreeing that LESSEE shall not be charged rent for or with respect to any laboratory, biotechnological, specialized or trade improvements which LESSEE make to the Leased Premises at LESSEE'S own expense). Fair market rate shall reflect the provisions of this Lease for escalation of real estate taxes, operating costs and for utility charges. The LESSEE shall respond within thirty (30) days agreeing to the quotation, rejecting the extension or requesting third party determination of market rate. In the later event each party shall then appoint a realty broker who has at least ten years experience in commercial real estate brokerage and/or appraisal in the Greater Boston area, and who is familiar with similar commercial property in the Lexington area, they shall confer, and each shall recommend a market rate by writing to the parties. In the event their recommendations are joint or equal, this shall be market rate. If the recommendations differ by 5% or less, their average shall be deemed market rate. In the event their rates differ by a greater amount they shall jointly nominate a third such broker who shall make an independent recommendation of market rate. The two closest of the three recommendations shall then be averaged to establish the market rate. Each party hereto shall pay the expense of its nominee broker, and each shall share equally the expense of a third, if required. However, in no event shall market rate, determined as aforesaid, be less than the rate then payable at the time of exercise of the option, by the LESSEE. The Market Rate shall be binding on both parties and shall be reflected in a Lease amendment.

EXHIBIT B.

BUILDOUT OBLIGATIONS

a) LESSOR's OBLIGATIONS

The LESSOR shall deliver the Leased Premises AS-IS with respect to the layout and location of offices, rooms, corridors, lighting, bathrooms, plumbing, electrical services, floors, dock area and climate controls, free and clear of all tenants or occupants.

As to the building and land the LESSOR shall repair the base building, structure and roof where necessary, and shall upgrade the landscaping. The later shall include screening the boundary line which abuts the Federal Express parcel.

Upon completion of the design and construction by LESSEE of tenant improvements and upon occupancy of the Leased Premises the LESSOR shall pay to the LESSEE an allowance for tenant improvements of One Hundred Thousand ($100,000.00) Dollars within thirty (30) days of completion and occupancy, and if LESSOR fails to do so, LESSEE shall have a credit for such amount against it next payment or payments for rent hereunder.

b) LESSEE's OBLIGATIONS

LESSEE shall be responsible to layout, design and construct all tenant improvements and to obtain LESSOR'S prior approval of such layout and design.

In the event LESSEE elects to contract with an independent contractor for its buildout of its tenant improvements, that work shall be subject to the reasonable oversight by LESSOR. LESSEE shall reimburse LESSOR for this oversight service at the rate of $50.00 per hour of on-site oversight and consultation, not to exceed $25,000.00.

The LESSEE may design, construct and maintain at its own expense a Japanese garden at a mutually agreed location and, as agreed, in size.

c) SPECIAL PROVISION FOR PERMIT CONTINGENCY

(i) If, within ninety (90) days of Lease execution, despite LESSEE'S good faith efforts, LESSEE has been unable to obtain any permit or approval necessary to construct its leasehold improvements or to use and occupy the Leased Premises for LESSEE'S intended use or is prevented from doing so by any applicable laws and regulations, then LESSEE may terminate this Lease by notice to LESSOR. In that event LESSEE shall forfeit its security deposit and restore the Leased Premises to the condition prior to undertaking any improvements or changes thereon, if any.

(ii) In the event after the ninety day period in (i) above LESSEE wishes to continue its efforts to obtain such permits or approvals, LESSEE may, by paying an amount equal to six month's rent obtain an additional ninety day period during which it may terminate this lease. In the event LESSEE subsequently terminates the Lease in addition to the obligations in (i) above, LESSEE shall forfeit the security deposit and the amount paid under this clause. In the event LESSEE does not terminate the

Lease the amount paid, equal to six month's rent shall be credited to LESSEE'S rental obligations for the period following the second ninety day period.

(iii) In the event that LESSEE is denied a building permit, certificate of occupancy or other required governmental approval due to any problems with respect to the base building, or in the event that any corrective work with respect to the base building shall be required by any governmental authority or pursuant to any applicable laws, codes or regulations, LESSOR shall perform any necessary corrective work at LESSOR'S own cost and expense as soon as possible, and the commencement of LESSEE'S obligations to pay the rent and other charges due hereunder shall be postponed by any resulting period of delay.

d) SPECIAL PROVISION FOR FINANCING

LESSEE may from time to time grant security interests in or make equipment leases with respect to LESSEE'S current or future installations, fixtures, equipment, improvements, additions and property in the Leased Premises in order to finance the same or LESSEE'S business, and LESSOR shall upon LESSEE'S request execute and deliver reasonable instruments confirming the same.

EXHIBIT C

CLEANING SCHEDULE

INTENTIONALLY OMMITED FROM THIS LEASE

EXHIBIT D.

RIGHT OF FIRST REFUSAL ON ADDITIONAL SPACE

LESSEE shall have a right of first refusal on additional lease space as it becomes available during the term of this Lease Agreement or any extension of such term. This right is subject to any preexisting rights of other LESSEES. The LESSOR will use its best efforts to accommodate LESSEE'S space requirements.

The procedure for effecting the Right of First Refusal shall be exercised in the following manner:

(i) LESSEE shall in any quarter year of the lease term or its extension give to LESSOR written notice of its projected space requirements and its interest in space that is available or may become available for lease.

(ii) LESSOR, within ten days of LESSEE'S notice, shall give written response describing to LESSEE the availability of or the projected availability of floor space. "Availability" shall mean and include any vacant space and any space which is or may become free of leasehold commitment. Such LESSOR notice will contain the rental rate for which such space will be offered.

(iii) If the LESSOR can provide such space by relocation of an existing lessee, LESSOR shall, at the earliest reasonable date consistent with discussion with the existing lessee, respond to the LESSEE's notice as set forth in the first paragraph of this Section.

(iv) LESSEE shall have fourteen (14) days to exercise its right by written notice to LESSOR to accept or reject LESSOR'S notice and proposal.

(v) In the event LESSEE, by writing, accepts such additional space the parties will forthwith, within 30 days of LESSEE'S written response, execute a lease agreement or lease modification to reflect the additional space, its rental rate, the adjusted term of Lease, if any, and such other changes as may be required to reflect the additional space.

(vi) In the event LESSEE does not accept the LESSOR'S proposal within the 14 day period, or in the event the parties are unable to conclude a lease agreement for the additional premises within the above thirty day period, the LESSEE shall be deemed to have refused the space and LESSOR may offer and contract for lease of the space to third parties, the LESSEE'S rights under this provision having lapsed as to the proposed premises.

(vii) This right shall be an on going right throughout the term of the Lease or any period of extension.

EXHIBIT E

EXCLUSIONS FROM OPERATING COSTS

The following items shall be excluded in computing LESSEE'S share of operating costs applicable to the Leased Premises:

1. Any ground lease rental;

2. Costs of capital repairs or capital replacements (except as specifically permitted in this paragraph 2), capital improvements and equipment; except those: (a) required by laws enacted on or after the date the temporary certificate of occupancy issued for the LESSEE work shall be validly issued with the cost of any such improvements and equipment depreciated or amortized over the usual life of the improvement and/or equipment, or (b) installed at the Leased Premises to reduce operating costs, with the cost of any such improvements and equipment depreciated or amortized at an annual rate reasonably calculated to equal the amount of operating costs to be saved in each calendar year throughout the term (as determined at the time LESSOR elected to proceed with the capital improvement or acquisition of the capital equipment to reduce operating costs); however, as respects (a) and (b) above, only depreciation or amortization attributable to a given calendar year shall be included in operating costs for such year. Depreciation or amortization shall be calculated on straight line basis and at interest rates calculated at market rates and terms then prevailing for borrowers similar to LESSOR.

3. Rentals for items (except when needed in connection with normal repairs and maintenance of the building which shall be permitted) which if purchased, rather than rented, would constitute a capital improvement specifically excluded in Subsection 2, above;

4. Costs incurred by LESSOR for the repair for replacement of damage to the building or its contents caused by fire or other casualty;

5. Depreciation, amortization, lender's fees and interest payments except as permitted pursuant to Subsection 2, above, and, if permitted, then determined in accordance with generally accepted accounting principles, consistently applied (as applied to commercial real estate) in accordance with the anticipated useful life of such item (as reasonably determined by LESSOR);

6. Overhead and profit increments paid to LESSOR or to subsidiaries or affiliates of LESSOR for goods and/or services in the building to the extent the same exceeds the cost of such goods and/or services rendered by unaffiliated third parties on a competitive basis;

7. Advertising and promotional expenditures, and the costs of acquiring and installing signs in or on the building identifying the owner of the building;

8. Interest, principal, points and fees on debts or amortization on any mortgage or mortgages or any other debt instrument encumbering the building or property;

9. Any costs associated with gift taxes, excise taxes, income taxes, transfer taxes or capital levies;

10. Costs incurred in connection with upgrading the building to comply with handicap, hazardous material, fire and safety codes which were in effect prior to the date of the lease or which become effective after date of the Lease;

11. Tax penalties incurred as a result of LESSOR'S negligence, inability or unwillingness to make payments when due, not attributable to LESSEE'S failure to make payments to LESSOR for such items in accordance with the lease;

12. Any and all costs arising from the presence of hazardous materials or substances (as defined by applicable Federal, Massachusetts and local laws) now or hereafter pertaining to the building ("Hazardous Substances") and property in or about the building including, without limitation, Hazardous Substances in the ground, water, or soil;

13. LESSOR'S general corporate overhead and general and administrative expenses except as contained and allowed in the 5% Management Fee per provision in Clause 6.B., above.

14. Costs of any items for which LESSOR is reimbursed by insurance, or otherwise compensated by parties other than LESSEE'S of the building;

15. Any legal fees associated with the sale or refinancing of the building;

16. Costs for any separate utility meters LESSOR may install in the building, unless the installation is required by a utility company or governmental entity.

17. Costs for construction for compliance with, or penalties assessed for non-compliance with the Americans with Disabilities Act of 1990 (42. U.S.C. 1281-1283).

18. Expenses incurred as a result of the LESSOR'S negligence or the negligence of another lessee.

19. Costs of procuring tenants for the building, including without limitation advertising, brokerage commissions and inducements paid or credited to such tenants for buildout costs.

20. Costs for special work or services to particular tenants.

EXHIBIT I.

HAZARDOUS WASTE PROVISIONS

a) "HAZARDOUS WASTE DEFINITION: "Hazardous Materials" for purposes hereof shall mean any chemical, substance, materials or waste or component thereof which is now or hereafter listed, defined or regulated as a hazardous or toxic chemical, substance, material or waste or component thereof by any federal, state or local governing or regulatory body having jurisdiction, or which would trigger any employee or community "right to know" requirements adopted by any such body, or for which any such body has adopted any requirements for the preparation or distribution of a materials safety data sheet ("MSDS").

b) REGULATION OF HAZARDOUS MATERIALS: LESSEE shall not transport, use, store, maintain, generate, manufacture, handle, dispose, release or discharge any Hazardous Materials except in strict conformance with applicable federal, state and municipal laws and regulations. However, the foregoing provisions shall not prohibit the transportation to and from, and use, storage, maintenance and handling within the Leased Premises of Hazardous Materials customarily used in the business or activity expressly permitted to be undertaken in the Leased Premises under Article 8 hereunder, provided: (a) such Hazardous Materials shall be used and maintained only in such quantities as are reasonably necessary for such permitted use of the Leased Premises and in the ordinary. course of LESSEE'S business therein, strictly in accordance with applicable Law, highest prevailing standards, and the manufacturers' instructions therefor; (b) such Hazardous Materials shall not be disposed of, released or discharged in the Building or be transported to and from the Leased Premises except in strict compliance with all applicable Laws, and as LESSOR shall reasonably require; (c) if any applicable Law or LESSOR'S trash removal contractor requires any such Hazardous Materials to be disposed of separately from ordinary trash, LESSEE shall make arrangements at LESSEE'S expense for disposal directly with a qualified and licensed disposal company at a lawful disposal site (subject to

scheduling and approval by LESSOR); and (d) any remaining such Hazardous Materials shall be completely, properly, and lawfully removed from the Building upon expiration or earlier termination of this Lease.

c) NOTICES TO LESSOR: LESSEE shall promptly notify LESSOR of: (a) any enforcement, cleanup or other regulatory action taken or threatened by any governmental or regulatory authority with respect to the presence of any Hazardous Materials released, discharged or disposed of by LESSEE on the Leased Premises or the property of which the Leased Premises are a part, or the migration thereof from or to other property; (b) any demands or claims, made or threatened by any party relating to any loss or inquiry resulting from any Hazardous Materials on the Leased Premises; (c) any release discharge or non-routine, improper or unlawful disposal or transportation of any Hazardous Materials on or from the Leased Premises or in violation of this Article; and (d) any matters where LESSEE is required by Law to give a notice to any governmental or regulatory authority respecting any Hazardous Materials on the Leased Premises. LESSOR shall have the right (but not the obligation) to join and participate, as a party, in any legal proceedings or actions affecting the Leased Premises initiated in connection with any environmental, health or safety law. At such times as LESSOR may reasonably

request, LESSEE shall provide LESSOR with written list, certified to be true and complete, identifying any Hazardous Materials then used, stored, or maintained upon the Leased Premises, the use and approximate quantity of each such materials, a copy of any MSDS issued by the manufacturer therefor, and such other information as LESSOR may reasonably require or as may be required by Law.

d) INDEMNIFICATION OF LESSOR: If any Hazardous Materials are released, discharged or disposed of by LESSEE or any other occupant of the Leased Premises, or their employees, agents, invitees or contractors, on or about the Building in violation of the foregoing provisions, LESSEE shall immediately, properly and in compliance with applicable Laws clean up, remediate and remove the Hazardous Materials from the Building and any other affected property and clean or replace any affected personal property (whether or not owned by LESSOR), at LESSEE'S expense (without limited LESSOR'S other remedies therefor). LESSEE shall further be required to indemnify and hold LESSOR, LESSOR'S directors, officers, employees and agents harmless from and against any and all claims, demands, liabilities, losses, damages, penalties and judgments directly or indirectly arising out of or attributable to a violation of the provisions of this provision by LESSEE, LESSEE'S occupants, employees, contractors or agents. Any clean up, remediation and removal work shall be subject to LESSOR'S prior written approval (except in emergencies), and shall include, without limitation, any testing, investigation, and the preparation and implementation of any remedial action plan required by any governmental body having jurisdiction or reasonably required by LESSOR. If LESSOR or any Lender or governmental body arranges for any tests or studies showing that this Article has been violated, LESSEE shall pay for the costs of such tests. The provisions of this Article shall survive the expiration or earlier termination of this Lease."

e) PREEXISTING CONDITIONS AND CONDITIONS CAUSED BY THIRD PARTIES: LESSEE shall not in any manner be liable or responsible for, be made to bear any costs and expenses regarding, be required to test, contain, remediate, remove, clean up or do any work or take any other action with respect to, be responsible for compliance with applicable laws and regulations regarding, and does not indemnify LESSOR or any other party with respect to, any hazardous or toxic substances, materials or wastes or any other pollutants which were or are brought, generated, stored, used, located, installed, disposed of, spilled, released, emitted or discharged on, in or from the Leased Premises, building or property by any party other than Lessee or Lessee's employees, agents, contractors, licensees, sublessees or invitees. Without limiting the foregoing, Lessee shall not be responsible or liable for any such substances, materials, wastes or pollutants pre-existing on the Leased Premises, building or property prior to the commencement of this Lease.

f) REPRESENTATION: LESSOR represents that to the best of LESSOR'S knowledge and

belief LESSOR has no knowledge of hazardous wastes on the land or in the building other than disclosed to D.E.P. as background and down gradient contamination affecting the general area in which the property is located. LESSOR warrants that to the best of its knowledge and belief no friable asbestos is present upon the premises. LESSOR agrees to indemnify and save harmless the LESSEE from any liability arising out of any such contamination of the property which preexists this Lease Agreement.

DUFFY HARTWELL LIMITED PARTNERSHIP

November 5, 1996

Shionogi BioResearch Corp.
187 East Emerson St.
Lexington MA

Re: Lease Agreement for 45 Hartwell Ave. Lexington MA

Sirs:

This letter supplements the letter of November 1, 1996.

The parties to the above Agreement concur that the Lease Agreement, now dated November 4, 1996 precedes certain determinations by Shionogi which may effect several Lease provisions.

Shionogi must design build-out for its needs, which build-out will reflect use or replacement of HVAC, plumbing, gas and other facilities presently installed in the building. As a consequence several provisions of the Lease Agreement will or may require adjustment.

These include:

Maintenance Obligations under Section 11. The Lessee shall be responsible for maintenance of all facilities which it installs. The Lessor shall be responsible for maintenance and repair of any HVAC, plumbing or facilities which serve the lessees in common, or which are presently installed and Shionogi determines to use them rather than replace them. This arrangement is also reflected in Exhibit B "Buildout Obligations" where the Lessee is to be compensated for work whose costs are normally borne by a Lessor.

Operating Costs provisions of Section 6B, which is currently shown as $4.00 per square foot will be adjusted when the build-out design of the Lessee determines what use or replacement of existing heating and air conditioning is contemplated. That $4.00 per square foot figure includes square foot allowances estimated at $1.03 for HVAC, $.80 for cleaning, and $.10 for water and sewer charges. The Lessee's HVAC plans will determine the final base amount for operating costs. This will then be reflected in Section 6B.

Section 6C contemplates that the Lessee has unlimited access to the Leased Premises. Presently no additional costs are contemplated for HVAC. If the final plans of the Lessee make use of common HVAC facilities the Lessor shall provide such HVAC service, but reserves the right to charge for use out of normal business hours. Normal business hours are deemed to be 7:00AM to 6:00PM Monday through Friday and 8:00AM to 1:00PM on Saturday. In the event plans so indicate,

the prospective charge for such use will be reflected in additional wording in Section 6C.

Lessor's obligations to maintain and service, as shown in the Addendum,

Part B 1. will be adapted should additional maintenance and service obligations result.

To the extend that operating costs are shifted to the Lessor by these changes, the base rent shown on the lease, which is net of operating costs which are included in the $4.00 per square foot estimate, may be adjusted.

Another matter of concern is what facilities, which Shionogi will install in the building as fixtures (i.e.: attached to the building) may be removed, as of right, upon surrender of the Leased Premises, under provisions of Section 21, "Surrender". Both parties contemplate that, upon a listing of specific or generic items by Shionogi and a joint review, we shall amend the Agreement to show in an exhibit the items to be regarded as tools of the trade of Shionogi, for which it shall have a right to detach and remove.

Upon resolution of the above items the parties will prepare and execute a lease amendment to reflect the resolution of the open items. The parties agree to execute a notice of lease and an appropriate agreement of recognition and non-disturbance with respect to the present mortgagee of the property, Duffy Bros. Management Co., Inc.

We trust this letter reflects our agreement as to resolving and defining open items in the Lease Agreement. Please sign Shionogi's assent and return a copy with two copies of the executed Lease for our execution and return.

Very truly yours

/S/ NORMAN J. DUFFY

Norman J Duffy

ASSENT

/S/ LAN BO CHEN

Exhibit 10.6

LEASE OF

125 HARTWELL AVENUE
LEXINGTON, MASSACHUSETTS

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EXHIBIT 3	Plans showing the Premises, the parking area, the so-called RFO Premises, and Tenant's Approved Floor Plan
EXHIBIT 4	Items of Tenant's Work to be paid from the Proceeds of Landlord's Contribution
EXHIBIT 5	125 Hartwell Avenue Fact Sheet
EXHIBIT 6	Rules and Regulations
EXHIBIT 7	Cleaning Specifications
EXHIBIT S	Certificate of Landlord's Insurance
EXHIBIT 9	Notice of Lease
EXHIBIT 10	Plans for Additional Bathrooms

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 the 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 3 (Exhibit 3 hereto shall show the Premises, the parking area and the so-called RFO Premises, and shall include the Tenant's Approved Floor Plan described in Section 6(b) below). Excepted and excluded from the Premises are the ceiling, floor, perimeter walls and exterior windows, except the inner surfaces of each thereof, but the entry doors (and related 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 not to unreasonably interfere 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 material reduction in square footage of the Premises shall result, and Landlord shall provide Tenant with reasonable advance written notice of the foregoing. Tenant shall have as appurtenant to the Premises the right, in common with others entitled thereto, to use the first floor loading dock at the rear of the Building, the elevator located at the rear of the Building, the common hallway dividing the second floor of the Building, common walks leading to and from the Building, parking at the parking lots serving the Building, and all other appurtenant rights or easements available to the Property. Tenant shall also have as appurtenant to the Premises the exclusive right to use the bathrooms and showers located in the center of the second floor of the Building. The Landlord, at no additional charge to Tenant, shall provide and maintain, for the use of the Tenant's employees and invitees, a total of forty-one (41) parking spaces (allocated at the ratio of 3.8 spaces per 1,000 square feet of leased Premises) in a paved parking area located adjacent to the Building as shown on Exhibit 3; provided that in the event Tenant exercises any rights arising under Section 38 hereof relating to so-called "RFO Premises" or otherwise leases additional space within the Building, then the Tenant shall thereupon become entitled to the use of additional parking spaces at the ratio of 3.8 spaces per 1,000 square feet of so-called RFO Premises or other additional leased space. In the event that other tenants in the Building or other persons utilize the parking spaces of the Property, in a general way, which prevents Tenant from generally using the above-referenced 41 parking spaces (as they may be increased from time to time) allocable to Tenant, then Tenant shall have the right to require Landlord to specifically designate that appropriate number of parking spaces allocable to Tenant for the sole and exclusive use of Tenant.

3. BASIC RENT. Tenant agrees to pay to Landlord, commencing on the Rent Commencement Date, the Basic Rent (sometimes hereinafter "rent") set forth in Exhibit 1. Tenant's obligation to pay all charges for utilities and other items specified in Section 12 shall commence to accrue as of the Execution Date. 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, at such address as Landlord shall from time to time designate by notice. Basic Rent for any period of less than one month shall be apportioned based on the number of days in that month. In the event that any installment of Basic Rent is not paid within ten (10) days after the same shall have become due, Tenant shall pay, at Landlord's request, an administrative fee equal to 1% of the overdue payment.

4. COVENANT BY LANDLORD OF TENANT'S QUIET ENJOYMENT. In consideration for payment by the Tenant of the Basic Rent so long as the Tenant pays the Basic Rent reserved under this Lease and fulfills its obligations hereunder, the Tenant shall peaceably hold and quietly enjoy the leased Premises without interruption by reason of claims asserted by the Landlord or any other person, firm, corporation or other entity claiming under Landlord, subject always to the terms and conditions of this Lease.

5. RENT COMMENCEMENT DATE. The Rent Commencement Date shall be the earlier of (i) February 1, 1993 or (ii) the day on which Tenant shall occupy all or any part of the Premises for the conduct of business.

6. PREPARATION OF THE PREMISES.

(a) BY TENANT. Tenant shall, at Tenant's sole cost and expense, subject to the provisions of paragraph (e) of this Section 6, prepare the Premises for Tenant's occupancy (except as described in Section 6(f)). Landlord shall have no obligation to perform any construction work to prepare the Premises for Tenant's occupancy. As of the date hereof, Landlord hereby delivers to Tenant and Tenant hereby accepts from Landlord the Premises in the condition in which they are in, "as is," as of the date hereof. Tenant shall have access to the Premises from and after the date hereof in order to perform its work ("Tenant's Work") in the Premises, subject to the other terms and conditions of this Lease, including, without limitation, Sections 15, 16 and 17. Tenant shall use all reasonable diligence to perform Tenant's Work in a timely manner.

(b) PLANS. Tenant shall prepare all necessary plans and working drawings ("Tenant's Plans") reflecting all of Tenant's Work. The cost to prepare and revise Tenant's Plans as necessary shall be borne solely by Tenant. Tenant's Plans shall be subject to review and approval by Landlord, which shall not be unreasonably withheld or delayed. Tenant shall use all reasonable diligence to prepare Tenant's Plans in a timely manner for Landlord's review. If Landlord shall disapprove such Tenant's Plans, it shall state in reasonable detail the grounds for its disapproval, and Tenant shall revise its Plans and resubmit same for Landlord's review. Tenant shall make no material changes to Tenant's Plans except upon prior written notice to Landlord setting forth such changes. Landlord shall respond to Tenant's submission of its Plans within five (5) business days of receiving Tenant's Plans. Landlord shall respond to any resubmission of Tenant's Plans with revisions in response to Landlord's disapproval of Tenant's Plans within two (2) business days of receiving Tenant's resubmission of Plans. Landlord shall respond to any other revisions of Tenant's Plans within three (3) business days of receiving them from Tenant. Landlord hereby approves the floor plan of the Premises ("Tenant's Approved Floor Plan") attached hereto as part of Exhibit 3; Tenant's Approved Floor Plan shall constitute a part of Tenant's Plans.

(c) TERMINATION. If Landlord shall fail to respond to the submission of Tenant's Plans (or changes thereto) within the applicable time periods specified above, then Tenant, upon a written notice of one (1) business day to Landlord, shall have the option to proceed with the changes as if Landlord had agreed thereto, or to terminate the Lease, provided that if Landlord shall respond to the submission in respect of Tenant's Plans in question by the end of such business day then Tenant's notice shall be of no force or effect.

(d) CONSTRUCTION. Tenant shall diligently proceed with construction of the Premises substantially in accordance with Tenant's Plans (and any amendments thereto approved or deemed approved by Landlord as hereinabove provided), utilizing Tenant's Contractor named in Exhibit 1, who has been approved by Landlord, or such other contractors as Tenant may engage with Landlord's prior consent, which consent shall not be unreasonably withheld or delayed. All work shall be of a good and workmanlike quality, utilizing materials at least equal to the materials specified in Part C of Exhibit 5 of the Lease. Tenant shall, at its own cost and expense, obtain all permits needed to construct the Premises for its occupancy and to occupy the Premises for the uses specified in Exhibit 1. Prior to the commencement of Tenant's Work, all contractors shall provide Landlord and Tenant with reasonable evidence of insurance coverage, including policies of comprehensive general liability insurance in a combined single limit of not less than $2,000,000.00, workers' compensation coverage in the statutory amounts, and automobile liability insurance. Tenant shall pay for all labor and materials supplied to it promptly and shall permit no contractor's or material supplier's lien to be filed against the Premises, the Building or the Property. If any such lien shall be filed, Tenant shall promptly cause such lien to be discharged, by paying such claimed amounts or by bonding over the lien in a manner satisfactory to Landlord. If Tenant shall fail to discharge any such lien within ten (10) days of filing, Landlord may, but shall not be obligated to, pay the amount of such claim and thereby discharge the lien. Tenant shall promptly reimburse Landlord therefor upon demand and Landlord shall have the same right to enforce collection of such reimbursement (together with interest thereon at the rate provided for in Section 29 below) as to enforce collection of unpaid amounts of Basic Rent, escalations or other charges due under the Lease.

(e) LANDLORD'S CONTRIBUTION. Notwithstanding anything to the contrary the foregoing contained, Landlord shall contribute an amount up to $54,900 ("Landlord's Contribution") expressly for the purchase and installation of the items of work set forth in Exhibit 4 of this Lease, which Tenant shall purchase and install as part of Tenant's Work. All such items set forth in Exhibit 4 shall be at least equal to the quality of items set forth in Part C of Exhibit 5. Landlord's Contribution shall be used for no purpose other than for the purchase and installation of the items listed in Exhibit 4. Landlord shall pay amounts on account of Landlord's Contribution directly to contractors or suppliers upon receiving from Tenant actual vendor invoices for labor and/or materials billed to Tenant. There shall be no credit due Tenant for any unused portion of Landlord's Contribution.

(f) LANDLORD'S SPRINKLER WORK. Notwithstanding the foregoing, Landlord shall, at its own cost and expense, install the sprinkler system as described in Exhibit 5 for the Premises and a fire protection system as required by all applicable federal, state or local requirements for the Premises, to the extent applicable to general office space. With respect to additional sprinkler/fire protection requirements, if any, necessitated by Tenant's particular use of the Premises, at Tenant's election, either (i) Tenant shall make such installations as are

necessary to conform to such additional requirements at Tenant's expense, or (ii) Landlord shall make such additional installations, and Tenant shall reimburse Landlord (as additional rent hereunder) for the costs and expenses incurred by Landlord in performing such additional work, upon receiving from Landlord copies of actual invoices from Landlord's contractor(s) or other evidence of the cost thereof reasonably satisfactory to Tenant. Landlord's sprinkler installation shall be commenced by Landlord promptly after approval of Tenant's Plans, and shall be coordinated with Tenant's work so as not to unreasonably interfere with or delay the completion of Tenant's Work.

(g) ADDITIONAL CONSTRUCTION. Notwithstanding anything to the contrary in the Lease contained, if after the date of this Lease, Landlord shall enter into one or more leases or occupancy agreements with third parties demising all or part of the balance of the second (2nd) floor of the Building (this Lease being the only lease of second floor space as of the date hereof),

then Landlord shall, at Tenant's cost and expense, construct on the second (2nd) floor separate men's and women's bathrooms (in finishes equal to those in the existing bathrooms) and one or more corridors as necessary for access to such premises and to such bathrooms from such premises for the exclusive use of Landlord and such third parties. All such work shall be performed substantially in accordance with Exhibit 10. Such additional construction work shall be performed by Landlord as and when required so that the same shall be completed in conjunction with the completion of any work required to prepare such leased premises by Landlord for occupancy by such other tenants or occupants. Tenant shall reimburse Landlord (as additional rent hereunder) for all costs and expenses incurred by Landlord in performing such work, upon receiving from Landlord copies of actual invoices from contractors, suppliers and/or vendors for labor and/or materials furnished with respect to such work or other evidence of the cost thereof reasonably satisfactory to Tenant; provided, however, that in no event shall Tenant's costs and expenses under this Section 6(g) exceed the amount of $17,500.00.

(h) INSPECTION BY LANDLORD. Upon substantial completion of Tenant's Work, Tenant shall give notice thereof to Landlord, and shall afford Landlord the opportunity to participate with Tenant in the preparation of a punchlist for Tenant's Contractor. Upon completion of such punchlist items, Tenant shall give Landlord notice thereof and an opportunity to inspect Tenant's Work; and thereafter, (except for latent defects) Landlord shall be deemed to have accepted Tenant's Work as having been performed in accordance with the requirements of this Lease applicable thereto, unless and except to the extent that Landlord notifies Tenant of defects therein or other items requiring correction within ten (10) days after Tenant notifies Landlord of the final completion of Tenant's work.

7. USE. Tenant agrees that it shall use and occupy the Premises during the Term only for the Permitted Uses described in Exhibit 1. Tenant shall, in its use of the Premises, comply with the requirements of all applicable governmental laws, rules and regulations, 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 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, including, without limitation, a certificate

of occupancy 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 reasonably necessary or expedient to obtain such license or permit, Landlord agrees to cooperate with Tenant in procuring such license or permit.

8. IMPROVEMENTS AND ALTERATIONS. Subject to the further provisions of this Section 8, Tenant shall make no additional (i.e., in addition to the items shown on Tenant's Plans in respect of the initial preparation of the Premises) alterations or improvements to the Premises except in each case, (i) at Tenant's sole cost and expense, (ii) with the prior written consent of Landlord, (iii) in accordance with complete plans and specifications, presented to Landlord for Landlord's prior approval, and (iv) performed by contractors approved by Landlord and in accordance with all applicable laws, rules and ordinances and otherwise in accordance with the other terms, provisions and conditions of the Lease. All approvals required to be obtained from Landlord pursuant to the foregoing by Tenant shall not be unreasonably withheld or delayed. Without limiting Landlord's right of review, Landlord may disapprove any proposed alteration or improvement which, in Landlord's reasonable opinion, may adversely affect any of the Building's exterior, common areas, structure or systems. Notwithstanding the foregoing for any alteration or improvement which Tenant may

propose and which shall not, in Landlord's reasonable opinion, affect the Building's exterior, common areas, structure or systems, and which shall not exceed an aggregate "completed-job" cost of $5,000.00 per alteration, Tenant shall not be required to obtain Landlord's prior written consent, provided Tenant shall first notify Landlord of the proposed alteration or improvement and present complete plans and specifications therefor. All alterations or improvements shall be performed by Tenant in accordance with the applicable provisions of Section 6(d) of this Lease. If any alteration or improvement which Tenant shall make shall result in any increase in the real estate taxes upon the Property, then Tenant shall pay the entire increase in such taxes attributed to such alteration or improvement. All fixtures (whether or not attached) and equipment installed by or at the expense of Tenant (including, without limitation, fixtures and equipment installed by Tenant at its expense as part of Tenant's Work) shall remain the property of the Tenant and in case of damage or destruction thereto by fire or other causes, the Tenant shall have the right to recover the value thereof as its own loss from any insurance company with which it has insured the same, or to claim an award in the event of condemnation, notwithstanding that any of such things might be considered a part of the Premises, subject to the provisions of Section 19. Tenant may remove all or any of such fixtures and equipment at any time during the term, provided Tenant repairs any damage to the Premises caused by the installation, presence or removal thereof, or, at its option, Tenant may abandon the same, in whole or in part, to Landlord. Tenant shall not be required to remove pipes, wires and the like from the walls, ceilings or floors, provided the Tenant properly cuts, disconnects and caps such pipes and wires and seals them off, if necessary, in a safe and lawful manner.

9. ASSIGNMENT AND SUBLETTING.

(a). Upon prior written notice to Landlord, Tenant may assign this Lease or sublet all or any part of the Premises at any time during the term hereof (or any extension thereof) without the consent of the Landlord to a division, department, subsidiary or corporation a majority of the stock of which is controlled by Tenant, provided such entity remains in the

same relationship with Tenant after such transfer, or to an entity created by merger, split-off, reorganization or by governmental action relating to Tenant or in the event of the acquisition of Tenant or of substantially all of its assets by another party. (Any entity referred to in this paragraph (a) is sometimes hereinafter called a "Fuji Successor.")

(b) In all other cases not involving entities described in paragraph (a) of this Section 9, the prior written consent of Landlord shall be required prior to any assignment of this Lease or sublease by Tenant of all or any portion of the Premises, or other transfer of Tenant's leasehold interest. Such consent by Landlord shall not be unreasonably withheld or delayed; provided, however, Landlord shall not be deemed to be unreasonable in withholding its consent to a proposed assignment, subletting or other transfer if (i) the proposed assignee or subtenant (or a related or controlled entity) is then a tenant in the Building, unless such proposed assignee or subtenant requires expansion premises in addition to, rather than in substitution for, the other premises in the Building then occupied by such proposed assignee or subtenant (or a related or controlled entity), and/or (ii) Tenant is then in default of its obligations under this Lease.

(c) Landlord agrees that if Tenant assigns or transfers this Lease to anyone other than a Fuji Successor, Tenant shall be given a copy of any notice of default given by Landlord to any assignee or transferee, and Tenant shall have the right to avoid termination of this Lease by curing such default within the applicable notice and grace periods provided under Section 21 below, and in such event Tenant shall have the right to recover possession of the Premises, provided that it cures such defaults within the applicable notice and grace periods as aforesaid.

(d) No subletting or assignment shall relieve Tenant of its

primary obligation as party-Tenant hereunder. No subletting or assignment pursuant to this Section 9 shall affect or vary the Permitted Uses. No consent, once given by Landlord, shall negate the obligation to obtain Landlord's consent, when required, to any subsequent assignment or subletting whatsoever.

(e) Landlord may, whether or not Landlord's Consent is required, require such assignee, sublessee or transferee to expressly assume the covenants, terms and conditions of the Lease.

(f) 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 or in connection with any transfer or assignment permitted hereunder.

(g) 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) twenty-five percent (25%) of the Profits (as hereinafter defined), if any, earned by Tenant in connection with such assignment or sublease, as and when received by Tenant. "Profits" shall mean, the excess, if any, of (a) the rent and additional rent (including, without limitation, payments on account of escalation) and any other consideration received by Tenant on account of or in connection with the assignment, transfer or subletting in question over (b) 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 per square foot basis in the case of a subletting 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 represents that as of the date hereof, the parking facility and all Building and Property service systems (including, without limitation, plumbing and electrical lines and equipment, heating, ventilating and air conditioning systems, boilers and elevators) are in good repair and condition. Notwithstanding anything to the contrary contained herein, Tenant shall pay all costs associated with the maintenance or repair of, or any changes to, any of the foregoing, the need for which arises from Tenant's construction to prepare the Premises for its occupancy or subsequent alteration or improvement for Tenant's use and benefit.

During the term of this Lease, Landlord shall maintain, repair and replace, as necessary, and keep in good order, safe and clean condition: (1) the plumbing, sprinkler, HVAC, electric and mechanical lines and equipment associated therewith, and elevators and boilers, all of which are located in or serve the Premises, common areas of the building and the parking facility; broken glass; (2) underground utility lines and transformers and interior and exterior structure of the Building, including the roof, exterior doors and windows and lateral support to the Building and parking facility; (3) the interior walls, ceilings and floors of the common areas of the Building, and floor coverings (including carpets and tiles) of the common areas of the Building; (4) repair and replacement of the interior walls, ceilings and floors of the Premises due to latent defects and any negligent act or omission of Landlord, its agents, contractors, employees and invitees; (5) the exterior improvements to the land, including ditches, shrubbery, landscaping and fencing; (6) the common areas located within or outside the Building, including the common entrances, corridors, doors and windows, loading dock, stairways and lavatory facilities and the parking facility and access ways therefor; and (7) all lawns and landscaped areas of the Property, which shall be watered, fertilized and trimmed. Landlord 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 and shall repair and maintain the parking lot and the lighting serving the same as reasonably necessary. The Landlord shall perform all repairs and restoration required arising from the provisions of section 19, "Casualty," and Section 20, "Condemnation," subject to the limitations set forth therein.

Notwithstanding anything to the contrary in the foregoing contained, Landlord shall have no obligation to repair, maintain or replace (a) any equipment or systems installed by or at the expense of Tenant, or (b) any damage to the Premises, the Building or the Property caused by Tenant, its agents or employees.

The Landlord shall comply with all rules, regulations, orders, laws, ordinances and legal requirements and standards issued thereunder, all insofar as any of the sane shall relate to the use of the Building for general office purposes.

Landlord shall be responsible for providing those specific cleaning, janitorial and trash removal services for the Premises as described on Exhibit 7 hereto. If Landlord shall have failed to make or proceed with due diligence to make any necessary or appropriate repairs or fulfill any maintenance responsibilities set forth in this Lease within two (2) business days after notice thereof from Tenant, Tenant shall have the right, upon a subsequent written notice of not less than two (2) business days to Landlord, to undertake and perform such repair(s), provided, however, that if Landlord shall commence such repair(s) during such second two (2) business day period and thereafter diligently pursue same to completion, Tenant shall not have the right to continue to undertake such repair(s). Landlord shall pay all costs of such repairs required of Landlord under this Section 10 and which may be made by Tenant as permitted hereby upon the presentation of bona fide contractor invoices therefor. Landlord shall have no liability to Tenant for any loss or damage to Tenant or its property resulting from Tenant's performance of any repair or maintenance on behalf of Landlord pursuant to its rights hereunder.

All costs and expenses incurred by the Landlord under this Section 10 which are incurred in, furtherance of the Landlord's repair and maintenance responsibilities hereunder and are defined as Operating Costs hereunder shall be included in Operating Costs under Section 14 below, subject to the specific limitations and exclusions set forth in Section 14.

11. REPAIRS AND MAINTENANCE BY TENANT. Subject to the provisions herein, Tenant shall keep and maintain all portions of the Premises, including, without limitation, all equipment and systems installed by or at the expense of Tenant, in good order and repair, in a clean and orderly condition, free of accumulation of dirt, rubbish and other debris. Tenant shall be responsible (up to the amount of Landlord's deductible in the case of an insured loss) for the cost of repairs which may be made necessary by reason of damage to the Building or the Property 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). Tenant shall not be liable for such insured costs above such deductible. Tenant shall comply with all applicable rules, regulations, orders, laws, ordinances and legal requirements (including, without limitation, the Occupational Safety and Health Act, as amended) and standards issued thereunder, all insofar as any of the same shall relate to Tenant's use of the Premises and/or the conduct of its business therein.

12. SERVICE, UTILITIES, SUPPLIES AND FACILITIES.

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

(1) Access to the Premises twenty-four (24) hours a day, seven (7) days a week. Access to the Premises shall be subject to a reasonable security system installed by Tenant as part of Tenant's

construction o the Premises. Landlord shall, at Landlord's cost and expense in addition to the amount of Landlord's Contribution, purchase and install one (1) card key access device at the rear entrance to the Building for use by Tenant and all other tenants occupying space in the Building. Such device shall be consistent with like systems generally in use in similar buildings in the greater Boston area. Landlord agrees to hire Tenant's security contractor to install such system (at a cost

to Landlord not to exceed commercially competitive rates) so as to reasonably coordinate the operation of such Building access system with Tenant's security system to be installed in the Premises by Tenant. Landlord acknowledges the particular security needs of Tenant and shall make reasonable efforts to accommodate such needs in Landlord's compliance with the provisions of this Lease and their application to Tenant.

(2) Freight and passenger elevator service for the use of the Tenant, in common with others entitled thereto.

(3) Heat in accordance with seasonal requirements on Mondays through Saturdays (except legal holidays) from 8:00 a.m. to 9:00 p.m. and at such additional times as may be requested by Tenant from time to time upon reasonable advance notice to Landlord. Landlord's cost of supplying such additional service shall be paid by the Tenant or alternatively shall be shared proportionately between the Tenant and other tenants, if any, who request such service. Any such costs for additional heating services whether requested by Tenant or other tenants in the Building shall not be included in Operating costs but calculated as a separate charge to Tenant, and/or other tenants, by Landlord.

(4) Cleaning and janitor services including removal of refuse and rubbish and furnishing washroom supplies, as set forth in Exhibit 7.

(5) Hot and cold running water as supplied by the city or town or other supplier. If Tenant uses water for anything other than ordinary lavatory and drinking purposes, Landlord may assess a reasonable charge for the additional water so used, or install a water meter and thereby measure Tenant's water consumption for an purposes. In the latter 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 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.

(6) Electricity for all common areas in the Building and parking area lighting.

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

(8) Vermin extermination.

(9) The existing facilities for the Tenant's loading, unloading, delivery and pick-up activity including access thereto in common with others entitled thereto. The Tenant may use such facilities without providing the Landlord with notice on business days (i.e., Mondays through Fridays, except legal holidays) from 8:00 a.m. to 6:00 p.m. At all other times the Tenant shall give the Landlord reasonable advance notice.

Except for items to be charged directly to Tenant as expressly provided above, all costs and expenses incurred by the Landlord under this paragraph (a) shall be included in Operating Costs under Section 14 below, subject to the specific limitations and exclusions set forth in Section 14.

(b) Tenant shall contract directly with the electric utility supplier to furnish electric current to the Premises through the existing utility facilities serving the Building for lighting, outlets and the operation of the air conditioning system serving the Premises. The consumption of such electricity shall be measured by a separate Premises electric meter which Tenant shall install. Tenant shall pay all charges as reflected on such meter directly to the utility supplier. Tenant shall maintain and keep such meter in good order and repair throughout the term.

(c) The parties agree and acknowledge that the air conditioning system which serves the Premises serves the entire second floor of the Building. Until such time as another tenant(s) occupies all or any portion of the remainder of the second floor, Tenant shall pay for the entire cost of operating such air conditioning system, as provided in paragraph (b) above. From and after the date on which another tenant(s) occupy(ies) all or part of the balance of the second floor, Landlord shall reimburse Tenant on a monthly basis for the pro rata portion of the cost of electricity to operate such air conditioning system fairly allocable to such other tenant(s).

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, alteration, or improvement to the Building or Premises, or in the case of Force Majeure or other event beyond Landlord's reasonable control; provided however, that in any such case where it is possible, Landlord shall provide to Tenant reasonable prior written notice thereof and Tenant shall have the option to consult and meet with and accompany Landlord and/or any of his agents or contractors during such period(s).

(b) Notwithstanding anything to the contrary in this Lease contained, if the Premises shall lack any service which Landlord is required to provide hereunder or if Tenant's use and occupancy of the Premises be adversely affected by any of the Landlord's actions or inactions arising in connection with the situations described in paragraph (a) above, (in either case) rendering the Premises or a portion thereof untenantable for a period of five (5) consecutive business days, then, provided that such condition or Landlord's inability to cure such condition is not caused by the fault or neglect of Tenant or Tenant's agents, employees, contractors, or invitees, nor by events arising from Force Majeure, as defined in section 39, Basic Rent shall thereafter be abated in proportion to such untenantability until the day such condition is completely corrected. In the case where the cause of such interruption arises from an event of Force Majeure (i.e., but not due to the fault or neglect of Tenant, its agents, contractors, employees or invitees), Tenant's right to such abatement shall commence from and after the twenty-first (21st) consecutive day of such interruption. If such interruption continuer for thirty (30) consecutive days (forty-five (45) consecutive days in the case of an interruption caused by Force Majeure), for any reason other than the fault or neglect of Tenant, its agents, contractor, employees or invitees, then Tenant shall have the right and option, in addition to the right to

continue abatement of rent, from and after such date, to terminate this Lease by giving Landlord a written thirty (30) day termination notice, and in such event, the Lease shall terminate on the thirtieth (30th) day after the giving of the notice without further obligation or liability on the part of either party, provided however that if Landlord shall have corrected the condition previously rendering the Premises or a portion thereof untenantable by such thirtieth (30th) day, this Lease shall not terminate and Tenant's notice of such

termination shall be of no further force or effect.

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: "Operating Costs" are defined as those costs and expenses incurred by Landlord to operate, repair and maintain the Building and the Property as required by this Lease, and in the manner in which similar properties in the area in which the Property is located are operated, and shall include the following:

(a) Costs and expenses directly related to the Building for repairing, maintaining, operating and cleaning the tenant and common areas, and for removing snow, ice and debris, costs of property, liability and business interruption insurance, and associated equipment, tools and supplies.

(b) Costs and expenses of repairing paving, curbs, walkways, landscaping (including replanting and replacing flowers and other plantings), common and public lighting facilities in the Building and the Property.

(c) Electricity for lighting the common and public areas, and fuel used in heating, ventilating and air-conditioning the Building (exclusive of electricity for air conditioning furnished to the Premises and to the premises of other tenants, the cost of which shall not be included in Operating Costs).

(d) Maintenance and repair of mechanical and electrical equipment, including, without limitation, heating, ventilating and air-conditioning equipment in the Building (not including supplemental HVAC units installed by or at the expense of Tenant).

(e) Window cleaning and janitor service, including janitor equipment and supplies for the common and public areas.

(f) Maintenance of elevators, rest rooms, lobbies, hallways and other common and public areas of the Building.

(g) Building management fees in a sum equal to the amounts customarily and reasonably charged by management firms for similar properties in the area in which the Property is located.

Operating Costs shall not include: expenses for any capital repairs, replacements or improvements (capital repairs and/or capital expenditures shall include, without limitation, any repair which under Internal Revenue Code regulations would be amortized or depreciated over a period of three (3) years or greater); expenses for which the Landlord is reimbursed or indemnified (either by an insurer, condemnor, tenant or otherwise); expenses incurred in leasing or procuring tenants (including, without limitation, lease commissions, brokerage fees, advertising expenses and expenses of renovating space for current or prospective lessees or tenants), or any expenses or payments arising in any way in connection with the preparation, negotiation, and/or enforcement of the provisions of any lease of space in the Building or Property, including any professional fees; interest, principal, or any other

payments or charges of any sort or nature on any mortgage or mortgages, including any professional fees related thereto, and rental or other charges under any ground or underlying lease or leases; depreciation, amortization, and/or other non-cash charges; wages, salaries or other compensation paid for clerks or attendants in concessions or newsstands operated by the Landlord; the cost of any work or service performed for or facilities furnished to a tenant at the tenant's cost; the cost of correcting defects (latent or otherwise) in the construction of the Building or in the Building equipment, except that conditions (not occasioned by construction defects) resulting from ordinary wear and tear shall not be deemed defects; salaries and fringe benefits and other costs of personnel above the grade of building supervisor; the cost of installing, operating and maintaining a specialty improvement including, without limitation, an observatory or broadcasting, cafeteria or dining facility, or athletic, luncheon or recreational club; and any cost or expense representing an amount paid to a related corporation or other entity which is in excess of the amount which would be paid in the absence of such relationship; any income, estate, franchise, succession, inheritance, use, occupancy, gross receipts, rental or capital gains taxes, or any other taxes.

If Tenant shall assume responsibility for its own cleaning of the Premises, premises cleaning costs shall be excluded from Operating Costs, and in such event, the Building Expense Base shall be reduced by the cost of premises cleaning included therein.

If less than all of the Building Rentable Area was occupied by tenants during any Year or if Landlord did not incur Operating costs with respect to all tenants during any Year, then each of said Costs shall be reasonably adjusted and extrapolated by Landlord on an item-by-item basis (i.e., those which vary in accordance with the extent of occupancy or the provision of services, as the case may be) to the estimated Operating Costs that would have been incurred if the Building had been fully occupied for such Year and such Costs had been incurred in respect of all tenants; and such extrapolated amount shall, for the purposes hereof, be deemed to be the operating Costs for such 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 solely and exclusively 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, actual out-of-pocket expenses of tax abatement or other proceedings contesting assessments or levies, or any professional fees related thereto. Although Taxes in Massachusetts are payable on the basis of a July 1 - June 30 fiscal/tax year, for the purposes of this Section, Taxes shall be computed on a calendar year basis, based upon the sum of one-half (1/2) the Taxes payable in respect of each applicable fiscal/tax year. (For example, Taxes for 1993 would be 1/2 the Taxes in respect of the 1993 fiscal/tax year, plus 1/2 the Taxes in respect of the 1994 fiscal/tax years.)

If the real estate taxes are reduced after the Tenant has paid its proportionate share thereof, and provided Tenant shall not then be in default of any monetary obligation under this Lease, beyond any applicable grace period, the Landlord will pay to the Tenant or the Tenant will be credited with the Tenant's proportionate share of the reduction. Any real estate tax increase or decrease during the term of this Lease shall be apportioned so that the Tenant shall pay or receive its proportionate share of only that portion of the real estate tax increase or decrease as falls within the term.

Notwithstanding anything herein contained to the contrary, Landlord shall bear the cost of and pay when due all special assessments and real estate taxes resulting from assessments attributable to redesign and expansion or renovation of the Building or Property, except for any improvements or facilities or changes to the Building or Property as are made or requested by Tenant.

(iv) BUILDING EXPENSES: The sum of Operating Costs plus Taxes. Provided, however, for purposes hereof, in no event shall Building Expenses in any Year exceed the Building Expense Cap (as hereinafter defined) for such Year.

(v) BUILDING EXPENSE CAP: For 1993, the Building Expense Cap shall be $198,720.00. Thereafter, the Building Expense Cap shall be increased each Year so as to be equal to one hundred fifteen percent (115%) of the Building Expense Cap for the prior Year (e.g., the Building Expense Cap for 1994 shall be $228,528.00.)

(vi) BUILDING EXPENSE BASE: The amount set forth on Exhibit 1. Landlord hereby represents that the Building Expense Base set forth on Exhibit 2 hereto is Landlord's good faith estimate of all Operating Costs Landlord anticipates incurring for the Building for the Year 1993 on an annualized basis if the Building were fully occupied.

(vii) TENANT'S PROPORTIONATE SHARE: The fraction or percentage set forth on Exhibit 1, being the Premises Rentable Area divided by the Building Rentable Area.

(b) TENANT'S PAYMENTS.

(i) If in any Year of the term of this Lease, as it may be extended, Building Expenses (subject to the Building Expense Cap as hereinabove provided) shall exceed the Building Expense Base (the amount of such excess being hereinafter defined as the "Excess Building Expense"), 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 Expense multiplied by (ii) Tenant's Proportionate Share, such amount to be paid by Tenant to be apportioned for any Year in which the Rent Commencement Date occurs or the Term of this Lease ends.

(ii) Tenant's Building Expense Escalation charge, if any, for 1993, shall be paid by Tenant to Landlord within thirty (30) days after Tenant is billed therefor; Landlord may render such bill not earlier than January 1, 1994. Commencing January 1, 1994, estimated payments by Tenant on account of amounts due hereunder shall be made monthly in advance on the first day of each month. 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 the most recent data with respect to Building Expenses then available (e.g., Landlord's receipt of a new Tax bill).

(iii) Not later than four (4) months following the end of

each Year during the term of this Lease and any extensions thereof, Landlord shall cause its actual Building Expenses to be audited by an independent certified public accountant; such statement may be prepared by Landlord and certified by one of the trustees of Landlord, and in any event, shall be sent by Landlord to Tenant within thirty (30) days after the end of such four (4) month period. In such statement, Landlord shall duly note any cost or expense representing an amount paid to a related corporation or other entity. Landlord shall, at Tenant's request, to be made not later than the date which is sixty (60) days after Tenant's receipt of Landlord's statement, make available to Tenant for inspection and examination at the office of Landlord all the books and records that relate to such statement. Tenant shall complete such audit within ninety (90) days after Tenant advises Landlord of its intention to do so as aforesaid, and any Year so audited or reviewed by Tenant shall thereafter be closed to further audit.

(iv) If estimated payments previously made for any particular Year by Tenant exceed Tenant's required payment on account thereof for such Year, according to such statement, Landlord shall promptly refund such overpayment, 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 30 days after being so advised by Landlord. 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 (other than in respect of payments, if any, made by Tenant on account

of estimated Building Expense Escalation Charges for such Year) if in any Year Building Expenses are less than the Building Expense Base.

(c) TAX CONTEST. If Landlord will not be adversely affected thereby, either through the imposition of a lien upon the Property or otherwise, and provided that Tenant shall have paid to Landlord all amounts due in respect of Tenant's Building Expense Escalation Charge and is not otherwise in monetary or material non-monetary default under this Lease, Tenant shall have the right, by appropriate proceedings, if Landlord shall fail or refuse to do so, to protest or contest any assessment or reassessment for real estate taxes, or any special assessment, or the validity of either, or of any change in assessments. At Tenant's request, from time to time, Landlord shall provide to Tenant copies of all bills for taxes and assessments, as the case may be, received by Landlord. In the contest or proceedings, Tenant may act in its own name and/or the name of Landlord and the Landlord will, at Tenant's request and provided Landlord is not put to any expense thereby, cooperate with Tenant in any way Tenant may reasonably require in connection with such contest. Any contest conducted by Tenant hereunder shall be at Tenant's expense and, in the event any penalties, interest or late charges become payable with respect to the real estate taxes as the result of such contest or protest, Tenant shall reimburse Landlord for the same. However, Landlord shall be solely responsible for any penalties, interest or late charges imposed on the Landlord through no fault of Tenant.

15. INSURANCE.

(a) LANDLORD'S INSURANCE. Landlord shall, from and after the date hereof and throughout the term of this Lease, as it may be extended, maintain a policy of comprehensive public liability insurance of at least $2,000,000 and property damage insurance covering the Building and Property (excluding Tenant's Work, any alterations or improvements made to the Premises by Tenant pursuant to Section 8 and, if applicable, Tenant's RFO Work referred to in Section 38 below [all of the foregoing being hereinafter called "Tenant's Improvements"]) against loss, damage or destruction caused by fire with extended coverage. (A certificate of Landlord's present insurance coverage is attached hereto as Exhibit 8.) Fire and extended coverage shall equal at least ninety (90%) percent of the replacement cost of the Building (exclusive of Tenant's Improvements, as aforesaid) above foundations. Each such policy of insurance

shall be non-cancelable and non-amendable without thirty (30) days prior notice to Tenant. Landlord shall provide to Tenant duplicate originals or certificates of all insurance coverages required to be maintained by Landlord hereunder.

(b) TENANT'S INSURANCE. Tenant shall, from and after the date hereof and throughout the term of this Lease, as it may be extended, maintain a policy of comprehensive public liability insurance of at least $2,000,000 and property insurance for Tenant's Improvements and for Tenant's personal property, equipment, furnishings and fixtures in an amount equal to at least ninety (90%) percent of the replacement cost thereof. For purposes hereof and other applicable provisions of this Lease (including, without limitation, Sections 16(b) and 17), Tenant's property (and phrases of similar import) shall include property leased, as well as owned, by Tenant. Landlord (and such other persons as Landlord may designate by notice to Tenant from time to time) shall be named as insureds on Tenant's liability insurance. Each such policy of liability insurance shall be non-cancellable and non-amendable with respect to Landlord and Landlord's said designees without thirty (30) days prior notice to Landlord and

its designees. Tenant shall provide to Landlord and Landlord's designees duplicate originals or certificates of all insurance coverages required to be maintained by Tenant hereunder.

(c) SUBROGATION. Landlord and Tenant shall each cause all policies of fire, extended coverage, and other physical damage insurance covering the Premises, the Building, Tenant's Improvements, and any property in the Building 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, except as to Tenant's obligations with respect to Landlord's deductible as set forth in the second sentence of Section 11.

16. INDEMNITIES OF TENANT AND LANDLORD.

(a) TENANT INDEMNITY. Subject to Section 15(c), and except to the extent arising from a negligent or wilfull act or omission on the part of Landlord, its agents, employees, invitees or contractors, 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 to any person or to the property of any person in the Premises; 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, where such accident, damage or injury outside of the Premises results or is claimed to have resulted from a negligent or willful act or omission on the part of Tenant or Tenant's agents or employees. Landlord shall notify Tenant of such loss, etc. when Landlord learns of any such matter it understands involves Tenant and (subject to the approval of Landlord's insurer) Tenant shall have the right to assume the defense thereof with reputable and qualified legal counsel reasonably acceptable to Landlord.

(b) LANDLORD INDEMNITY. Subject to Sections 15(c) and 17, and except to the extent arising from a negligent or wilfull act or omission on the part of Tenant, its agents, employees, invitees or contractors, Landlord agrees to defend, indemnify and save harmless Tenant from and against all loss, liability, damage, costs, expenses and claims of whatever nature arising (i) from any accident, injury or damage to any persons or to the property of any person (other than Tenant) in the Premises, or (ii) from any accident, injury or damage to persons or to the property of any person (other than Tenant) occurring outside of the Premises but in or about the Building or occurring elsewhere on the Property, where such accident, damage or injury in the Premises or outside the Premises results or is claimed to have resulted from a negligent or wilfull act or omission on the part of the Landlord or its agents or employees. Tenant shall notify Landlord of such loss, etc., when Tenant learns of any such matter

it understands involves Landlord and (subject to the approval of Tenant's insurer) Landlord shall have the right to assume the defense thereof with reputable and qualified legal counsel reasonably acceptable to Tenant.

17. 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 and Landlord shall have no responsibility or liability for any loss of or

damage to any of the same, 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, except to the extent arising from a negligent or wilfull act or omission on the part of Landlord, its agents, employees or contractors, provided that Landlord shall bear such responsibility only for ordinary office and research and development property, as hereinafter defined, and provided further that Landlord's responsibility hereunder shall also be subject to Section 15(c). For purposes hereof, "ordinary office and research and development property" shall mean such property as is customarily found in office/r&d facilities comparable to Tenant's Premises in the greater Boston area and shall exclude property of a rare or exotic nature, 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 other part of the Building or the Property.

18. LANDLORD'S ACCESS RIGHTS.

(a) Upon reasonable prior written notice to Tenant, except that no such notice shall be required in the case of an emergency, and subject to all of the relevant provisions of Section 13, Landlord shall have the right to enter the Premises at reasonable hours 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 nine (9) months of the term of this Lease, to prospective tenants. Except were not possible by reason of an emergency, Tenant shall have the right to accompany any such parties during such period(s).

(b) Tenant acknowledges that the only access to the balance of the second floor of the Building will be through Tenant's reception area until such time (if ever) as Landlord constructs the corridor(s) contemplated by Section 6(g) above. Accordingly, until such corridor(s) are constructed, Landlord reserves, and Tenant agrees that Landlord shall have, an unlimited right of access during business hours (and without notice to Tenant, except that Landlord shall use reasonable efforts to give Tenant prior oral notice of Landlord's intention to enter the Premises pursuant to this paragraph (b)) through Tenant's reception area to the balance of the second floor of the Building for the purpose of showing such space to existing or prospective tenants, mortgagees, purchasers and others, for making inspections, repairs and replacements, and for constructing such space for occupancy by others. Landlord shall exercise such access rights in a manner so as to minimize interference with the conduct of Tenant's business in the Premises.

19. CONDEMNATION.

(a) If at any time during the Term or any extension thereof the whole of the Building and Property shall be taken for any public or quasi-public use, under any statute, or by right of eminent domain, then except as provided in paragraph (c), this Lease shall terminate as of the date Tenant is scheduled to be deprived of possession by reason of such taking. If less than all of the Building and Property shall be so taken and in the Tenant's reasonable, bona fide business judgment, exercised in good faith, the remaining part is insufficient for the conduct of the Tenant's business, the Tenant may, by notice to the Landlord given within ninety (90) days

after notice of such taking, terminate this Lease. If the Tenant exercises its option, this Lease and the term hereof shall end on the date Tenant is scheduled to be deprived of possession by reason of such taking, and the rent and additional rent shall be apportioned and paid to such date and Tenant shall have no further liability or obligation to Landlord.

(b) If less than all of the Building and Property shall be taken and Tenant does not elect to terminate this Lease pursuant to paragraph (a) above, this Lease shall remain unaffected, except that the Tenant shall be entitled to a pro-rata abatement of rent and additional rent based on the proportion which the area of the Premises so taken bears to the area of the Premises demised hereunder immediately prior to such taking.

(c) If the use and occupancy of the whole or any part of the Building or Property is temporarily taken for a public or quasi-public use for a period of more than three (3) months but less than the balance of the term, at the Tenant's option to be exercised in writing and delivered to the Landlord not later than ninety (90) days after the date the Tenant is notified of such taking, this Lease and the term hereby granted shall terminate on the date specified in the Tenant's notice or shall continue in full force and effect. If the Lease remains in effect, the Tenant shall be entitled to a proportional abatement of rent and additional rent in the manner and to the extent provided in paragraph (b).

(d) In the event of a taking hereunder, the Tenant shall be entitled, if allowed by law, to appear, claim, prove and receive in the condemnation proceeding (1) the unamortized value (calculated on a straight-line basis over the remainder of the then current term of the Lease, including any extension terms the option for which Tenant has exercised as of the date of such taking) of the improvements and alterations to the Premises as made by Tenant at the Tenant's expense but regardless of whether the improvements and alterations might be considered a part of the premises or shall be or become the property of the Landlord under the terms of this Lease; (2) the value of the Tenant's fixtures; (3) the cost of relocation; and (4) special awards or allowances provided by law to tenants (other than for the value of Tenant's leasehold) in the event their rental space is taken by eminent domain; provided, however, that the amount of the award due Landlord as a result of such taking shall not be reduced by Tenant's claims and that Tenant's claims shall in all events be subject and subordinate to the rights of Landlord's mortgagee(s). Except for any award specifically referred to in the preceding sentence which Tenant is entitled to claim, there are expressly reserved to Landlord all rights to compensation and damages created, accrued or accruing by reason of any such taking, in implementation and confirmation of which Tenant does hereby acknowledge that Landlord shall be entitled to receive all such compensation and damages, grant to Landlord all and whatever rights (if any) Tenant may have to such compensation and damages, and agree to execute and deliver all and whatever further instruments of assignment as Landlord may from time to time request.

(e) If there is a taking hereunder and this Lease is continued, the Landlord shall, at its expense, but limited to the amount of condemnation proceeds made available to it by the taking authority and the holder of any mortgage or lessor under any ground lease on the Property, proceed with reasonable diligence to repair, alter and restore the Building (and Property, if relevant) as a complete architectural unit of substantially the same proportionate usefulness, design and construction existing immediately prior to the date of taking.

(f) Taking by condemnation or eminent domain hereunder shall include the exercise of any similar governmental power and any sale, transfer or other disposition to the condemning authority of the Building or Property in lieu or under threat of condemnations.

20. CASUALTY.

(a) If any portion of the Premises, the common areas of the Building or Building equipment or systems serving the Premises or common areas (hereinafter collectively referred to as the "damaged property") shall incur minor damage by reason of fire or other casualty, Landlord will restore such damaged property (excluding Tenant's Improvements, which shall be restored by Tenant) to substantially their condition immediately prior to such damage for Tenant's use and occupancy as speedily as possible. If, for any reason, such restoration shall not be completed by Landlord within one hundred twenty (120) days after such damage shall have occurred, Tenant shall have the right to terminate this Lease by giving a thirty (30) day termination to Landlord. Upon giving of such notice, this Lease shall cease and come to an end as of said thirtieth (30th) day after the giving of notice without further obligation of liability on the part of either party, unless by the said thirtieth (30th) day Landlord shall have completed such restoration, in which event Tenant's termination notice shall be void and of no further force or effect. Notwithstanding anything to the contrary contained in this Section 20, Landlord's obligation to restore any damage shall be limited to the amount of any insurance proceeds made available to Landlord by any holder of a mortgage or lessor under any ground lease on the Property.

(b) If damaged property shall be substantially damaged by fire or other casualty ("substantial damage" meaning damage which Landlord reasonably anticipates cannot be restored substantially to the condition they were in immediately prior to such fire or casualty within one hundred twenty [120] days after the occurrence thereof) Landlord shall have the right to terminate this Lease. Landlord shall notify Tenant in writing of its determination to terminate this Lease or restore the damaged property within thirty (30) days of such fire or casualty. The term of this Lease may be so terminated not earlier than twenty (20) days after delivery of Landlord's termination notice nor later than thirty (30) days thereafter. If Landlord shall not elect to terminate this Lease but if, in the opinion of Tenant, the operation of Tenant's business in the Premises in the normal course is materially adversely affected, then, within fourteen (14) days of its receipt of Landlord's notice of its election to restore the damaged property, Tenant shall request a written engineering estimate of Landlord as to the length of time needed to restore the damaged property. Within fifteen (15) days of such request, Landlord shall submit to Tenant a reasonable engineering estimate as to the estimated length of time to complete such repairs. If such estimate shall exceed one hundred twenty (120) days from the date of such casualty, Tenant may elect, by a notice sent within fifteen (15) days after Tenant's receipt of such estimate, to terminate this Lease. If such estimate shall fall within the one hundred twenty (120) day limit, Tenant shall have no such right to terminate and Landlord shall, subject to the provisions of this Section 20, proceed with due diligence and promptness to

substantially complete the repairs or restoration (excluding property to be restored by Tenant, as provided in paragraph (a) above) within such one hundred twenty (120) day period. If Landlord's estimate exceeds 120 days as aforesaid but Tenant, although having the right to do so, does not elect to terminate this Lease within 15 days after receipt of such estimate as aforesaid, then and in such event, Landlord shall, subject to the provisions of this Section 20, proceed with due diligence and promptness to substantially complete the repairs or restoration (excluding property to be restored by Tenant, as provided in paragraph (a) above) within the period set forth in Landlord's estimate. If, for any reason, such restoration shall not be completed by Landlord within the period set forth in Landlord's estimate (or, if longer, within one hundred twenty (120) days after such damage shall have occurred), Tenant shall have the right to terminate this Lease by giving a thirty (30) day termination to Landlord. Upon giving of such notice, this Lease shall cease and come to an end as of said thirtieth (30th) day after the giving of notice without further obligation or liability on the part of either party, unless by the said thirtieth (30th) day Landlord shall have completed such restoration, in which event Tenant's termination notice shall be void and of no further force or

effect.

(c) Pending Landlord's restoration of the damaged property (excluding property to be restored by Tenant, as provided in paragraph (a) above) or termination of this Lease as aforesaid, Tenant shall be entitled to a proportionate abatement of rent and additional rent payable during the period commencing on the date of the damage and ending on the date the damaged property is restored as aforesaid or this Lease is terminated, as the case may be. The extent of rental abatement shall be based upon the portion of the Premises rendered untenantable, unfit or inaccessible for use by Tenant during such period. If this Lease is terminated pursuant to paragraphs (a) or (b) above, then rent and additional rent (as the same may have been abated pursuant to the preceding sentence) shall be apportioned as of the date of termination and all prepaid rent and additional rent, if any, in respect of periods from and after the effective termination date shall be repaid.

21. TENANT'S DEFAULT. Tenant shall be in default under this Lease in the event that Tenant (a) 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 written notice from Landlord to Tenant, or (b) 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 written notice from Landlord to Tenant specifying such failure or neglect, or if such failure is of such 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 (c) 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 all or substantially all of Tenant's property for the benefit of creditors.

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 the Lease, 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, but not including alterations or repairs not reasonably necessary for Landlord to seek mitigation of damages arising in connection with Tenant's default. In the event of termination by reason of default by Tenant, Landlord shall be obligated to use all reasonable efforts to mitigate any and all damages therefrom. For purposes hereof, "reasonable efforts" shall mean listing the Premises with a

commercial property broker who in the ordinary course deals with similar properties; but Landlord shall in no event be required to re-let the Premises in lieu of leasing other space in the Building. Tenant shall pay Landlord's reasonable actual out-of-pocket costs of enforcing this Lease, including, without limitation, reasonable attorneys' fees and costs, as additional rent.

At any time within one (1) year after termination of this Lease for Tenant's default, as liquidated damages and in lieu of all other damages beyond the date of demand hereunder, at Landlord's election, Tenant shall pay to Landlord an amount equal to Basic Rent, Building Expense Charges and other sums payable under this Lease which would have been payable hereunder for the period of one (1) year from the date of Landlord's election had this Lease remained in effect (assuming, for the purpose of this sentence, that Building Expense Charges payable by Tenant for said one year period would be in an amount equal to the Building Expense charges required for the year immediately preceding the Year in which such election is made).

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 within thirty (30) days of notice thereof by Tenant to Landlord and to any mortgagee or ground lessor whose names and addresses have been previously given by written notice to Tenant, or if such failure is of such nature that Landlord cannot reasonably remedy the same within thirty (30) days, Landlord shall have failed promptly to commence to remedy the same and to prosecute such remedy with diligence and continuity.

23. LIMITATIONS ON LIABILITY.

(a) LANDLORD'S LIABILITY. With respect to the Landlord's obligations as Landlord hereunder, Tenant agrees, in the event of breach of any of the terms and conditions of this Lease, to look solely to the Landlord's interest in the Property 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 arising out of a breach of any of the terms and conditions of this Lease with respect to the Landlord's obligations as Landlord hereunder. In no event shall Landlord (original or successor) or any such officers, etc., as aforesaid, ever be liable for indirect or consequential damages arising from whatever cause.

(b) TENANT'S LIABILITY. Landlord agrees, in the event of breach of any of the terms and conditions of this Lease, to look solely to the Tenant for recovery of any judgment from Tenant; it being specifically agreed that in no event shall any recourse under any provisions of this Lease otherwise permitted by any statute or rule of law or decision be had against any of Tenant's past, present, or future incorporators, subscribers, stockholders, officers, or directors, partners, beneficiaries, trustees, representatives, or principal(s), whether disclosed or undisclosed, and the like, either directly or through such entity

24. RULES AND REGULATIONS. Tenant shall abide by rules and regulations from time to time reasonably established by Landlord, it being agreed that such rules and regulations will be established and applied by Landlord in a non-discriminatory fashion. Landlord agrees to use

reasonable efforts to insure that any such rules and regulations are uniformly enforced, but 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 6. 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. The Rules and Regulations shall not be applicable to Tenant to the extent that any such rule or regulation unreasonably interferes with the Tenant's contemplated use of the Premises (including Tenant's Work) or with Tenant's particular security requirements. Without limiting the generality of the foregoing, notwithstanding such Rules and Regulations: (i) Tenant may keep on the Premises animals or birds, etc. necessary for the conduct of its business therein, provided that Tenant complies with all laws and other legal requirements applicable thereto and that Tenant shall keep such animals or birds, etc. appropriately caged (or otherwise restricted) so as to avoid escape or other annoyance or disturbance to other occupants of the Building; and (ii) chemicals, combustible or otherwise, shall be permitted on the Premises as necessary for the conduct of Tenant's business therein, subject to the provisions of Section 40(b), which shall be applicable thereto.

25. NOTICE. 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 express, registered or certified mail, return receipt requested, 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).

If intended for Tenant, addressed to Tenant at Tenant's original Address as stated in Exhibit 1 until the Rent Commencement Date and thereafter to the Premises (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 or (ii) if mailed, when deposited in the United States Mail within the Continental United States, provided that the same are received in ordinary course at the address to which the same were sent.

26. LANDLORD'S TITLE AND CONFORMITY WITH LEGAL REQUIREMENTS. Landlord covenants as a condition of this Lease that it has good marketable fee title to the Building and Property subject to the encumbrances listed as of the date hereof on Certificate of Title No. 161435 filed with the Middlesex South Registry District of the Land Court in Book 937, Page 85, and that Landlord has the right to make this Lease for the term aforesaid; that the provisions of this Lease do not conflict with or violate the provisions of existing agreements between Landlord and third parties; that, to the best knowledge of Landlord, the Premises and Property are in conformity with all applicable legal requirements, including, without limitation, zoning and planning ordinances, and do not violate applicable restrictions, if any; that as of the date of this Lease, there are no claims, lawsuits, judgments or similar matters affecting the Premises, Building or the Property in connection with the title, zoning and planning ordinances or environmental matters, and that Landlord will notify Tenant within five (5) business days of discovery of any

such claims, causes of action, lawsuits, controversies or judgments which would affect this Lease or Tenant's use and occupancy of the Premises; and that Landlord will deliver actual possession of the Premises to Tenant free of all tenants and occupants and in accordance with all terms and conditions of this Lease.

27. SUBORDINATION AND NON-DISTURBANCE. Tenant acknowledges and agrees that this Lease shall be 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.

(b) Notwithstanding anything to the contrary in the foregoing contained, the above provided subordination shall be effective only if the encumbering mortgage or ground lease documentation (as the case may be) provides, or if the mortgagee or ground lessor (as the case may be) agrees by a written instrument in recordable form and otherwise in the customary form of such mortgagee or ground lessor and in form reasonably acceptable to Tenant, that, INTER ALIA, as long as Tenant shall not be in default, beyond the expiration of applicable grace periods, of the obligations on its part to be kept and performed under the terms of this Lease, this Lease will not be affected and Tenant's possession hereunder will not be disturbed by any default in, termination and/or foreclosure of, such mortgage and/or ground lease (as the case may be). For purposes of the preceding sentence, Tenant agrees (without limitation) that the form of non-disturbance agreement which Tenant enters into with the present mortgagee, Lexington Savings Bank, will be acceptable to Tenant with respect to future mortgagees.

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. REMEDYING TENANT DEFAULTS. Landlord shall have the right, but not the obligation, to pay such sums or take such action as may be necessary or appropriate by reasons of the failure or neglect of Tenant to perform any of the provisions of this Lease, and in such event, Tenant agrees to reimburse Landlord within fifteen (15) days after demand for all reasonable costs and expenses so inquired by Landlord, together with interest thereon at a rate equal to 12% per annum. Any payment of Basic Rent, Building Expense Charges or other sums payable hereunder not paid within ten (10) days the same shall have become due shall bear interest at the rate as aforesaid from the date thereof and shall be payable within fifteen (15) days after demand. by Landlord, as additional rent.

30. REASONABLE CONSENT. Whenever any provision of this Lease states that the consent, approval or acceptance of either Landlord or Tenant is required, such consent, approval or acceptance shall not be unreasonably withheld.

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 two (2) times the sum of (i) Basic Rent then in effect plus (ii) Building Expense 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. 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 otherwise in the same condition as Tenant is required to surrender and return the Premises to Landlord pursuant to Section 8 and to maintain the Premises pursuant to Section 11 above, excepting only as to Tenant's maintenance obligations, reasonable wear and tear and damage by fire or other casualty.

33. ARBITRATION. In the event that any dispute should arise between the parties hereto as to the validity of this Lease or as to the construction, enforcement or performance of this Lease, such dispute, subject to the provisions of this Section 33, shall be settled by arbitration before a single arbitrator conducted at Boston, Massachusetts, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. As to any dispute involving the payment of money, however, no arbitration shall be permitted until the party with the payment obligation in question shall have paid such money in dispute, under protest (and reserving its rights), in full to the other party. No refusal to pay any amount coupled with a call for arbitration shall be deemed to negate any of the provisions of default set forth in the Lease. The decision of the arbitrator shall be final and binding on all parties thereto, and judgment upon any award entered in such proceeding may be entered in any court having jurisdiction thereof. The unsuccessful party to such arbitration shall pay to the successful party all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred therein by such successful party and such costs, expenses and attorneys' fees shall be included in and as part of such judgment or award. The determination of the arbitrator shall be conclusive on the matter of which party is successful for purposes hereof.

In no event, however, shall this Section 33 be deemed to preclude a party hereto from instituting legal action seeking relief in the nature of a restraining order, an injunction or the like in order to protect his or its rights pending the outcome of an arbitration hereunder. With respect to matters submitted to arbitration the parties shall continue to perform their obligations hereunder relative to said matters pending resolution of the dispute by

arbitration. Nothing in this Section 33 shall prevent Tenant's continued occupancy of the Premises during the term of this Lease and the pendency of any arbitration proceedings, provided Tenant is not otherwise in default (beyond the expiration of any applicable notice and grace periods) under this Lease.

34. BROKERAGE. Landlord and Tenant each represent to the other that they nave not entered into any agreement or incurred any obligation in connection with this transaction which might result in the obligation to pay a brokerage commission to any broker other than the Landlord's agreement with the broker listed in Exhibit 1. Landlord shall pay all fees and commissions due to such broker in connection with this transaction. Each party shall indemnify and hold the other party harmless from and against any claim or demand by any broker or other

person for bringing about this Lease who claims to have dealt with such indemnifying party, including all expenses incurred in defending any such claim or demand (including reasonable attorneys' fees).

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

36. TENANT'S OPTION TO EXTEND THE TERM OF LEASE.

(a) On the condition, which condition Landlord may waive, at its election, by written notice to Tenant at any time, that Tenant is not in default after the expiration of applicable notice and grace periods of its covenants and obligations under this Lease both as of the time of option exercise and as of the commencement of the hereinafter described additional term, Tenant shall have the option to extend the term of this Lease for two (2) additional successive five (5) year terms, each such additional term commencing as of the day after the expiration of the initial term or immediately preceding the first additional term, as the case may be. Tenant may exercise such option to extend by giving Landlord written notice on or after the date twenty-four (24) months prior to the expiration date of the original term of this Lease or of the first additional term (as the case may be) and on or before the date which is six (6) months prior to the expiration date of this original term of this Lease or of the first additional term (as the case may be). Upon the timely giving of such notice, the term of this Lease shall be deemed extended upon all of the terms and conditions of this Lease, except that the Basic Rent and Building Expense Base during such additional term shall be as hereinafter set forth, (ii) Section 6 shall not be applicable thereto, and (iii) the Rent Commencement Date in respect of each such additional term shall be the first day thereof. 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 36(a). It and when Tenant exercises its first and/or second extension option hereunder, Landlord shall, at no cost to Tenant, and prior to the commencement of the first and, applicable, second extension term, repaint the Premises, with two coats of paint of quality and type to match existing paint. The options to extend described herein shall be applicable to any "RFO Premises" leased by Tenant pursuant to Section 38 below.

(b) BASIC RENT. The Basic Rent during the additional term shall be the Fair Market Rental Value, as defined in paragraph (a) of Section 37, as of the commencement of the then applicable additional term, of the Premises then demised to Tenant; provided, however, that in no event shall the sum of the applicable Basic Rent and Building Expense Escalation Charges for the Premises then demised to Tenant, to be payable during such additional term, be less than sum of the Basic Rent and Building Expense Escalation Charges for such Premises which were payable immediately preceding the commencement of each such additional term.

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

(d) Notwithstanding the fact that upon Tenant's exercise of the herein options to extend the term of the Lease such extensions shall be self-executing, as aforesaid, the parties shall promptly execute a lease amendment reflecting each such additional term after Tenant exercises the applicable option, except that the Basic Rent payable in respect of each such

additional term and the figure for the Building Expense Base need not be set forth in the applicable amendment. Subsequently, after such Basic Rent and the figure for the Building Expense Base are determined, the parties shall execute a written agreement confirming the same. The execution of such lease amendment shall not be deemed to waive any of the conditions to Tenant's exercise of its rights under paragraph (a) of this Section 36, unless otherwise specifically provided in such lease amendment.

37. DEFINITION OF FAIR MARKET RENTAL VALUE. For the purpose 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 in comparable general office space (but not comparable lab space as built by Tenant hereunder at its own cost and expense) located in 125 Hartwell Avenue, Lexington, Massachusetts, or if no new leases or agreements to lease are then currently being negotiated or executed in the Building, the Fair Market Rental Value shall be determined by reference to bona fide offers being made by Landlord to prospective tenants for the lease of comparable general office space (but not comparable lab space as built by Tenant hereunder at its own cost and expense) in the Building; or if there are no prospective tenants to whom Landlord may make such offers, then Fair Market Rental Value shall be determined by reference to new leases or agreements to lease then currently being negotiated or executed for comparable general office space (but not comparable lab space as built by Tenant hereunder at its own cost and expense) located elsewhere in office/research and development buildings aged and otherwise 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, location of premises, lease term, condition of building and services provided by the Landlord.

(b) DISPUTE AS TO FAIR MARKET RENTAL VALUE. Landlord shall initially designate Fair Market Rental Value and Landlord shall furnish data in support of such designation. If Tenant disagrees with Landlord's designation of a Fair Market Rental Value, Tenant shall have the right, by written notice given within thirty (30) days after Tenant has been notified of Landlord's designation, to submit such Fair Market Rental Value to arbitration. Fair Market Rental value shall be submitted to arbitration as follows: Fair Market Rental Value shall be determined by impartial arbitrators, one to be chosen by the Landlord, one to be chosen by Tenant and a third to be selected, if necessary, as below provided. The unanimous written decision of the two first chosen, without selection and participation of a third arbitrator, or otherwise, the written decision of a majority of three arbitrators chosen and selected as aforesaid, shall be conclusive and binding upon Landlord and Tenant. Landlord and Tenant shall each notify the other of its chosen arbitrator within ten (10) days following the call for arbitration and, unless such two arbitrators shall have reached a unanimous decision within thirty (30) days after their designation, they shall so notify the American Arbitration Association (or such organization as may succeed to said Association) and request said Association to select an impartial third arbitrator to determine Fair Market Rental Value as herein defined. Such third arbitrator and the first two chosen shall, subject to commercial arbitration rules of the American Arbitration Association, hear the parties and their evidence and render their decision within thirty (30) days following the conclusion of such hearing and notify Landlord and Tenant thereof. Landlord and

Tenant shall bear the expense of the third arbitrator (if any) equally. The decision of the arbitrators shall be final and binding of 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.

38. TENANT'S RIGHT OF FIRST OFFER. On the conditions (which conditions Landlord may waive, at its election, by written notice to Tenant at any time) (i) that Tenant is not in default after the expiration of applicable notice and grace periods of its covenants and obligations under the Lease, (ii) that Fuji ImmunoPharmaceuticals Corp. and/or a Fuji Successor itself is occupying at least fifty percent (50%) of the premises then demised to Tenant (in the case of (i) and (ii), both at the time that Landlord is required to give Landlord's Notice, as hereinafter defined, and as of the Commencement Date in respect of the RFO Premises in question), (iii) that Fuji ImmunoPharmaceuticals Corp and/or a Fuji Successor will itself occupy the RFO Premises in question, and (iv) that if there are two (2) years or less remaining in the then applicable term of the Lease, Tenant shall have previously or simultaneously with the valid exercise of its rights hereunder exercised its next applicable extension option, Tenant shall have the following rights to lease RFO Premises, as hereinafter defined, when such RFO Premises become available for lease to Tenant, as hereinafter defined. In no event shall Tenant have any rights under this Section 38 on or after the date on which there shall be less than two (2) full years remaining in the Term of this Lease, unless Tenant shall have validly exercised any remaining applicable extension option, as aforesaid. It Tenant exercises its second extension option under Section 36, Tenant's rights under this Section 38 shall lapse as of the third (3rd) anniversary of the commencement date of such second additional term.

(a) DEFINITION OF RFO PREMISES. "RFO Premises" shall be defined as any separately demised area which is situated within the second floor of 125 Hartwell Avenue, Lexington, Massachusetts, and which becomes available for lease to Tenant, as hereinafter defined, during the term of this Lease, as the same may be extended. For the purposes of this paragraph (a), an area shall be deemed to be "available for lease to Tenant" if, during the term of this Lease, Landlord, in its sole judgment, determines that such area will become available for leasing to Tenant (i.e., when Landlord determines that the then current tenant of such RFO Premises will vacate such RFO Premises, or any portion thereof, and when Landlord intends to offer such premises for lease). In no event shall Tenant have any such rights under this Section 38 in respect of Landlord's initial leasing (after the date hereof) of any space on the second floor of 125 Hartwell Avenue.

(b) EXERCISE OF RIGHT TO LEASE RFO PREMISES. Landlord shall give Tenant written notice ("Landlord's Notice") at the time that Landlord determines, as aforesaid, that RFO

Premises will become available for lease to Tenant. Landlord's Notice shall set forth Landlord's designation of the Fair Market Rental Value (as hereinabove defined) applicable to such RFO Premises, the estimated date on which Landlord expects to deliver such RFO Premises to Tenant, and the exact location of such

RFO Premises. Tenant shall have the right, exercisable upon written notice ("Tenant's Exercise Notice") given to Landlord within thirty (30) days after the receipt of Landlord's Notice, to lease such RFO Premises. If Tenant fails timely to give Tenant's Exercise Notice, Tenant shall have no further right of lease such RFO Premises pursuant to this paragraph (b). Upon the timely giving of Tenant's Exercise Notice, Landlord shall lease and demise to Tenant and Tenant shall hire and take from Landlord, such RFO premises, upon all of the same terms and conditions of the Lease (including the options to extend described in Section 36 hereof) except as hereinafter set forth.

(c) LEASE PROVISIONS APPLYING TO RFO PREMISES. The leasing to Tenant of any RFO Premises shall be upon all of the same terms and conditions of the Lease, including, without limitation, Building Expense Base, except as follows:

(1) COMMENCEMENT DATE. The Commencement Date in respect of any RFO Premises shall be the earlier of (A) ninety (90) days after the later of (x) the estimated delivery date in respect of such RFO Premises as set forth in Landlord's Notice, or (y) the date that Landlord actually delivers such RFO Premises to Tenant, or (B) the date on which Tenant shall occupy all or any portion of such RFO Premises for the conduct of its business therein.

(2) RENT COMMENCEMENT DATE. The Rent Commencement Date in respect of any RFO Premises shall be the Commencement Date in respect of such RFO Premises.

(3) TERMINATION DATE. The Termination Date in respect of any RFO Premises shall be the Termination Date set forth on Exhibit 1 of the Lease, as the same may be or may have been extended by Tenant pursuant to Section 36.

(4) BASIC RENT. The Basic Rent rental rate in respect of any RFO Premises shall be based upon ninety percent (90%) of the Fair Market Rental Value, as defined in Section 37 of this Lease, of such RFO Premises as of the Commencement Date in respect of such RFO Premises; provided, however, that in no event shall the sum of the applicable Basic Rent rental rate and Building Escalation charges per square foot of rentable area of the RFO Premises be less than the average, if any (weighted on a square foot basis) of the sum of the applicable Basic Rent rental rate and Building Escalation Charges, per square foot in effect, as of such Commencement Date, in respect of the remainder of the Premises then demised to Tenant.

(5) CONDITION OF RFO PREMISES; TENANT'S RFO WORK. Tenant shall take any RFO Premises "as-is" in its then (i.e., as of the date of premises delivery) state of construction, finish, and decoration, without any obligation on the part of Landlord to construct or prepare any RFO Premises for Tenant's occupancy. Accordingly, Section 6 shall not apply to the RFO Premises. However, upon Tenant's exercise of its option to lease RFO Premises and delivery of such RFO Premises by Landlord to Tenant, Tenant shall have the right, subject to Landlord's approval of the plans therefor and to the other provisions of Section 8 above, to make such alterations and improvements to the RFO Premises as Tenant deems reasonably necessary for its use and occupancy thereof ("Tenant's RFO Work").

(d) EXECUTION OF LEASE AMENDMENTS. Notwithstanding the fact that Tenant's exercise of the above-described option to lease RFO Premises shall be self-executing, as aforesaid, the parties hereby agree promptly to execute a lease amendment reflecting the addition of any RFO Premises, except that the Basic Rent payable in respect of any such RFO Premises may not be as set forth in such amendment. At the time that such Basic Rent is determined, the parties shall execute a written agreement confirming the same. The execution of such lease amendments shall not be deemed to waive any of the conditions to Tenant's exercise of the herein option to lease RFO Premises, unless otherwise specifically provided in such lease amendments.

39. FORCE MAJEURE. As used in this Lease, "Force Majeure" shall mean, collectively and individually, strike, lock-out or other labor trouble, fire or other casualty, governmental preemption of priorities or other controls in connection with a national or other public emergency or shortages of fuel, supplies or labor; breakdown; accident; or because of war or other emergency, or for any cause beyond the reasonable control of the party obligated to, but prevented from performing. In no event, however, shall Force Majeure apply to nonpayment of monetary obligations.

40. ENVIRONMENTAL CONCERNS.

(a) Landlord represents, warrants and covenants to the best of its knowledge and belief that (i) Landlord has not caused or permitted any activity to take place on, in, or under the Premises which has generated, manufactured, refined, transported, treated, stored, handled, disposed, transferred, produced, cleaned up or processed any oil, hazardous or toxic substances or materials, except in compliance with all applicable federal, state and local laws, regulations, ordinances and orders, and has not caused or permitted and has no knowledge of any discharge, release, storage, or disposal of any oil, hazardous or toxic substances or materials, on, in or under the Premises in violation of any such laws, etc; (ii) Landlord is in compliance with all federal, state and local requirements relating to protection of health or the environment in connection with its ownership or use of the Premises; (iii) there is no action, suit, lien or other proceeding brought by or threatened by any governmental agency against Landlord or the Premises to enforce any law, regulation, ordinance or order relating to protection of health or the environment or any lien, litigation or other proceeding brought or threatened against the Landlord or the Premises, or any settlements reached by any person(s) or group(s) alleging the presence, disposal, release, or threatened release of any oil, hazardous or toxic substance or material, or on arising from any activity conducted on the Premises; (iv) there are no underground tanks located on or under the Premises; and (v) there are no PCBs or PCB contaminated material or asbestos contained in or otherwise present on, in or under the Premises.

(b) Tenant shall not (either with or without negligence) cause or permit the illegal escape, disposal or release of any biologically or chemically active or other hazardous substances or materials. Tenant shall not allow the storage or use of such substances or materials in any manner not sanctioned by law or by the highest reasonable standards prevailing in the industry for the storage and use of such substances or materials, nor allow to be brought onto the Property and into the Building and such materials or substances except to use in the ordinary course of Tenant's business, and then only after written notice is given to Landlord of the identity of such substances or materials, except that no such notice need be given with respect to

ordinary cleaning fluids and other materials ordinarily used incident to routine business office purposes. If and to the extent that, in such notice, Tenant advises Landlord that the information contained therein constitutes Tenant's trade secrets, Landlord shall keep such information confidential; provided, however, the foregoing confidentiality provisions shall not prevent or restrict Landlord from disclosing such information to Landlord's environmental consultants, Landlord's existing or prospective mortgagee(s), or to any governmental authority having jurisdiction with respect to environmental matters, or as may be otherwise required by any applicable law, rule or regulation. Without limitation, hazardous substances and materials shall include those described in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C., Section 9601 et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C., Section 6901 et seq., any applicable state or local laws and the regulations adopted under these acts. 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 concerning Tenant's best knowledge and belief regarding the presence of hazardous substances or materials on the Premises. In all events, Tenant shall indemnify Landlord in the manner elsewhere provided in this Lease from any release of hazardous materials on the Premises occurring while Tenant is in possession, or elsewhere if caused by Tenant or persons acting under Tenant. The within covenants shall survive the expiration or earlier termination of the lease term.

41. SIGNS.

(a) Subject to Landlord's prior approval, not to be unreasonably withheld or delayed, Tenant may place (i) Tenant-identification signs on the entrance doors to the Premises, and (ii) a Tenant-identification sign on the existing small brick wall located by the driveway entry to the Property. The Tenant's name, and the name of each division, subsidiary or affiliate thereof occupying space in the Building, shall be affixed to a directory board in the Building to be provided by the Landlord at the Landlord' s expense.

(b) If Tenant shall occupy the entire second (2nd) floor of the Building, or otherwise occupy fifty percent (50%) of the Building Rentable Area, Tenant shall be permitted either to place a Tenant-identification sign on the exterior of the Building or to construct a free-standing Tenant-identification sign on the Property, provided that Tenant shall obtain and maintain in full force and effect all governmental approvals, licenses, permits and the like required with respect to the installation and/or maintenance of such sign. Provided further, however, Landlord shall have the right to pre-approve the location, size and other design features of any such sign to be installed by Tenant pursuant to this paragraph (b).

(c) At the expiration or earlier termination of the Term of this Lease, Tenant shall, at its sole cost and expense, remove any signs installed by Tenant in or upon the Premises, the Building and/or the Property, and repair any damage thereto caused by the installation, presence and/or removal of such sign(s).

42. NOTICE OF LEASE. The parties hereto shall in the form attached hereto as Exhibit 9 execute a notice of this Lease (including any options or extensions thereof) for recording purposes. The Tenant shall pay all costs of recording.

43. CHANGE OF NAME. If at any time after the execution of this Lease the Landlord desire to change the existing name of the Building or the exterior signs now affixed to the Building or the Property, the Landlord shall notify the Tenant at least sixty (60) days prior to the date of such a change. If the proposed new name or sign identifies, or in the Tenant's reasonable judgment may be associated with, a competitor of the Tenant, the Tenant may require Landlord to refrain from changing the existing name of the Building or the affixation to the Building or the Property of a new sign.

44. MISCELLANEOUS PROVISIONS. The Section and paragraph headings throughout this instrument, and the Table of Contents, are for convenience and reference only, and shall not be used to construe this Lease; the provisions of this Lease shall be construed against both parties in accordance with the language hereof and no prior statements, representations or agreements not expressly incorporated herein shall be given effect for this purpose; no remedy or election given by any provision in this Lease shall be deemed exclusive unless so indicated, but each shall, wherever possible, be cumulative in addition to all other remedies in law or equity which either party may have arising out of the default of the other party and failure to cure such default within the applicable grace period; each provision hereof shall be deemed both a covenant and a condition running with the land; failure of either party to cure a default of the other under this Lease shall not render such non-defaulting

party in any way liable therefor, or relieve the defaulting party from any of its obligations hereunder; the acceptance of possession of the Premises by the Tenant shall not be deemed a waiver of any of the obligations under this Lease to be performed by the Landlord; the Landlord hereby covenants that the Tenant may deal with any person, firm or corporation for services, supplies, materials, labor, equipment, transportation, tools, machinery and any other similar or dissimilar services or items in connection with the use and occupation of the Premises and any work performed therein, subject to express right of Landlord, under other provisions of this Lease, to review and approve the selection of any of the foregoing.

45. BINDING AGREEMENT. This Lease shall bind and inure to the benefit of the parties hereto and their respective executors, distributees, heirs, representatives, successors and assigns.

46. ENTIRE AGREEMENT. This Lease contains the entire agreement of the parties and may not be modified except by an instrument in writing which is signed by both parties. No prior statements, representations or agreements not expressly incorporated therein or herein shall be given effect for this purpose.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be duly executed, under seal, by persons hereunto duly authorized, in multiple copies, each to be considered an original hereof, as of the Execution Date state in Exhibit 1.

LANDLORD:	TENANT:
125 HARTWELL TRUST	FUJI IMMUNOPHARMACEUTICALS CORP.
By: /S/ MICHAEL L. COLANGELO Michael L. Colangelo, As Trustee and Not Individually	By: /S/ STEPHEN D. GILLIES Stephen D. Gillies, President Hereunto Duly Authorized

EXHIBIT 1, SHEET 1

125 Hartwell Avenue
Lexington, Massachusetts
(the "Building")

BASIC PROVISIONS
AND
LEASE REFERENCE DATA

Execution Date:	October 26, 1992
TENANT and Original Address:	Fuji ImmunoPharmaceuticals Corp. a Delaware corporation (description of business organization 400 Brookline Avenue, Suite 8F Boston, Massachusetts 02115 (principal place of business-original address)
LANDLORD and Original Address:	125 Hartwell Trust, under a 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, 62 Massachusetts Avenue, Lexington, MA 02173, Attention: President

BUILDING: The building in the town of Lexington, Middlesex County, Massachusetts, known as and numbered 125 Hartwell Avenue, and shown as Lot 2 on Land Court Plan No. 23467C, a copy of which is filed in the Registry of Deeds for the South Registry District of Middlesex County in Registration Book 852, Page 189, with Certificate of Title No. 144539.

PROPERTY: The Building and the Land Parcel on which it is located (including adjacent sidewalks and parking areas).

EXHIBIT 1, SHEET 2

125 Hartwell Avenue
Lexington, Massachusetts
(the "Building")

BASIC PROVISIONS
AND
LEASE REFERENCE DATA

ESTIMATED RENT COMMENCEMENT DATE:	February 1, 1993
TERM:	The period commencing (the 'Commencement Date") on the Rent Commencement Date and expiring on the date immediately preceding the fifth (5th) anniversary of the Rent Commencement Date, provided that it the Rent Commencement Date occurs on any day other than the first day of a calendar month, the expiration date ("Termination Date") shall be the last day of the calendar month in which the fifth (5th) anniversary of the Rent Commencement Date shall fall, subject to the terms and conditions hereof, including options to extend.
PREMISES DESCRIPTION AND AREA:	10,980 (+/-50) square feet of Premises Rentable Area in the Building, substantially as shown on Exhibit 3. The Premises are subject to expansion as provided in Article 38 below.
BUILDING RENTABLE AREA:	38,400 square feet.
BASIC RENT:	$104,310.00 per year ($8,692.50 per month).
SECURITY DEPOSIT:	N/A
PERMITTED USES:	To be used and occupied by the Tenant for office, research and development; engineering, education and training of the Tenant's customers and employees; light assembly and manufacturing; processing, packaging, marketing, sales and all other uses or activities incidental or related thereto.

EXHIBIT 1, SHEET 3

125 Hartwell Avenue
Lexington, Massachusetts
(the "Building")

BASIC PROVISIONS

AND
LEASE REFERENCE DATA

TENANT'S PROPORTIONATE SHARE:	10,980 S/F divided by 38,400 S/F or 28.59%
BUILDING EXPENSE BASE:	$172,800.00
BROKER:	Ian Grant, Spaulding & Slye Colliers High Street Tower 125 High Street 16th Floor Boston, MA 02110
LANDLORD'S AGENT:	Lexington Management Incorporated 62 Massachusetts Avenue, Lexington, MA 02173
TENANT'S CONSTRUCTION REPRESENTATIVE:	H. Randolph Lewis Olson Lewis 17 Elm Street Manchester, MA 01944
TENANT'S CONTRACTOR:	Kaplan Corporation, Contractors and Builders 116 Harvard Street Brookline, MA 02146

LANDLORD:	TENANT:
125 HARTWELL TRUST	FUJI IMMUNOPHARMACEUTICALS CORP.
By: /S/ MICHAEL L. COLANGELO Michael L. Colangelo, As Trustee and Not Individually	By: /S/ STEPHEN D. GILLIES Dr. Stephen D. Gillies, President

125 Hartwell Avenue

Lexington, Massachusetts
(the "Building")

FIRST AMENDMENT
As of January 31, 1993

	LANDLORD:	125 Hartwell Trust
	TENANT:	Fuji ImmunoPharmaceuticals Corp.
	EXISTING PREMISES:	An area containing 1.0,980 (+/-50) square feet of Premises Rentable Area located on the second (2nd) floor of the Building, substantially as shown on Exhibit 3 to the Lease.
ORIGINAL LEASE DATA:	LEASE EXECUTION DATE:	October 26, 1992
	PREVIOUS LEASE AMENDMENTS:	None

ADDITIONALPREMISES: An area containing 8,830 square feet of Premises Rentable Area located on the second (2nd) floor of the Building, substantially as shown as the "RFO Premises" on Exhibit 3 to the Lease.

WHEREAS, Tenant desires to lease additional premises in the Building, to wit, the Additional Premises; and

WHEREAS, Landlord is willing to lease the Additional Premises to Tenant on the terms and conditions hereinafter set forth.

NOW THEREFORE, the above-described lease (the "Lease") is hereby amended as follows:

1. MATTERS PERTAINING TO THE EXISTING PREMISES.

Landlord and Tenant wish to confirm certain understandings with respect to the Existing Premises.

Accordingly, Landlord and Tenant hereby acknowledge and agree that:

A. The Commencement Pate in respect of the Existing Premises shall be February 1, 1993.

B. The Rent Commencement Date in respect of the Existing Premises shall be February 1, 1993.

C. The Termination Date in respect of the Existing Premises shall be January 31, 1998, subject to the options to extend set forth in Section 36 of the Lease.

D. The Basic Rent in respect of the Existing Premises shall be increased to $115,290.00 per year (i.e., $9,607.50 per month).

E. Section 6(g) of the Lease is hereby deleted in its entirety.

F. The following clause (10) is hereby added to Section 12(a) of the Lease before the last sentence thereof:

> (10) Air conditioning in accordance with seasonal requirements on Mondays' through Fridays (except legal holidays) from 8:00 am. to 6:00 p.m. and at such additional times as may be requested by Tenant from tine to time upon reasonable advance notice to Landlord. Landlord's cost of supplying such additional service shall be paid by Tenant or alternatively shall be shared proportionately between Tenant and other tenants, if any who request such service. Any such costs for additional air conditioning services whether requested by Tenant or other tenants in the Building shall not be included in Operating Costs but calculated as a separate charge to Tenant, and/or other tenants, by Landlord.

G. The first sentence of section 12(b) of the Lease is hereby deleted and replaced by the following:

> Tenant shall contract directly with the electric utility supplier to furnish electric current to the Premises through the existing utility facilities serving the Building for lighting, outlets and equipment installed by Tenant.

H. Section 12(c) of the Lease is hereby deleted in its entirety.

I. The parenthetical at the end of clause (a) of Section 14(a) (ii) of the Lease is hereby deleted in its entirety.

J. The Building Expense Base in respect of the Existing premises shall be increased to $211,200.00. In furtherance thereof:

(i) Exhibit 2 to the Lease is hereby deleted and replaced by Exhibit 2 attached hereto and made a part hereof; and

(ii) The figures "$198,720.00" and "$228,528.00" as they appear in Section 14(a) (v) of the Lease are hereby deleted and the figures "$242,880.00" and "$279,312.00", respectively, are inserted, in place thereof.

K. Tenant has installed supplemental roof-top HVAC units to provide additional heat and air conditioning to the Existing Premises. Such units have been separately metered by Tenant for gas and electricity. Tenant shall pay all charges as reflected on such meters directly to the applicable utility suppliers. Tenant shall maintain and keep such meters in good condition and repair throughout the Text of the Leans. Landlord and Tenant further acknowledge and agree that any supplemental roof-top HVAC units which Tenant intends to install to provide additional heat end air conditioning to the Additional Premises (which installation shall be subject to the terms and conditions of the Lease, as hereby amended) shall be connected by Tenant to the meters measuring the consumption of gas and electricity with respect to the roof-top HVAC units serving the Existing Premises, and Tenant shall pay all charges as reflected on such meters directly to the applicable utility suppliers, as aforesaid.

L. Section 18(b) of the Lease is hereby deleted in its entirety.

2. DEMISE OF ADDITIONAL PREMISES

Landlord hereby demises and leases to Tenant, and Tenant hereby hires and takes from Landlord, the Additional Premises. Said demise of the Additional Premises shall be upon all of the same tens and conditions of the Lease (as hereby amended) applicable to the Existing Premises (including, without limitation, the Commencement Pate of February 1, 1993, the Rent Commencement Date of February 1, 1993, the Termination Date of January 11, 1998 (which shall be subject to the options to extend set forth in Section 36 of the Lease), and the Building Expense Base of $211,200.00), except as follows:

A. The Basic Rent payable in respect of the Additional Premises shall be as follows:

(i) For the period commencing on the Rent Commencement Date (i.e., February 1, 1993) and ending on January 31, 1994, an amount (the "Base Additional Premises Rental Amount") equal to $39,735.00 per year (i.e., $3,311.25 per month). Notwithstanding anything to the contrary herein contained, if Tenant shall occupy any portion of the Additional Premises for the conduct of its business prior to February 1, 1994, then the Base Additional Premises Rental Amount for the period from the date that Tenant first occupies such portion of the Additional Premises for the conduct of its business through January 31, 1994 shall be increased by the product of (I) Seven Dollars ($7.00) per square foot of Premises Rentable Area per year, multiplied by (II) the number of square feet of Premises Rentable Area of such portion of the Additional Premises occupied by Tenant for the conduct of its business (e.g., if Tenant occupies 4,415 square feet of Premises Rentable Area of the Additional Premises on August 1, 1993, then the Base Additional Premises Rental Amount as of August 1, 1993 shall be increased from $39,735.00 per year to $70,640.00 per year); and

(ii) For the period commencing on February 1, 1994 and

ending on the Termination Date (i.e., January 31, 1998), $101,545.00 per year (i.e., $8,462.08 per month).

Accordingly, the Basic Rent payable in respect of all premises demised by Tenant under the Lease (i.e., the Existing Premises and the Additional Premises) shall be as follows:

(x) For the period commencing on the Rent - Commencement Date and ending on January 31, 1994, an annual amount equal to the sum of (A) $115,290.00, plus (B) the Base Additional Premises Rental Amount (as and to the extent the same may be increased in accordance with clause (i) above); and

(y) For the period commencing on February 1, 1994 and ending on the Termination Pate, $216,835.00 per year (i.e., $18,069.58 per month).

B Tenant's Proportionate Share in respect of the Additional Premises shall be 8,830 S/F divided-by 36,400 S/F, or 23.00%. Accordingly, Tenant's Proportionate Share in respect of all premises demised by Tenant under the Lease (i.e., the Existing Premises and the Additional Premises) shall be 51.59%.

C. In accordance with section 2 of the Lease, Tenant shall, by reason of the demise of the Additional Premises, be entitled to an additional thirty-four (34) parking spaces in the paved parking area located adjacent to the Building as shown cm Exhibit 3 to the Lease, the use of which spaces shall be subject to the same tens and conditions of the Lease applicable to the original forty-one (41) spaces provided to Tenant incident to its lease of the Existing Premises. Accordingly, the total number of parking spaces which Landlord shall provide and maintain for the use of Tenant's employees and invitees pursuant to Section 2 of the Lease shall be seventy-five (75).

D. Section 6 at the Lease shall not apply to the Additional Premises, except to the extent otherwise provided in Paragraph 3 of this First Amendment.

E. Any other provisions of the Lease inconsistent with this First Amendment or the state of facts contemplated hereby.

3. CONDITION OF ADDITIONAL PREMISES

A. Tenant hereby accepts the Additional Premises in their "as-is" condition (i.e., in the condition which they are in as of the Commencement Date in respect of the Additional Premises) without any obligation on the part of Landlord to prepare or construct the Additional Premises for Tenant's occupancy. Tenant shall, at Tenant's sole cost and expense, subject to the provisions of subparagraph C below, prepare the Additional Premises for Tenant's occupancy (except as described in subparagraph D below). Tenant shall use all reasonable diligence to perform its work ("Tenant's Additional Premises Work") in the Additional Premises in a timely manner.

B. Tenant's Additional Premises Work shall be performed by Tenant subject to, in accordance with and upon the same terms and conditions of sections 6(b), (c), (d) and (h) of the Lease applicable to the performance of Tenant's Work in the Existing Premises, except as follows:

(i) The last sentence of Section 6(b) of the Lease shall have no force or effect upon, nor applicability to, the Additional Premises or Tenant's Additional Premises Work. Tenant shall have the right, subject to the terms and conditions of Sections 6(b), (c), (d)

and (h) end the other relevant provisions of the Lease (as hereby amended), to install supplemental roof-top HVAC units to provide additional beat and air conditioning to the Additional Premises.

(ii) Tenant's termination right set forth in Section 6(c) of the Lease, as it relates to Tenant's Additional Premises Work, shall apply only to the Additional Premises and not the Existing Premises (i.e., in the event that such right of termination arises in connection with the performance of Tenant's Additional Premises Work, Tenant shall have the right to terminate the Tern of the Lease only in respect of the Additional Premises)

(iii) Tenant's general contractor and all so-called "major trade" subcontractors (which shall include, but-not be limited to, electrical, HVAC, plumbing, drywall and acoustical ceiling subcontractors) and such other contractors as Tenant intends to engage in connection with the performance of Tenant's Additional Premises Work shall be subject to Landlord's prior consent, which consent shall not be unreasonably withheld or delayed For purposes hereof, the term "Tenant's Contractor" as used in sections 6(d) and (h) of the Lease shall mean the general contractor (to be approved by Landlord, as aforesaid) which Tenant shall engage in connection with the performance of Tenant's Additional Premises Work.

(iv) Tenant hereby acknowledges that, unlike the situation with respect to the performance of Tenant's Work for the Existing Premises, the portion of the first (1st) floor of the Building over which the Additional Premises are located is, and during the construction of Tenant's Additional Premises Work will be, occupied by another tenant (the "First Floor Tenant"). Accordingly, and without limiting anything contained in Section 6(d) of the Lease, Tenant agrees to perform Tenant's Additional Premises Work, and to cause its contractors to perform Tenant's Additional Premises Work, in a manner which will not materially interfere with the use and occupancy of such portion of the first (1st) floor of the Building by the First Floor Tenant. If any portion of Tenant's Additional Premises Work will, in Landlord's reasonable judgment, materially interfere with the business operations of the First Floor Tenant (such as, but not limited to, penetrations into the floor of the Additional Premises), Landlord shall have the right to require such portion of Tenant's Additional Premises Work to be performed during non-business hours. To assist Landlord in determining whether any portion of Tenant's Additional Premises Work will materially interfere with the business operations of the First Floor Tenant, Tenant shall provide Landlord with a reasonably detailed construction schedule setting forth the date(s) and times on and during which it is anticipated that each portion of Tenant's Additional Premises Work will be performed. Such construction schedule shall be given to Landlord prior to the commencement of Tenant's Additional Premises Work, and Tenant shall promptly advise Landlord of any change in or deviation from such schedule and submit to Landlord a revised construction schedule reflecting any such change or deviation. Tenant agrees that the second and third sentences of Section 11 of the Lease shall, without limitation, apply to any damage to the premises or the property of the First Floor Tenant caused by or attributable to the performance of Tenant's Additional Premises Work, and that the provisions of clause (ii) of the first sentence of Section 16(a) of the Lease, as well as the provisions of the last sentence of Section 16(a) of the Lease, shall, without limitation, apply to any liability to the First Floor Tenant with respect thereto.

C. Landlord shall contribute an amount up to $44,150.00 ("Landlord's Additional Praises Contribution") expressly for the purchase and installation of the items of work set forth in Exhibit 4 to the Lease, which Tenant shall purchase and install as part of Tenant's Additional Premises Work. An such items set forth in said Exhibit 4 shall be at least equal to the quality of items set forth in Part C of Exhibit 5 to the Lease. Landlord's Additional Premises contribution shall be used for no purpose other than for the purchase and installation of the items listed in said Exhibit 4. Landlord shall pay amounts on account of Landlord's Additional Premises Contribution directly to contractors or suppliers upon receiving from Tenant actual vendor invoices for labor and/or materials billed to Tenant. There shall be no credit due Tenant for

any unused portion of Landlord's Additional Premises Contribution. Section 6(e) of the Lease shall not apply to the Additional Premises; but nothing herein shall relieve Landlord of its obligation to contribute Landlord's Contribution as provided in said Section 6(e) with respect to the performance of Tenant's Work in the Existing Premises.

D. Notwithstanding the foregoing, Landlord shall, at its own cost and expense, install a sprinkler system as described in Exhibit 5 to the Lease for the Additional Premises and a firs protection system as required by all applicable federal, state or local requirements for the Additional Premises, to the extent applicable to general office space. The last two sentences of Section 6(f) of the Lease shall apply to the Additional Premises and Tenant's Additional Premises Work, MUTATIS MUTANDIS.

4. TENANT'S RIGHT OF FIRST OFFER

As Tenant's lease Of the Additional Premises constitutes the remaining space on the second (2nd) floor of the Building, Section 38 at the Lease is hereby deleted from the Lease in its entirety.

5. PREMISES

Unless the context otherwise requires (e.g., in Section 6 of the Lease), the term "Premises" as used in the Lease (as hereby amended) shall refer to both the Existing Premises and the Additional Premises.

6. HEADINGS

Titles and paragraph headings are for reference purposes and for convenience of the parties only and shall have no bearing upon, nor force or effect in respect of, the interpretation and application of the substantive provisions in this First Amendment contained.

As hereby amended, the Lease is ratified, approved and confirmed in all respects.

EXECUTED under seal as of the date first written above.

LANDLORD:	TENTANT:
125 HARTWELL TRUST	FUJI IMMUNOPHARMACEUTICALS CORP.
By: /S/ MICHAEL L. COLANGELO	By: /S/ DR. STEPHEN D. GILLIES
Michael L. Colangelo, As Trustee and Not Individually	Dr. Stephen D. Gillies, President

125 Hartwell Avenue
Lexington, Massachusetts
(the "Building")

SECOND AMENDMENT
October 1, 1997

LANDLORD: 125 Hartwell Trust, under a 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
EXISTING LEASE DATA:	TENANT:	Fuji ImmunoPharmaceuticals Corp., a Delaware corporation
	PREMISES:	Approximately 19,810 square feet of Premises Rentable Area on the second (2nd) floor of the Building, consisting of approximately 10,980 square feet of Premises Rentable Area under the original Lease shown as the leased premises on Exhibit 3 thereto, plus approximately 8,830 square feet of Premises Rentable Area added by the First Amendment referred to below shown as the "RFO Premises" on said Exhibit 3.
	LEASE EXECUTION DATE:	October 26, 1992
	TERMINATION DATE:	January 31, 1998
	PREVIOUS LEASE AMENDMENTS:	First Amendment dated as of January 31, 1993
	EXTENDED TERMINATION DATE:	January 31, 2003 (subject to Tenant's option to further extend the Term pursuant to Section 36 of the lease)

WHEREAS, Tenant has, by notice dated July 28, 1997, a copy of which is attached hereto as Exhibit A, exercised its option to extend the Term of the lease for the first five-(5)-year additional term provided for in Section 36 of the lease;

WHEREAS, the parties have agreed upon the Basic Rent and the Building Expense Base for such additional term pursuant to Sections 36 and 37 of the Lease; and

WHEREAS, the parties wish to confirm such lease extension, Basic Rent and Building Expense Base and the other terms and conditions to apply during such additional term.

NOW THEREFORE, the parties hereby agree that the above referenced lease, as amended by the aforesaid First Amendment (collectively, the "Lease"), is hereby further amended as follows (capitalized terms used herein without definition shall have the meanings ascribed to them in the Lease):

1. EXTENSION OF TERM OF LEASE

The Term of the Lease is hereby extended for an additional term commencing as of February 1, 1998 and expiring as of January 31, 2003. The demise of the Premises for such additional term shall be upon all of the same terms and conditions of the Lease in effect immediately preceding the commencement of such additional term, except as follows:

A. The Basic Rent payable in respect of the Premises during the additional term shall be $495,250.00 per annum (i.e., $41,270.83 per month). Tenant's obligation to pay Basic Rent at such new rate and to pay all other charges under the Lease with respect to the additional term shall commence on February 1, 1998. The current Basic Rent and charges under the Lease shall remain in effect prior to said date.

B. The Building Expense Base during the additional term shall be the actual amount of Building Expenses for calendar year 1997. Further in such regard, the Building Expense Cap for calendar year 1998 shall be one hundred

fifteen percent (115%) of the Building Expenses for calendar year 1997. Thereafter, the Building Expense Cap shall be increased each Year so as to equal one hundred fifteen percent (115%) of the Building Expense Cap for the prior Year. Building Expense Escalation Charges payable by Tenant in respect of the additional term shall be calculated using such revised Building Expense Base, and Building Expenses during such additional term shall be subject to the applicable Building Expense Cap as set forth above.

C. Landlord shall have no obligation to renovate or construct any new improvements in the Premises (or to provide any construction allowance or contribution or the like) for or with respect to Tenant's occupancy during the additional term.

D. In the event any of the provisions of the Lease are Inconsistent with this Second Amendment or the state of facts contemplated hereby, the provisions of this Second Amendment shall control.

Without limiting the foregoing, Tenant shall have its remaining option to further extend the Term of the Lease for one (1) additional five (5) year period (i.e., February 1, 2003 through January 31, 2008) subject to and in accordance with Section 36 of the Lease.

2. BROKER

If any commission, fee or other compensation shall be due, with respect to this Second Amendment and the extension of the Term effected hereby, to the original brokers who were paid a commission by Landlord at the time of the execution and delivery of the original Lease

(the "Original Brokers"), Landlord shall pay the Original Broker such commission, fee or compensation. Tenant shall indemnify and hold Landlord (and its trustees, beneficiaries, agents and employees) harmless of and from all claims that may be made by any person (other than the Original Brokers) against Landlord (or its trustees, beneficiaries, agents or employees) for brokerage or other compensation in the nature of brokerage with respect to this Second Amendment on account or arising out of Tenant's dealings with such person.

As amended by this Second Amendment, the Lease is hereby ratified, approved and confirmed in all respects.

WHEREFORE, the parties have hereunto set their hands and seals as of the date first above written.

LANDLORD:	TENTANT:
	FUJI IMMUNOPHARMACEUTICALS CORP.
/S/ MICHAEL L. COLANGELO	/S/ DR. STEPHEN D. GILLIES
Michael L. Colangelo, signing as Trustee of 125 Hartwell Trust and not individually and without recourse against the Trustee personally or his assets	Name: Stephen D. Gillies Title: President Hereunto Duly Authorized

125 Hartwell Avenue
Lexington, Massachusetts
(the "Building")

THIRD AMENDMENT
November 1, 2002

	LANDLORD:	125 Hartwell Trust, under a 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
	ASSIGNOR:	EMD Lexigen Research Center Corp. (formerly known as Lexigen Pharmaceuticals Corp. and before that Fuji ImmunoPharmaceuticals Corp.), a Delaware corporation
	TENANT OR ASSIGNEE:	EMD Pharmaceuticals, Inc., a Delaware corporation
EXISTING LEASE DATA:	PREMISES:	Approximately 19,810 square feet of Premises Rentable Area on the second (2nd) floor of the Building, consisting of approximately 10,980 square feet of Premises Rentable Area under the original Lease shown as the leased premises on Exhibit 3 thereto, plus approximately 8,830 square feet of Premises Rentable Area added by the First Amendment referred to below shown as the "RFO Premises" on said Exhibit 3
	LEASE EXECUTION DATE:	October 26, 1992
	TERMINATION DATE:	January 31, 2003
	PREVIOUS LEASE AMENDMENTS:	First Amendment dated as of January 31, 1993 Second Amendment dated October 1, 1997
	EXTENDED TERMINATION DATE:	January 31, 2008

WHEREAS, Assignor has, by notice dated July 29, 2002, a copy of which is attached hereto as EXHIBIT A, exercised its option to extend the Term of the above-referenced lease, as amended by the aforesaid First Amendment and Second Amendment (collectively, the "Lease"), for the second five-(5)-year additional term provided for in Section 36 of the Lease;

WHEREAS, Assignor desires to assign its interest in the Lease to Assignee arid Assignee desires to accept such assignment;

WHEREAS, the parties have agreed upon the Basic Rent and the Building Expense Base for such additional term pursuant to Sections 36 and 37 of the Lease and Landlord is willing to consent to Assignor's assignment of its interest in the Lease to Assignee; and

WHEREAS, the parties wish to confirm such assignment of the Lease and to confirm such lease extension, Basic Rent and Building Expense Base and the other terms and conditions to apply during such additional term

NOW TEEREFORE, the parties hereby agree that the Lease is hereby amended as follows (capitalized terms used herein without definition shall have the meanings ascribed to them in the Lease):

1. ASSIGNMENT AND ASSUMPTION OF LEASE

A. Effective as of November 1, 2002, Assignor hereby assigns all of its right, title and interest in and to the Lease (as hereby amended) to Assignee.

B. For the express benefit of Landlord, Assignee hereby assumes all of the obligations of Assignor under the Lease (as hereby amended) and agrees to perform and keep all covenants, conditions and agreements of Assignor under the Lease (as hereby amended). Without limiting the foregoing, Assignee agrees that the provisions of Section 9 of the Lease shall apply to all future proposed assignments of Assignee's interest in the Lease and to all future proposed subleases of the Premises.

C. In consideration of the foregoing agreements by Assignee, and without in any way diminishing the primary liability of Assignor as party-tenant under the Lease (as hereby amended), Landlord hereby consents and agrees to the foregoing assignment by Assignor to Assignee. Said consent by Landlord shall not constitute a waiver of the obligation of the tenant under the Lease to obtain Landlord's consent to any subsequent assignment or sublease of or under the Lease, if and to the extent that such consent is required by the Lease.

2. EXTENSION OF TERM OF LEASE

The Term of the Lease is hereby extended for an additional term commencing as of February 1, 2003 and expiring as of January 31, 2008. The demise of the Premises for such additional term shall be upon all of the same terms and conditions of the Lease in effect immediately preceding the commencement of such additional term (including, without limitation, the Basic Rent payable in the amount of $495,250.00 per annum (i.e., $41,270.83 per month) and the Building Expense Base equal to the actual amount of Building Expenses for

calendar year 1997, subject to the provisions of Paragraph 1B of the Second Amendment to the Lease), except as follows:

A. Tenant shall have no right to extend the Term of the Lease beyond January 31, 2008.

B. Except for Landlord's obligation to repaint the Premises as required by Section 36(a) of the Lease, which obligation Tenant acknowledges has been satisfied by Landlord, Landlord shall have no obligation to renovate or construct any new improvements in the Premises (or to provide any construction allowance or contribution or the like) for or with respect to Tenant's occupancy during the additional term.

C. In the event any of the provisions of the Lease are inconsistent with this Third Amendment or the state of facts contemplated hereby, the provisions of this Third Amendment shall control.

Tenant acknowledges that (i) its current monthly payment of Basic Rent and Building Expense Escalation Charges under the Lease is based upon an annual rate of $26.70 per square foot of Premises Rentable Area, (ii) such annual rate is comprised of $25.00 per square foot of Premises Rentable Area on account of Basic Rent and $1.70 per square foot of Premises Rentable Area on account of Building Expense Escalation Charges, and (iii) Tenant's payments on account of Building Expense Escalation Charges are subject to adjustment and year-end reconciliation pursuant to Section 14(b) of the Lease.

3. BROKER

Tenant represents and warrants to Landlord that it has not dealt with any broker or agent in connection with this Third Amendment or the extension of the Term effected hereby. Tenant shall indemnify and hold Landlord (and its trustees, beneficiaries, agents and employees) harmless of and from all claims that may be made by any person against Landlord (or its trustees, beneficiaries, agents or employees) for brokerage or other compensation in the nature of brokerage with respect to this Third Amendment on account or arising out of Tenant's dealings with such person.

As amended by this Third Amendment, the Lease is hereby ratified,

approved and confirmed in all respects.

WHEREFORE, the parties have hereunto set their hands and seals as of the date first above written.

LANDLORD:

/S/ STEVEN COLANGELO

Steven Colangelo, signing as Trustee of 125 Hartwell Trust and not individually and without recourse against the Trustee personally or his assets

ASSIGNOR:

EMD LEXIGEN RESEARCH CENTER CORP.

By: /S/ STEPHEN D. GILLIES

Name: Stephen D. Gillies
Title: President
Hereunto Duly Authorized

ASSIGNEE:

By: /S/ ILLEGIBLE

Name:
Title:
Hereunto Duly Authorized

ASSIGNMENT AND ASSUMPTION OF LEASE
AND CONSENT OF AND RELEASE BY LANDLORD
AND FOURTH AMENDMENT TO LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE AND CONSENT OF AND RELEASE BY LANDLORD AND FOURTH AMENDMENT TO LEASE (this "Agreement") is made and entered as of July 9, 2004. the ("Effective Date") by and among EMD Pharmaceuticals, Inc., a Delaware corporation ("Assignor"), Synta Pharmaceuticals Corp., a Delaware corporation ("Assignee"), and 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 ("Landlord"). Assignor, Assignee and Landlord are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

A. Assignor, as successor by assignment to EMD Lexigen Research Center Corp. (formerly known as Lexigen Pharmaceuticals Corp. and before that Fuji ImmunoPharmaceuticals Corp.), as tenant, and Landlord, as landlord, are parties to that certain Lease dated as of October 26, 1992, as amended by First Amendment dated as of January 31, 1993, Second Amendment dated October 1, 1997, and Third Amendment dated November 1, 2002 (as so amended and collectively, the "Lease").

B. Assignor desires to assign to Assignee all of Assignor's right, title, and interest in and to the Lease on and after the Effective Date (as hereinafter defined) and to delegate to Assignee all of Assignor's obligations under the Lease from and after the Effective Date pursuant to the terms of this Agreement, and Assignee has agreed to accept the foregoing assignment and to assume all of Assignor's obligations under the Lease pursuant to the terms of this Agreement on and after the Effective Date.

C. Landlord has agreed to consent to the assignment and assumption set forth herein pursuant to the terms of this Agreement and to release Assignor from any continuing liability under the Lease except as hereinafter provided.

D. Landlord has agreed to lease to Assignee during the Assignment Period (as hereinafter defined) certain equipment and other personal property

presently located in the Premises and sold to Landlord by Assignor as of the Effective Date, and, in consideration thereof, Assignee has agreed to pay to Landlord monthly rent for the lease of such equipment and other personal property.

E. Landlord has agreed to lease to Assignee during the Assignment Period as part of the Premises certain tenant improvements made to the Premises by Assignor and sold to Landlord by Assignor as of the Effective Date, and, in consideration thereof, Assignee has agreed to pay to Landlord monthly rent for the lease of such tenant improvements.

NOW, THEREFORE, in consideration of the recitals (which, by this reference, are incorporated into the operative provisions of this Agreement), the mutual agreements set forth

herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. ASSIGNMENT OF LEASE. Subject to the provisions of this Agreement, Assignor, as of the Effective Date, hereby sells, assigns, grants, and conveys to Assignee all of Assignor's right, title, and interest in and to the Lease (including, without limitation, all of Assignor's rights regarding parking and signage) and the estate created thereby, and delegates to Assignee all of the obligations of Assignor as tenant under the Lease arising on and after the Effective Date.

2. ASSUMPTION OF OBLIGATIONS. Subject to the provisions of this Agreement, Assignee, as of the Effective Date, hereby accepts the assignment of Assignor's right, title, and interest in and to the Lease and the estate created thereby and assumes and agrees to be bound by the Lease and all of the obligations of the tenant thereunder arising on and after the Effective Date.

3. EFFECTIVE DATE. The assignment, delegation, acceptance, and assumption set forth in Paragraphs 1 and 2 hereof shall be effective on the Effective Date; provided, however, Assignee's obligation to pay Basic Rent (as defined in the Lease) required to be paid under the Lease and additional rent required to be paid under Section 14 of the Lease shall not begin until the Rent Commencement Date (as hereinafter defined), Assignor remaining liable for payment of Basic Rent required to be. paid under the Lease and additional rent required to be paid under Section 14. of the Lease through the day prior to the Rent Commencement Date. Assignee is expressly liable as of the Effective Date for payment and performance of all obligations of the tenant under the Lease arising on and after the Effective Date other than payment of Basic Rent required to be paid under the Lease and additional rent required to be paid under Section 14 of the Lease as provided in the preceding proviso. In furtherance of the foregoing, Assignee acknowledges that Assignor shall terminate the insurance it is required to carry under, the Lease as of 11:59 p.m. of the day before the Effective Date, and Assignee shall have in effect not later than midnight of the Effective Date the insurance coverages required to be carried by the tenant under the Lease. Assignor has delivered the Premises to the Assignee as of the Effective Date broom clean, free of all tenants or other occupants, free of all equipment and other personal property (except for the Included Property (as hereinafter defined)) and with the Included Property and all laboratory space within the Premises decommissioned in accordance with all applicable laws, rules, and regulations and with the standards set forth on EXHIBIT A attached hereto and incorporated herein by reference (the "Decommissioning Standards"). Assignee has examined the Premises and, subject to Paragraph 4.5 below, accepts the Premises in its condition as of the Effective Date. As used herein, the phrase "Rent Commencement Date" shall mean August 8, 2004. Basic Rent required to be paid under the Lease and additional rent required to be paid under Section 14 of the Lease shall be prorated between Assignor and Assignee as of the Rent Commencement Date.

4. REPRESENTATIONS OF ASSIGNOR AND INDEMNIFICATION BY ASSIGNOR. To induce Assignee to assume the obligations of Assignor under the Lease on and

after the Effective Date as provided herein, Assignor represents and warrants to Assignee the following matters, all of which are true and correct as of the date hereof and all of which will be true and correct on the Effective Date and further indemnifies Assignee as set forth below:

4.1. AUTHORITY. Assignor has the authority to enter into this Agreement and to assign the rights and to delegate the obligations of Assignor under the Lease to Assignee. The officers of Assignor who have executed this Agreement are duly authorized to do so and to bind Assignor to the covenants, representations, warranties, and agreements of Assignor set forth in this Agreement. There are no provisions contained in any law, rule, or regulation of any federal, state, or local governmental authority having jurisdiction over Assignor, or in any instrument or agreement to which Assignor is a party or by which it is bound, which would prohibit, limit, or adversely affect the actions or obligations of Assignor set forth in this Agreement. No consent of any party other than the Parties to this Agreement is required for the assignment and delegation set forth in Paragraph 1 hereof.

4.2. COMPLIANCE WITH LEASE. Through the day before the Effective Date; (i) Assignor has observed and faithfully performed all of its obligations as tenant under, or set forth in, the Lease; (ii) Assignor is not in default under the Lease; (iii) Landlord is not in default under the Lease; and (iv) Assignor has not exercised any right to terminate the Lease reserved unto Assignor under the Lease as the result of an uncured default by Landlord.

4.3. NO OTHER ASSIGNMENTS. Except as set forth herein, Assignor has not assigned, sold, pledged, hypothecated, mortgaged, or otherwise transferred its interest in and to the Premises or in or to its rights under the Lease to any person.

4.4. LEASE. Attached hereto as EXHIBIT B, and by this reference made a part hereof, is a true, correct, and complete copy of the Lease and all amendments thereto, which Lease is in full force and effect on the date hereof. There are no material oral agreements or understandings between Assignor and Landlord which relate to the Lease or the obligations of the parties thereunder that would be binding upon Assignee. The current term of the Lease is scheduled to expire on January 31, 2008. The Basic Rent and additional rent (to the extent additional rent is determinable and currently due) required to be paid by the tenant under the Lease has been paid through July 31, 2004.

4.5. INDEMNIFICATION OF ASSIGNEE. Assignor shall and does indemnify and hold Assignee harmless from and against any and all loss, liability, charge, cost, damages, fees, and expenses in connection with: (i) any and all liability of Assignor which arises under or pursuant to the obligations of Assignor set forth in the Lease and which relates specifically to those obligations which have accrued and have become due and payable in or for the period prior to the Effective Date; (ii) any injury to any person or damage to any property which occurs in the Premises prior to the Effective Date and which results from the negligence or willful misconduct of Assignor or its agents, guests, invitees, or employees; and (iii) any failure of Assignor to have decommissioned the Included Property and the Premises in accordance with all applicable laws, rules, and regulations.

4.6 PREMISES. Assignor represents and warrants to Assignee that the Premises are presently in good and clean order and condition. Except for the foregoing representation and warranty and except as otherwise provided in this Paragraph 4 or in Paragraph 3 above,

Assignor makes no warranty or representation as to the condition of the Premises nor its compliance with applicable laws, rules, and regulations, and the Premises shall be delivered to Assignee "as is, where is, with all defects." Assignee agrees that in entering into this Agreement, it has relied upon its own investigation of the condition of the Premises and the suitability of the Premises for Assignee's intended uses and not upon any warranty or representation of Assignor except for the warranties or representations set forth in this Agreement.

5. REPRESENTATIONS OF ASSIGNEE AND INDEMNIFICATION BY ASSIGNEE. To induce Assignor to assign to Assignee Assignor's rights under the Lease on and after the Effective Date as provided herein, Assignee represents and warrants to Assignor the following matters, all of which are true and correct as of the date hereof and all of which will be true and correct on the Effective Date and further indemnifies Assignor as set forth below:

5.1. AUTHORITY. Assignee has the authority to enter into this Agreement and to accept the assignment of Assignor's interest in the Lease arising on and after the Effective Date and to assume the obligations of Assignor set forth therein arising on and after the Effective Date. The officers of Assignee who have executed this Agreement are duly authorized to do so and to bind Assignee to the covenants, representations, warranties, and agreements of Assignee set forth in this Agreement. There are no provisions contained in any law, rule, or regulation of any federal, state, or local governmental authority having jurisdiction over Assignee, or in any instrument or agreement to which Assignee is a party or by which it is bound, which would prohibit, limit, or adversely affect the actions or obligations of Assignee set forth in this Agreement. No consent of any party other than the Parties to this Agreement is required for the acceptance and assumption set forth in Paragraph 2 hereof.

5.2. COMPLIANCE WITH LEASE. From and after the Effective Date, Assignee shall observe and faithfully perform all of the obligations of tenant under, or set forth in, the Lease arising on or after the Effective Date.

5.3 INDEMNIFICATION OF ASSIGNOR. Assignee shall and does indemnify and hold Assignor harmless from and against all loss, liability, charge, cost, damages, fees, and expense in connection with: (i) any and all liability of Assignee which arises under or pursuant to the obligations of Assignee set forth in the Lease and which is applicable to the period from and after the Effective Date; and (ii) any injury to any person or damage to any property which occurs in or about the Premises from and after the Effective Date.

6. ADJUSTMENT OF CHARGES. Upon receipt from Landlord of supporting documentation therefor, Assignor and Assignee agree, promptly and upon demand made by either Assignor or Assignee, to prorate as appropriate any payments or expenses made or to be

made, or received or to be received, in connection with the Lease so that Assignor shall incur all expenses and receive the benefit of all payments and reimbursements to Landlord to be made under the Lease attributable to the period prior to the Rent Commencement Date and so that Assignee shall be responsible for all such expenses and entitled to the benefit of all such payments and reimbursements to the extent attributable to the period on and after the Rent Commencement date.

7. REPRESENTATIONS OF ASSIGNOR AND ASSIGNEE WITH RESPECT TO THE INCLUDED PROPERTY AND ASSIGNOR'S IMPROVEMENTS. Assignor and Assignee represent and warrant to Landlord that neither of them has encumbered or granted a lien or security interest in any of the Included Property or the Assignor's Improvements

(as hereinafter defined) nor shall either of them grant a lien or security interest in the Included Property or the Assignor's Improvements.

8. CONSENT OF AND RELEASE BY LANDLORD; LANDLORD'S REPRESENTATIONS. By its execution of this Agreement, Landlord consents to the assignment and assumption contained in Paragraphs 1 and 2 of this Agreement and as of the Effective Date releases Assignor of any liability under the Lease accruing or arising on and after the Effective Date, it being understood and agreed that Assignor shall remain liable for any obligations under the Lease accruing or arising prior to the Effective Date, including (without limitation) any liability for underpayments on account of Building Expense Escalation Charges (as defined in the Lease) for the period prior to the Effective Date, as well as the obligation to pay Basic Rent and Building Expense Escalation Charges (and any underpayments on account thereof) through the day prior to the Rent Commencement Date. Landlord does not release Assignor, and Assignor acknowledges its continuing liability, for any liability for breach of this Agreement by Assignor or any other agreement to which Landlord and Assignor are parties. Assignor shall and does indemnify and hold Landlord harmless from and against any and all loss, liability, charge, cost, damages, fees, and expenses in connection with any failure by Assignor to have decommissioned the Included Property and the Premises in accordance with the Decommissioning Standards and all applicable laws, rules, and regulations. Landlord agrees that, from and after the Effective Date, the address for any notice to the tenant required under the Lease shall be Synta Pharmaceuticals Corp., 45 Hartwell Avenue, Lexington, Massachusetts 02421, Attention: Chief Financial Officer.

Landlord represents and warrants to Assignee and Assignor that:

(a) attached hereto as EXHIBIT B is a true, correct and complete copy of the Lease and all amendments thereto, which Lease is in full force and effect on the date hereof;

(b) there are no oral agreements or understandings between Assignor and Landlord which relate to the Lease or the obligations of the parties thereunder;

(c) to the knowledge of Landlord without investigation or inquiry, there are no defaults of Assignor under the Lease;

(d) the current term of the Lease is scheduled to expire on January 31, 2008;

(e) the Basic Rent and the Building Expense Escalation Charge required to be paid by the tenant under the Lease have been paid through July 31, 2004, subject to reconciliation of the Building Expense Escalation Charge for calendar year 2004;

(f) no broker or agent or other person has represented Landlord in connection with this Agreement and the transactions contemplated hereby; and

(g) there are no mortgages encumbering the Property (as defined in the Lease) or any portion thereof other than that granted to Mortgagee.

9. MISCELLANEOUS PROVISIONS.

9.1. GOVERNING LAW. This Agreement shall be governed by, and enforced, construed, and interpreted under, the laws and judicial decisions of the Commonwealth of Massachusetts.

9.2. BINDING EFFECT. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties, and their respective heirs, executors, successors, and permitted assigns.

9.3. BROKERS. Assignee and Assignor each represents and warrants

to the other that no broker or agent or other person other than Spaulding and Slye/Colliers International as to Assignor and Richards Barry Joyce & Partners LLC as to Assignee (the "Brokers") has represented Assignor or Assignee in connection with this Agreement and the transactions contemplated hereby, and that no commissions, fees, or compensation of any kind are due or payable in connection herewith to any such person or entity except for the Brokers. Each party agrees to indemnify and hold the other harmless from and against any claim for any such commission, fee or other form of compensation by any such party or entity except for the Brokers claiming through the indemnifying party. Assignor shall pay the commissions payable to the Brokers in connection with this Agreement.

9.4. ENTIRE AGREEMENT; AMENDMENT. Except with respect to the agreements set forth in the Lease, this Agreement contains the entire agreement among the Parties, and there are no oral agreements or understandings among the Parties, with respect to the subject matter hereof. This Agreement may not be amended except by a writing signed by the Party against whom such amendment is to be enforced.

9.5. FURTHER ASSURANCES. Assignor and Assignee agree to cooperate with each other with respect to the subject matter hereof, and each agrees to execute such other instruments and agreements as may reasonably be required by the other to evidence further the intent of Assignor and Assignee with respect to the subject matter hereof.

10. NON-DISTURBANCE AGREEMENT. Assignor shall exercise reasonable efforts to deliver to Assignee before the Rent Commencement Date a letter or other memorandum from

The Manufacturers Life Insurance Company (USA), Landlord's mortgagee ("Mortgagee"), stating that Assignee is entitled to the benefits of the Subordination, Non-Disturbance and Attornment Agreement dated as of May 5, 1998 among Landlord, Assignor's predecessor in interest, and Mortgagee. Such letter or other memorandum shall be in form and content reasonably acceptable to Assignee. If Assignor is unable to obtain such letter or memorandum in form and content reasonably acceptable to Assignee, then Assignor shall defend, indemnify, and hold harmless Assignee from and against any and all liability, charge, or expense, including reasonable attorneys' fees, actually incurred by Assignee as a result of the exercise by Mortgagee (or any successor-in-interest to Mortgagee) of any rights or remedies it may have as a result of default or non-performance by Landlord (or any successor-in-interest to Landlord) under any agreement it has with Mortgagee.

11. INCLUDED PROPERTY. During the period from the Effective Date through and including the expiration or earlier termination of the term of the Lease (the "Assignment Period"), Landlord hereby leases to Assignee (and its permitted successors and assigns), and Assignee leases from Landlord, the equipment and other personal property owned by Landlord and described on EXHIBIT C attached hereto and incorporated herein by this reference (collectively, the "Included Property"). During the Assignment Period, Assignee shall maintain the Included Property in a reasonably clean and working condition. If any of the Included Property shall be damaged or destroyed as a result of the act or omission of Assignee or its agents, employees, contractors, or permitted subtenants or other occupants, then Assignee shall reimburse Landlord for the cost incurred by Landlord to repair or replace such Included Property except to the extent that such cost would be recoverable under a commercially reasonable insurance policy covering the full replacement cost of the Included Property, although Assignee shall be liable for the amount of any commercially reasonable deductible. Assignee shall pay Landlord the cost of insurance coverage obtained by Landlord with respect to the Included Property within thirty, (30) days of receipt from time to time of Landlord's invoice therefor. Assignee is not required to replace any of the Included Property that becomes worn out or

obsolete. Landlord and Assignee agree that Assignee shall deliver to Landlord the Included Property at the end of the Assignment Period in the same condition it was in on the Effective Date, ordinary wear and tear and damage due to fire or other casualty excepted, and upon expiration or earlier termination of the term of the Lease, the Included Property shall no longer be leased to Assignee pursuant to the terms of this Agreement. Notwithstanding the foregoing, to the extent that any of the Included Property or the Premises has been used after the Effective Date for chemical, biological, or radioactive substances, such Included Property and/or the Premises, as applicable, shall be decommissioned by Assignee in accordance with all applicable laws, rules, and regulations and with the Decommissioning Standards upon its delivery to Landlord, and Section 40 of the Lease is accordingly amended to require such decommissioning upon expiration or earlier termination of the term of the Lease.

12. ASSIGNOR'S IMPROVEMENTS. During the Assignment Period, Landlord shall lease to Assignee (and its permitted successors and assigns), and Assignee shall lease from Landlord, the Assignor's Improvements. As of the Rent Commencement Date (but not prior thereto), Assignee shall pay to Landlord as additional rent for the right to use the Assignor's Improvements and the Included Property during the Assignment Period the sum of $11,555.83 per month (the "Monthly Improvements Rent"). Assignee shall pay the Monthly Improvements Rent by separate check

payable to Landlord, Monthly Improvements Rent being additional rent and not a component of Basic Rent. The Monthly Improvements Rent shall be paid by Assignee to Landlord commencing on the Rent Commencement Date (rent for any partial month to be prorated) and continuing thereafter through January 31, 2008 at the same time and in the same manner as payments of Basic Rent and shall be subject to the overdue payment charge in Section 3 of the Lease and the interest charge in Section 29 of the Lease. Failure by Assignee to pay any installment of Monthly Improvements Rent when due and payable shall be a default under this Agreement and the Lease, and if Assignee defaults in the payment of Monthly Improvements Rent after passage of the notice and cure period provided in Section 21 of the Lease, then Landlord shall be entitled to exercise any and all rights or remedies Landlord may have under the Lease or applicable law as a result of such default, including, without limitation, the right to collect from Assignee the Monthly Improvements Rent payable through January 31, 2008. Notwithstanding anything in this Agreement, for purposes of Sections 13(b), 19, and 20 of the Lease, Monthly Improvements Rent shall be considered part of Basic Rent. As used herein, the phrase "Assignor's Improvements" shall mean any and all alterations, additions, and improvements to the Premises performed by or on behalf of the tenant under the Lease before the Effective Date.

IN WITNESS WHEREOF, the Parties, upon authority duly given, have executed this Agreement as a sealed instrument as of the date first written above.

ASSIGNOR:

EMD Pharmaceuticals, Inc.,
a Delaware corporation

By: /S/ GILDA M. THOMAS

Name: Gilda M. Thomas
Title: Vice President and General Counsel

ASSIGNEE:

SYNTA Pharmaceuticals Corp.,
a Delaware corporation

By: /S/ KEITH EHRLICH

Name: Keith Ehrlich

Title: Vice President, Finance and Administration

LANDLORD:

125 Hartwell Trust

By: /S/ STEVEN COLANGELO

Name: Steven Colangelo
Title: As Trustee and not individually

125 Hartwell Avenue
Lexington, Massachusetts 02421
(the "Building")

FIFTH AMENDMENT
October 22, 2002

	LANDLORD:	125 Hartwell Trust, under a 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
	TENANT:	Synta Pharmaceuticals Corp., a Delaware corporation, successor-by-assignment to EMD Pharmaceuticals, Inc.
	PREMISES:	Approximately 19,810 square feet of Premises Rentable Area on the second (2nd) floor of the Building, consisting of approximately 10,980 square feet of Premises Rentable Area under the original
EXISTING LEASE DATA:		Lease shown as the leased premises on Exhibit 3 thereto, plus approximately 8,830 square feet of Premises Rentable Area added by the First Amendment referred to below shown as the "RFO Premises" on said Exhibit 3
	LEASE EXECUTION DATE:	October 26, 1992
	TERMINATION DATE:	January 31, 2003
	PREVIOUS LEASE AMENDMENTS:	First Amendment dated as of January 31, 1993 Second Amendment dated October 1, 1997 Third Amendment dated November 1, 2002 Assignment and Assumption of Lease and Consent of Release by Landlord and Fourth Amendment to Lease dated as of July 9, 2004
	ADDITIONAL PREMISES:	Approximately 2,670 square feet of Premises Rentable Area on the first (1st) floor of the Building, substantially as shown cross-hatched on EXHIBIT A attached hereto and mace a part hereof

WHEREAS, Tenant desires to lease additional space in the Building; and

WHEREAS, Landlord is willing to lease additional space in the Building to

Tenant upon the terms and conditions hereinafter set forth.

NOW THEREFORE, the parties hereby agree that the above-described lease, as previously amended (the "Lease"), is hereby further amended as follows (capitalized terms used herein without definition shall have the meanings ascribed to them in the Lease):

1. DEMISE OF ADDITIONAL PREMISES

Landlord hereby demises and leases to Tenant, and Tenant hereby accepts and leases from Landlord, the Additional Premises for a Term commencing as of the Commencement Date in respect of the Additional Premises (as hereinafter defined) and expiring on January 31, 2008. The demise of the Additional Premises shall otherwise be upon and governed by the terms and conditions of the Lease (as hereby amended), except as follows or as otherwise provided in this Amendment:

A. The Commencement Date in respect of the Additional Premises shall be the earlier of (i) the first date on which Tenant occupies all or any part of the Additional Premises for the conduct of business, or (ii) the date on which Landlord's Work (as hereinafter defined) shall be (or be deemed to be) substantially (i.e., complete except for so-called "punch list" items and other work to be undertaken by Landlord which does not materially impair Tenant's use of the Additional Premises for the Permitted Uses (collectively, the "Punchlist Work")), as reasonably determined by Landlord. Landlord shall complete all Punchlist Work within thirty (30) days after the substantial completion of Landlord's Work. If Tenant (or any agent, employee or contractor of Tenant) causes any delay in the preparation of any drawings, plans or specifications or the performance or substantial completion of Landlord's Work, then Landlord's Work shall be deemed to have been substantially completed on the date that Landlord's Work would have been substantially completed but for such delay. Landlord shall notify Tenant of any such delay promptly after Landlord becomes aware of the same. Landlord shall use reasonable efforts to cause Landlord's Work to be substantially completed on or before the date (the "Estimated Substantial Completion Date") which is sixty (60) days after the execution and delivery of this Amendment, but Tenant shall not have any claim against Landlord, and Landlord shall have no liability to Tenant, if Landlord's Work shall not be substantially completed by the Estimated Substantial Completion Date. The parties shall confirm in writing the Commencement Date in respect of the Additional Premises as soon as it is known.

B. Basic Rent payable in respect of the Additional Premises shall be $60,075.00 per year (i.e., $5,006.25 per month).

C. The Building Expense Base applicable to the Additional Premises shall be the actual amount of Building Expenses for calendar year 2004.

D. Tenant shall have no obligation to pay for electricity for lights and plugs in the Additional Premises.

E. Tenant's Proportionate Share in respect of the Additional Premises shall be 6.95%.

F. Tenant shall, by reason of the demise of the Additional Premises, be entitled to an additional ten (10) parking spaces in the paved parking area located adjacent to the Building. The use of such spaces shall be subject to the same terms and conditions of the Lease as are applicable to Tenant's use of the other parking spaces provided to Tenant under the Lease. Accordingly, the total number of parking spaces which Landlord shall provide and maintain for the use of Tenant's employees and invitees pursuant to Section 2 of the Lease shall be eighty-five (85).

2. LANDLORD'S WORK IN RESPECT OF ADDITIONAL RREMISES

Landlord agrees to perform, at Landlord's expense (except as otherwise provided herein), the work within the Additional Premises described in or shown

on, and substantially in accordance with, the space plan attached hereto as EXHIBIT B and made a part hereof (the "Space Plan") using Building standard materials, finishes and mechanical and electrical improvements ("Landlord's Work"). Landlord's Work shall also include the installation of one (1) teledata outlet device per office in the Additional Premises and the wiring associated therewith. Except for Landlord's Work, Tenant shall accept the Additional Premises "as is" and Tenant acknowledges that it has had an opportunity to inspect the Additional Premises and that Landlord has made no representation or warranty as to the condition of the Additional Premises.

Landlord agrees to undertake construction of the Additional Premises in accordance with the provisions hereof in a good and workmanlike fashion and in compliance with applicable laws, rules and regulations.

In the event that Tenant shall request in writing and Landlord shall approve work not presently described on or contemplated by the Space Plan, then Landlord shall render to Tenant an estimate of the additional cost of such work (and any cost associated with new or revised plans and/or specifications required to be prepared by reason of such work), and Tenant shall pay such amount to Landlord prior to Landlord having any obligation to undertake any such work; provided, however, that Tenant shall be responsible for any delays in the performance or substantial completion of Landlord's Work on account of any such work requested by Tenant in writing.

3. MODIFICATION TO LEASE

Effective as of the date hereof the following language is hereby inserted at the end of the first sentence of Section 22 of the Lease:

> ; and 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 its
>
> covenants or obligations or any representations, warranties or promises hereunder, except as may otherwise be expressly set forth, herein.

4. BROKER

Each party (the "indemnifying party") represents and warrants to the other party that it has not dealt with any broker or agent in connection with this Amendment or the leasing of the Additional Premises. The indemnifying party shall indemnify and hold the other party (and such other party's trustees, beneficiaries, agents and employees) harmless of and from, all claims that may be made by any person against such other party (or its trustees, beneficiaries, agents or employees) for brokerage or other compensation in the nature of brokerage with respect to Amendment on account or arising out of the indemnifying party's dealings with such person.

As amended by this Fifth Amendment, the Lease is hereby ratified, approved and confirmed in all respects.

WHEREFORE, the parties have hereunto set their hands and seals as of the date first above written.

LANDLORD:	TENANT:
	SYNTA PHARMACEUTICALS CORP.
/S/ STEVEN COLANGELO	By: /S/ KEITH EHRLICH
Steven Colangelo, signing as Trustee of 125 Hartwell Trust and not individually and without recourse	Name: Keith Ehrlich Title: V.P. Finance Hereunto Duly Authorized

against and Trustee personally or his assets

Exhibit 10.7

PINNACLE PROPERTIES MANAGEMENT, INC.
STANDARD FORM
COMMERCIAL LEASE

In consideration of the covenants herein contained, 6-8 PRESTON COURT, L.L.C., a Delaware limited liability company, ("LESSOR"), does hereby lease to Asiana Pharmaceuticals Corporation, a Delaware corporation ("LESSEE"), the following described premises, (the "leased premises"): approximately 4,000 square feet as depicted on Exhibit "A" located at 8-A Preston Court, Bedford, MA 01730 to have and hold the leased premises for a term of five (5) years commencing at noon on June 1, 1999 and ending at noon on May 30, 2004 unless sooner terminated as herein provided. LESSOR and LESSEE now covenant and agree that the following terms and conditions shall govern this lease during the term hereof and for such further time as LESSEE shall hold the leased premises.

1. RENT. LESSEE shall pay to LESSOR base rent of seventy-one thousand eight hundred U.S. Dollars ($71,800.00) per year, drawn on a U.S. Bank, in monthly installments of $5,983.33 payable on the first day in each calendar month in advance, without demand or any right of set-off or deduction whatsoever, the first monthly payment to be made upon LESSEE's execution of this lease, including payment in advance of appropriate fractions of a monthly payment for any portion of a month at the commencement or end of said lease term. All payments shall be made to LESSOR or LESSOR's agent: 6-8 Preston Court, L.L.C. c/o Pinnacle Properties Management Inc., 3740 Beach Blvd., Suite 306, Jacksonville, FL 32207, or at such other place as LESSOR shall from time to time in writing designate. The amount of base rent due during each calendar year of this lease and any extensions thereof shall be annually increased by the increase in the "Cost of Living" as shown by the Consumer Price Index (Boston, Massachusetts, All Items, All Urban Consumers), United States Department of Labor, Bureau of Labor Statistics (the "Index"). All such adjustments shall take place with the rent due on January 1 of each year during the lease term. The base month from which to determine the amount of each increase in the Index shall be January 1999, which figure shall be compared with the figure for November 1999, and each November thereafter to determine the percentage increase (if any). The increase will be multiplied by the base rent to determine the increased base rent (if any) to be paid during the following calendar year. In the event that the Consumer Price Index as presently computed is discontinued as a measure of "Cost of Living" changes, any adjustment shall then be made on the basis of a comparable index then in general use as selected by LESSOR.

2. SECURITY DEPOSIT. LESSEE shall pay to LESSOR a security deposit in the amount of eleven thousand eight hundred dollars ($11,800.00) upon the execution of this lease by LESSEE, which shall be held, as security for LESSEE's performance as herein provided and refunded to LESSEE without interest at the end of this lease subject to LESSEE's satisfactory compliance with the conditions hereof. LESSEE may not apply the security deposit to payment of any rent. In the event of any default or breach of this lease by LESSEE, LESSOR may apply the security deposit first to any unamortized improvements completed for LESSEE's occupancy, then to offset any outstanding invoice or other payment due to LESSOR, with the balance applied to outstanding rent. If all or any portion of the security deposit is applied to cure a default or breach during the term of the lease, (i) such application of the security deposit shall not constitute a waiver of such default or deprive LESSOR of any other remedy LESSOR may have

on account of such default, and (ii) LESSEE shall be responsible for immediately restoring said deposit to its full original amount and failure to do so shall be considered a substantial default under this lease. LESSEE's failure to remit the full security deposit or any portion thereof when due shall also constitute a

substantial lease default. LESSOR may deliver the Security Deposit to the purchaser of LESSOR's interest in the leased premises in the event such interest is sold, and thereupon LESSOR shall be discharged from any further liability with respect to such Security Deposit.

3. USE OF PREMISES. LESSEE shall use the leased premises only for the purpose of executive and administrative offices, research & development, and storage.

4. ADDITIONAL RENT AND TAX ESCALATION. LESSEE shall pay to LESSOR as additional rent per annum ("Additional Rent") a proportionate share (9.02%) of any increase in the Operating Costs (defined below) in the building (including the related land, driveways, parking facilities, and similar improvements) of which the leased premises are a part (hereinafter called the building), for a given calendar year over the actual Operating Costs in the building for the calendar year 1999 (the "Operating Expense Stop"). LESSOR may collect such amount in a lump sum, which shall be due within thirty (30) days after LESSOR furnishes to LESSEE the Operating Costs and Tax Statement (defined below). Alternatively, LESSOR may make a good faith estimate of the Additional Rent to be due by LESSEE for any calendar year or part thereof during the lease term, and LESSEE shall pay to LESSOR at the commencement of the lease and on the first day of each calendar month thereafter, an amount equal to the estimated Additional Rent for such calendar year or part thereof divided by the number of months therein. From time to time, LESSOR may estimate and re-estimate the Additional Rent to be due by LESSEE and deliver a copy of the estimate or re-estimate to LESSEE. Thereafter, the monthly installments of Additional Rent payable to LESSEE shall be appropriately adjusted in accordance with the estimations so that, by the end of the calendar year in question, LESSEE shall have paid all of the Additional Rent as estimated by LESSOR. Any amounts paid based on such an estimate shall be subject to adjustment as herein provided when actual Operating Costs are available for each calendar year. The term "Operating Costs" shall mean all expenses and disbursements that LESSOR incurs in connection with the ownership, operation, and maintenance of the building including, but not limited to, the following costs: a) wages and salaries (including management fees) of all employees engaged in the operation, maintenance, and security of the building, including taxes, insurance, and benefits relating thereto; b) all supplies and materials used in the operation, maintenance, repair, replacement, and security of the building; c) costs for improvements made to the building which, although capital in nature, are expected to reduce the normal operating costs of the building, as well as capital improvements made in order to comply with any law hereafter promulgated by any governmental authority, as amortized over the useful economic life of such improvements as determined by LESSOR in its reasonable discretion; d) cost of all utilities, except the cost of utilities reimbursable to LESSOR by the building's tenants; e) insurance expenses; f) repairs, replacements, and general maintenance of the building; and g) service or maintenance contracts with independent contractors for the operation, maintenance, repair, replacement, or security of the building (including, without limitation, alarm service, window cleaning, and elevator maintenance).

LESSEE shall also pay to LESSOR as additional rent a proportionate share (9.02%) (based on square footage leased by LESSEE as compared with the total leasable square footage of the

building) of any increase in the Taxes ("Tax Escalation") levied against the land and building. LESSEE shall pay the Tax Escalation in the same manner as provided above for Additional Rent with regard to Operating Costs. The base from which to determine the amount of any increase in taxes shall be the rate and the assessment in effect as of fiscal year 1999 ("Real Estate Tax Stop"). `Taxes" shall mean taxes, assessments, and governmental charges whether federal, state, county or municipal, and whether they be by taxing districts or authorities presently taxing or by others, subsequently created or otherwise, and any other taxes and assessments attributable to the building (or its operation), excluding, however, penalties and interest thereon and federal and state taxes on income (if the present method of taxation changes so that in lieu of the whole or any part of any Taxes, there is levied on LESSOR a capital tax directly on the rents received therefrom or a franchise tax, assessment, or charge based,

in whole or in part, upon such rents for the building, then all such taxes, assessments, or charges, or the part thereof so based, shall be deemed to be included within the term "Taxes" for purposes hereof).

By April 1 of each calendar year, or as soon thereafter as practicable, LESSOR shall furnish to LESSEE a statement of Operating Costs and Taxes for the previous year (the "Operating Costs and Tax Statement"). With respect to any calendar year or partial calendar year in which the building is not occupied to the extent of 95% of the leasable area thereof, the Operating Costs for such period shall, for the purposes hereof, be increased to the amount which would have been incurred had the building been occupied to the extent of 95% of the rental area thereof. If the Operating Costs and Tax Statement reveals that LESSEE paid more for Operating Costs than the actual Additional Rent and more for Taxes than Tax Escalation for the year for which such statement was prepared, then LESSOR shall promptly credit LESSEE for such excess; likewise, if LESSEE paid less than the actual Additional Rent or Tax Escalation due, then LESSEE Shall promptly pay LESSOR such deficiency, within thirty (30) days after receiving notice from LESSOR of the amount of such deficiency.

5. UTILITIES. LESSEE may utilize the existing equipment serving the leased premises to heat the leased premises in season and cool all office areas between May 1 and November 1. LESSEE shall pay all charges for utilities used on the leased premises, including electricity, gas, oil, water, and sewer. LESSEE shall pay the utility provider or LESSOR, as applicable, for all such utility charges as determined either by separate meters serving the leased premises or as a proportionate share of the utility charges as determined by LESSOR if not separately metered. LESSEE shall also pay LESSOR a proportionate share of any other fees and charges relating in any way to utility use at the building. No plumbing, construction or electrical work of any type shall be conducted by LESSEE or its agents without LESSOR's prior written approval and LESSEE obtaining the appropriate municipal permit.

6. COMPLIANCE WITH LAWS. LESSEE acknowledges that no trade, occupation, activity or work shall be conducted in the leased premises or use made thereof which may be unlawful, improper, noisy, offensive, or contrary to any applicable statute, law, regulation, restriction, ordinance or bylaw. LESSEE shall keep all employees working in the leased premises covered by Worker's Compensation Insurance and shall obtain any licenses and permits necessary for LESSEE's occupancy. LESSEE shall comply with all Federal, state, municipal and other laws, ordinances, rules and regulations applicable to the leased premises and the business conducted therein and LESSEE shall comply with the rules and recommendations of landlord's insurance carriers. Any cost for alterations. additions or improvements required to

modify the common areas of the building in conjunction with any applicable law, regulation, including the Americans With Disabilities Act, shall be paid by LESSOR. Such alterations, additions, or improvements shall be made in the sole discretion of LESSOR. Any alterations, additions or improvements required to modify the leased premises in conjunction with any law or regulation, including the American's With Disabilities Act, shall be approved by LESSOR and paid by LESSEE.

7. FIRE, CASUALTY, EMINENT DOMAIN. Should a substantial portion of the leased premises, or of the property of which they are a part, be substantially damaged by fire or other casualty, or be taken by eminent domain, LESSOR may elect to terminate this lease. When such fire, casualty, or taking renders the leased premises substantially unsuitable for their intended use, a just and proportionate abatement of rent shall be made, and LESSEE may elect to terminate this lease if: (a) LESSOR fails to give written notice within thirty (30) days of such fire, casualty or taking of its intention to restore the leased premises, or (b) LESSOR fails to restore the leased premises to a condition substantially suitable for their intended use within one hundred eighty (180) days of said fire, casualty or taking. LESSOR reserves all rights for damages or injury to the leased premises for any taking by eminent domain and LESSEE shall release the entire condemnation award, and LESSEE hereby assigns to LESSOR all

of LESSEE's interest therein.

8. FIRE INSURANCE. LESSEE shall not permit any use of the leased premises which will adversely affect or make voidable any insurance on the property of which the leased premises are a part, or on the contents of said property, or which shall be contrary to any law or regulation from time to time established by the Insurance Services Office (or successor), local Fire Department, LESSOR's insurer, or any similar body. LESSEE shall on demand reimburse LESSOR, and all other tenants, all extra insurance premiums caused by LESSEE's use of the leased premises. LESSEE shall not vacate the leased premises or permit same to be unoccupied other than during LESSEE's customary non-business days or hours.

9. MAINTENANCE OF PREMISES. LESSOR will be responsible for all structural and roof maintenance of the leased premises but specifically excluding damage caused by the careless, malicious, willful, or negligent acts of LESSEE or others, chemical, water or corrosion damage from any source, and maintenance of the space heating, ventilating, and cooling units exclusively serving the leased premises (collectively, the "HVAC Unit") and of any non "building standard" leasehold improvements.

LESSOR shall not be deemed to have breached its obligation to make the repairs required to be made by LESSOR unless LESSOR fails to make the same within a reasonable period (taking into consideration the type of repair involved) after receiving written notice from LESSEE of the need therefor. LESSEE agrees to maintain at its expense the HVAC Unit and all other aspects of the leased premises in the same condition as they are at the commencement of the term or as they may be put in during the term of this lease, normal wear and tear and damage by fire or other casualty only excepted, and whenever necessary, to replace light bulbs, plate glass and other glass therein, acknowledging that the leased premises are now in good order and the light bulbs and glass whole. If LESSOR so directs, LESSEE shall enter into a preventive maintenance/service contract acceptable to LESSOR with a maintenance contractor acceptable to LESSOR at LESSEE's sole cost and expense for servicing all air conditioning, heating,

ventilating, and other equipment or other equipment located within or serving the leased premises. LESSEE will properly control or vent all solvents, degreasers, smoke, odors, etc. and shall not cause the area surrounding the leased premises to be in anything other than a neat and clean condition, depositing all waste in appropriate receptacles. LESSEE shall be solely responsible for any damage to plumbing equipment, sanitary lines, or any other portion of the building which results from the discharge or use of any acid or corrosive substance by LESSEE. LESSEE shall not permit the leased premises to be overloaded, damaged, stripped or defaced, nor suffer any waste, and will not keep animals within the leased premises. LESSEE will protect any carpet with plastic or masonite chair pads under any rolling chairs. Unless heat is provided at LESSOR's expense, LESSEE shall maintain sufficient heat to prevent freezing of pipes or other damage. Any increase in air conditioning equipment or electrical capacity, or any installation and/or maintenance of equipment which is necessitated by some specific aspect of LESSEE's use of the leased premises shall be at LESSEE's expense. All maintenance provided by LESSOR shall be during LESSOR's normal business hours.

10. ALTERATIONS. LESSEE shall not make structural alterations or additions of any kind to the leased premises, but may make nonstructural alterations provided LESSOR consents thereto in writing. All such allowed alterations shall be at LESSEE's expense and shall conform to LESSOR's construction specifications. If LESSOR or LESSOR's agent provides any services or maintenance for LESSEE in connection with such alterations or otherwise under this lease, any just invoice of LESSOR or its contractors will be promptly paid by LESSEE. LESSEE shall not permit any mechanics' liens, or similar liens, to remain upon the leased premises in connection with work of any character performed or claimed to have been performed at the direction of LESSEE and shall cause any such lien to be released or removed forthwith without cost to LESSOR. Any alterations or additions shall become part of the leased premises and the property of LESSOR. Any alterations completed by LESSOR shall be LESSOR's "building standard" unless

noted otherwise. LESSOR shall have the right at any time to change the size, area, level and location of parking areas, stairs, walkways, pathways, entrances, driveways, landscaped areas or other common areas of the building.

11. ASSIGNMENT OR SUBLEASING. LESSEE shall not voluntarily, involuntarily or by operation of law assign or encumber this lease or sublet or allow any other firm or individual to occupy the whole or any part of the leased premises without LESSOR's prior written consent such consent shall not be unreasonably withheld. Notwithstanding such assignment or subleasing, LESSEE and GUARANTOR shall remain liable to LESSOR for the payment of all rent and for the full performance of the covenants and conditions of this lease. LESSEE shall pay LESSOR promptly for legal and administrative expenses incurred by LESSOR in connection with any consent requested hereunder by LESSEE. LESSEE shall be deemed to be in default hereunder if the cumulative total of more than forty-nine percent (49%) of LESSEE's stock, partnership interest or membership interest (as applicable) shall be transferred in any manner during the term of this lease to other than the present holders thereof or the spouse or lineal descendant of any present holder who is a natural person. If LESSOR conveys or transfers its interest in the building, upon such conveyance or transfer, LESSOR (and in the case of any subsequent conveyances or transfers, the then grantor or transferor) shall be entirely released from all liability with respect to the performance of any obligation on the part of the landlord to be performed hereunder from and after the date of such conveyance or transfer.

12. SUBORDINATION. This lease shall be subject and subordinate to any and all mortgages and other instruments in the nature of a mortgage, now or at any time hereafter, and LESSEE shall, when requested, promptly execute and deliver such written instruments as shall be requested to show the subordination of this lease to said mortgages or other such instruments in the nature of a mortgage. Notwithstanding the foregoing, if the mortgagee elects to have this lease superior to such mortgage, then upon mortgagee's request LESSEE shall execute, acknowledge and deliver an instrument, in form used by said mortgagee, effecting such priority. In the event proceedings are brought for foreclosure of, or the exercise of a power of sale under any such mortgage, LESSEE shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as landlord under this lease. LESSEE, upon request from LESSOR or any successor in interest, shall execute, acknowledge and deliver such instruments as are required to effect the intent of this section.

13. LESSOR'S ACCESS. LESSOR or agents of LESSOR may at any reasonable time enter to view the leased premises, to make repairs and alterations as LESSOR should elect to do for the leased premises, the common areas or any other portions of the building, to make repairs which LESSEE is required but has failed to do, and to show the leased premises to others.

14. SNOW REMOVAL. The plowing of snow from all roadways and unobstructed parking areas shall be the sole responsibility of LESSOR, the expense of which shall be included in Operating Costs. The control of snow and ice on all walkways, steps, and loading areas serving the leased premises and all other areas not readily accessible to plows unless they serve multiple tenants shall be the sole responsibility of LESSEE. Notwithstanding the foregoing, however, LESSEE shall hold LESSOR harmless from any and all claims by LESSEE's agents, representatives, employees, callers or invitees for damage or personal injury resulting in any way from snow or ice on any area serving the leased premises.

15. ACCESS AND PARKING. LESSEE shall have the right to use parking facilities provided for the leased premises in common with others entitled to the use thereof. Said parking area plus any stairs, walkways, elevators or other common areas shall in all cases be considered a part of the leased premises when they are used by LESSEE or LESSEE's employees, agents, callers or invitees. LESSEE will not obstruct in any manner any portion of the building or the walkways or approaches to the building, and will conform to all rules and regulations now or hereafter made by LESSOR for parking, and for the care, use, or alteration of the building, its facilities and approaches. LESSEE further warrants that LESSEE will not permit any employee or visitor to violate this or any other covenant or

obligation of LESSEE. No unattended parking will be permitted between 7:00 PM and 7:00 AM without LESSOR's prior written approval, and from December 1 through March 31 annually, such parking shall be permitted only in those areas specifically designated for assigned overnight parking. Unregistered or disabled vehicles, or storage trailers of any type, may not be parked at any time. LESSOR may tow, at LESSEE's sole risk and expense, any misparked vehicle belonging to LESSEE or LESSEE's agents, employees, invitees or callers, at any time. LESSOR shall not be responsible for providing any security services for the leased premises.

16. LIABILITY. LESSEE shall be solely responsible as between LESSOR and LESSEE for deaths or personal injuries to all persons whomsoever occurring in or on the leased premises (including any common areas that are considered part of the leased premises hereunder) from

whatever cause arising, and damage to property to whomsoever belonging arising out of the use, control, condition or occupation of the leased premises by LESSEE; and LESSEE agrees to indemnify and save harmless LESSOR from any and all liability, including but not limited to costs, expenses, damages, causes of action, claims, judgments and attorney's fees of any kind which may be asserted against or incurred by LESSOR as a result of any occurrence in or about the leased premises or by reason of LESSEE's use or occupancy of the leased premises, or by reason of a failure of LESSEE to perform any of its obligations under this lease, or otherwise caused by or in any way growing out of any matters aforesaid, except for death, personal injuries or property damage solely and directly resulting from the gross negligence or willful misconduct of LESSOR.

17. INSURANCE. LESSEE will secure and carry at its own expense worker's compensation insurance at the minimum statutory amount, comprehensive general public liability insurance under which LESSOR and LESSEE are named insureds, against any claims based on bodily injury (including death) or property damage arising out of the condition of the leased premises (including any common areas that are considered part of the leased premises hereunder) or their use by LESSEE, such policy to insure LESSEE, LESSOR and OWNER against any claim up to Two Million Dollars (2,000,000) in the case of any one accident involving bodily injury (including death), and up to Two Million Dollars ($2,000,000) against any claim for damage to property and containing a contractual endorsement covering LESSEE's indemnity obligation under this section. LESSOR and OWNER shall be included in each such policy as additional insureds using ISO form CG 20 26 11 85 or some other form approved by LESSOR. LESSEE will file with LESSOR prior to occupancy certificates and any applicable riders or endorsements showing that such insurance is in force, and thereafter will file renewal certificates prior to the expiration of any such policies. All such insurance certificates shall provide that such policies shall not be cancelled without at least ten (10) days prior written notice to each insured. In the event LESSEE shall fail to provide or maintain such insurance at any time during the term of this lease, then LESSOR may elect to contract for such insurance at LESSEE's expense. Anything in this lease to the contrary notwithstanding, it is agreed that each party (the "Releasing Party") hereby releases the other (the "Released Party") from any liability from which the Released Party would, but for this section, have had to the Releasing Party during the term of this lease, resulting from the occurrence of any accident or occurrence or casualty (i) which is or would be covered by a policy of physical hazard insurance of the type commonly referred to as an "all-risk" policy affording coverage for the perils (u) of fire; (v) of windstorm, (w) of flood, (x) of earthquake, (y) covered by broad form extended coverage insurance as included in the standard form used in the Commonwealth of Massachusetts, including, in particular without limitation, sprinkler leakage, and (z) of explosion of steam pressure boilers and other similar apparatus located in, on or about the building (irrespective of whether such coverage is carried by the Releasing Party); or (ii) covered by any other casualty or property damage insurance being carried by the Releasing Party at the time of such occurrence, which accident, occurrence or casualty may have resulted in whole or in part from any act or neglect of the Released Party, its officers, agents or employees; provided, however, the release here and above set forth

shall become inoperative and null and void if the Releasing Party wishes to place the appropriate insurance with an insurance company which (y) takes the position that the existence of such release vitiates or would adversely affect the policy so insuring the Releasing Party in a substantial manner and notice thereof is given to the Released Party, or (z) requires the payment of a higher premium by reason of the existence of such release, unless in the latter case the

Released Party within ten (10) days after notice thereof from the Releasing Party pays such increase in premium.

18. SIGNS. LESSOR authorizes, and LESSEE at LESSEE's expense agrees to erect, signage for the leased premises in accordance with all applicable governmental regulations and with LESSOR's building standards for style, size, location, etc. LESSEE shall obtain the prior written consent of LESSOR before erecting any sign on the leased premises, which consent shall include approval as to size, wording, design, and location. LESSOR may remove and dispose of any sign not approved, erected or displayed in conformance with this lease.

19. BROKERAGE. LESSEE warrants and represents to LESSOR that LESSEE has dealt with no broker or third person except Brad Spencer of Grubb & Ellis who will be paid by LESSOR in accordance with LESSOR's standard fee schedule with respect to this lease and LESSEE agrees to indemnify LESSOR against any brokerage claims arising by virtue of this lease. LESSOR warrants and represents to LESSEE that LESSOR has employed no exclusive broker or agent in connection with the letting of the leased premises.

20. DEFAULT AND ACCELERATION OF RENT. In the event that: (a) any assignment for the benefit of creditors, trust mortgage, receivership or other insolvency proceeding shall be made or instituted with respect to LESSEE or LESSEE's property; (b) LESSEE shall default in the observance or performance of any of LESSEE's covenants, agreements, or obligations hereunder, other than substantial monetary payments as provided below, and such default shall not be corrected within ten (10) days after written notice thereof; or (c) LESSEE vacates the leased premises for twenty (20) consecutive days, then LESSOR shall have the right thereafter, while such default continues and without demand or further notice, at LESSOR's option, either (i) to terminate this lease, or (ii) without terminating this lease, to take possession of the leased premises, with or without process of law, using such force as may be necessary to remove all persons and personal property therefrom, and in the event of such re-entry without termination, LESSOR may (but shall have no obligation to do so) lease the leased premises for the remainder of the term or for a lesser longer period on such terms and conditions as LESSOR, in its sole judgment, deems advisable and for the purpose of such re-letting, LESSOR is hereby authorized to make such repairs and alterations as LESSOR deems necessary. Notwithstanding any re-letting without termination, (y) LESSEE shall remain liable for payment of the base rent, Additional Rent and all other charges and for the performance of all other obligations to be performed by LESSEE under this lease, and (z) LESSOR may at any time thereafter elect to terminate this lease for such previous breach. The rentals received from such re-letting shall first be applied to the expenses of such re-letting (including alteration and repair expenses and reasonable brokerage and attorneys' fees); and second to the payment of rent and other charges due and paid hereunder. LESSEE shall not be entitled to receive any surplus funds received by LESSOR from such re-letting. If such funds from the re-letting are less than those required to be paid by LESSEE or under for any month, such deficiency shall be calculated and payable monthly by LESSEE. LESSOR shall also be entitled to collect from LESSEE any other loss or damage which LESSOR may sustain by reason of LESSEE's default under this lease. In addition to the foregoing, LESSOR shall have all other rights and remedies available to it at law or in equity. If LESSEE shall default in the payment of the security deposit, rent, taxes, substantial invoice from LESSOR or LESSOR's agent for goods and/or services or other sum herein specified, and such default shall continue for ten (10) days after written notice thereof, and,

because both parties agree that nonpayment of said sums when due is a substantial breach of the lease, and, because the payment of rent in monthly installments is for the sole benefit and convenience of LESSEE, then in addition to the foregoing remedies the entire balance of rent which is due hereunder shall become immediately due and payable as liquidated damages. LESSOR, without being under any obligation to do so and without thereby waiving any default, may remedy any such default of LESSEE for the account and at the expense of LESSEE. If LESSOR pays or incurs any obligations for the payment of money in connection therewith, such sums paid or obligations incurred plus interest and costs, shall be paid to LESSOR by LESSEE as additional rent. Any sums received by LESSOR from or on behalf of LESSEE at any time shall be applied first to any unamortized improvements completed for LESSEE's occupancy, then to offset any outstanding invoice or other payment due to LESSOR, with the balance applied to outstanding rent. LESSEE agrees to pay reasonable attorney's fees and/or administrative costs incurred by LESSOR in enforcing any or all obligations of LESSEE under this lease at any time. LESSEE shall pay LESSOR interest at the rate of eighteen percent (18%) per annum on any payment from LESSEE to LESSOR which is past due. If LESSEE fails to perform any obligations on its part to be performed under this lease, LESSOR shall have the right (i) if no emergency exists, to perform the same after giving ten (10) days notice to LESSEE; and (ii) in any emergency situation perform the same immediately without notice or delay. LESSEE shall on demand reimburse LESSOR for costs incurred by LESSOR in rectifying LESSEE's defaults as aforesaid, including reasonable attorneys' fees. Except for the gross negligence or willful misconduct by LESSOR, LESSOR shall not be liable or in any way responsible for any loss, inconvenience or damage resulting to LESSEE for any action taken by LESSOR pursuant to this section.

21. NOTICE. Any notice from LESSOR to LESSEE relating to the leased premises or to the occupancy thereof shall be deemed duly served when left at the leased premises addressed to LESSEE, or served by constable, or sent to the leased premises by certified mail, return receipt requested, postage prepaid, addressed to LESSEE, or by nationally recognized overnight delivery. Any notice from LESSEE to LESSOR relating to the leased premises or to the occupancy thereof shall be deemed duly served when served by constable, or delivered to LESSOR by certified mail, return receipt requested, postage prepaid, or by nationally recognized overnight delivery addressed to LESSOR c/o Pinnacle Properties Management, Inc. at 56 Roland Street, Boston, MA 02129 or at LESSOR's last designated address with a copy to Frank P. Brady, Esq., Polsinelli, White, Vardeman & Shalton, 7500 College Boulevard, Suite 750, Overland Park, KS 66210. No oral notice or representation shall have any force or effect. Time is of the essence in service of any notice.

22. OCCUPANCY. In the event that LESSEE takes possession of said leased premises prior to the start of said term, LESSEE will perform and observe all of LESSEE's covenants from the date upon which LESSEE takes possession except the obligation for the payment of extra rent for any period of less than one month. LESSEE shall not remove LESSEE's goods or property from the leased premises other than in the ordinary and usual course of business, without having first paid and satisfied LESSOR for all rent which may become due during the entire term of this lease. LESSOR shall have the right to relocate LESSEE to another facility upon prior written notice to LESSEE and on terms comparable to those herein. If LESSOR relocates LESSEE, LESSOR shall reimburse LESSEE for LESSEE's reasonable out-of-pocket expenses for moving LESSEE's furniture, equipment, and supplies from the leased premises to the relocation space

and for reprinting LESSEE's stationery of the same quality and quantity as LESSEE's stationery supply on hand immediately before LESSOR's notice to LESSEE of the exercise of this relocation right. Upon such relocation, the relocation space shall be deemed to be the leased premises and the terms of the lease shall remain in full force and shall apply to the relocation space. In the event that LESSEE continues to occupy or control all or any part of the leased premises after the agreed termination of this lease without the written permission of LESSOR, then LESSEE shall be liable to LESSOR for any and all loss, damages or

expenses incurred by LESSOR, and all other terms of this lease shall continue to apply except that rent shall be due in full monthly installments at a rate of one hundred fifty percent (150%) of that which would otherwise be due under this lease, it being understood between the parties that such extended occupancy is as a tenant at sufferance and is solely for the benefit and convenience of LESSEE and as such has greater rental value. LESSEE's control or occupancy of all or any part of the leased premises beyond noon on the last day of any monthly rental period shall constitute LESSEE's occupancy for an entire additional month, and increased rent as provided in this section shall be due and payable immediately in advance. LESSOR's acceptance of any payments from LESSEE during such extended occupancy shall not alter LESSEE's status as a tenant at sufferance.

23. FIRE PREVENTION. LESSEE agrees to use every reasonable precaution against fire and agrees to provide and maintain approved, labeled fire extinguishers, emergency lighting equipment, and exit signs and complete any other modifications within the leased premises as required or recommended by the Insurance Services Office (or successor organization), OSHA, the local Fire Department, or any similar body.

24. OUTSIDE AREA. No goods, equipment, or things of any type or description shall be held or stored outside the leased premises at any time without prior written consent from LESSOR. Any goods, equipment or things left outside the leased premises without LESSOR's prior written consent shall be deemed abandoned and may be removed at LESSEE's expense without notice by LESSOR. LESSEE shall have a building standard size dumpster in a location approved by LESSOR, provided and serviced at LESSEE's expense by whichever disposal firm may from time to time be designated by LESSOR, unless a shared dumpster or compactor is provided by LESSOR, in which case LESSEE shall pay its proportionate share of any costs associated therewith.

25. ENVIRONMENT. LESSEE will so conduct and operate the leased premises as not to interfere in any way with the use and enjoyment of other portions of the same or neighboring buildings by others by reason of odors, smoke, smells, noise, pets, accumulation of garbage or trash, vermin or other pests, or otherwise, and will at its expense employ a professional pest control service if necessary. LESSEE agrees to maintain efficient and effective devices for preventing damage to heating equipment from solvents, degreasers, cutting oils, propellants, etc. which may be present at the leased premises. No hazardous materials or wastes shall be stored, disposed of, or allowed to remain at the leased premises at any time, and LESSEE shall be solely responsible for any and all corrosion or other damage associated with the use, storage and/or disposal of same by LESSEE. LESSEE agrees not to unreasonably or unlawfully introduce any hazard or toxic materials onto the leased premises without (a) first obtaining LESSOR's written consent, and (b) complying with all applicable Federal, state and local laws or ordinances pertaining to the transportation, storage, use or disposal of such materials, including but not

limited to, obtaining proper permits. If LESSEE's transportation, storage, use or disposal of hazardous or toxic materials on the leased premises results in (i) contamination of the soil or surface or ground water or (ii) loss or damage to persons or property, then LESSEE agrees (1) to notify LESSOR immediately of any contamination, claim of contamination, loss or damage, (2) after consultation and approval by LESSOR, to clean-up, at LESSEE's sole expense, contamination in full compliance with all applicable statutes, regulations and standards, and (3) to indemnify, defend and hold LESSOR harmless from and against any claims, suits, causes of action, costs and fees, including reasonable attorneys' fees arising from or connected with any such contamination, claim of contamination, loss, damage or clean-up. This provision shall survive termination of this lease.

26. RESPONSIBILITY. LESSOR shall not be held liable to anyone for loss or damage caused in any way by the use, leakage, seepage or escape of water from any source, or for the cessation of any service rendered customarily to said leased premises or buildings, or agreed to by the terms of this lease, due to any

accident, the making of repairs, alterations or improvements, labor difficulties, weather conditions, mechanical breakdowns, trouble or scarcity in obtaining fuel, electricity, service or supplies from the sources from which they are usually obtained for said building, or any cause beyond LESSOR's immediate control.

27. SURRENDER. LESSEE shall at the termination of this lease remove all of LESSEE's goods and effects from the leased premises. LESSEE shall deliver to LESSOR the leased premises and all keys and locks thereto, all fixtures and equipment connected therewith, and all alterations, additions and improvements made to or upon the leased premises, whether completed by LESSEE, LESSOR, or others, including but not limited to any offices, partitions (except movable partitions supplied and installed by LESSEE), window blinds, floor coverings (including computer floors), plumbing and plumbing fixtures, air conditioning equipment and ductwork of any type, exhaust fans or heaters, water coolers, burglar alarms, telephone wiring, telephone equipment, air or gas distribution piping, compressors, overhead cranes, hoists, trolleys or conveyors, counters, shelving or signs attached to walls or floors, all electrical work, including but not limited to lighting fixtures of any type, wiring, conduit, EMT, transformers, distribution panels, bus ducts, raceways, outlets and disconnects, and furnishings (except kitchen-type appliances supplied and installed by LESSEE) or equipment which have been bolted, welded, nailed, screwed, glued or otherwise attached to any wall, floor or ceiling, or which have been directly wired to any portion of the electrical system or which have been plumbed to the water supply, drainage or venting systems serving the leased premises. LESSEE shall deliver the leased premises sanitized from any chemicals or other contaminants, and broom clean and in the same condition as they were at the commencement of this lease or any prior lease between the parties for the leased premises, or as they were modified during said term with LESSOR's written consent, reasonable wear and tear and damage by fire or other casualty only excepted. In the event of LESSEE's failure to remove any of LESSEE's property from the leased premises upon termination of the lease, LESSOR is hereby authorized, without liability to LESSEE for loss or damage thereto, and at the sole risk of LESSEE, to remove and store any such property at LESSEE's expense, or to retain same under LESSOR's control, or to sell at public or private sale (without notice), any or all of the property not so removed and to apply the net proceeds of such sale to the payment of any sum due hereunder, or to destroy such abandoned property. In no case shall the leased premises be deemed surrendered to LESSOR

until the termination date provided herein or such other date as may be specified in a written agreement between the parties, notwithstanding the delivery of any keys to LESSOR.

28. GENERAL. (a) The invalidity or unenforceability of any provision of this lease shall not affect or render invalid or unenforceable any other provision hereof. (b) The obligations of this lease shall run with the land, and this lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that LESSOR shall be liable only for obligations occurring while lessor, owner, or master lessee of the leased premises. (c) Any action or proceeding arising out of the subject matter of this lease shall be brought by LESSEE within one year after the cause of action has occurred and only in a court of the Commonwealth of Massachusetts. (d) If LESSOR is acting under or as agent for any trust or corporation, the obligations of LESSOR shall be binding upon the trust or corporation, but not upon any trustee, officer, director, shareholder, or beneficiary of the trust or corporation individually. (f) This lease is made and delivered in the Commonwealth of Massachusetts, and shall be interpreted, construed, and enforced in accordance with the laws thereof. (g) This lease was the result of negotiations between parties of equal bargaining strength, and when executed by both parties shall constitute the entire agreement between said parties. No other oral or written representation shall have any effect hereon, and this agreement may not be altered, extended or amended except by written agreement attached hereto or as otherwise provided herein. (h) Notwithstanding any other statements herein, LESSOR makes no warranty, express or implied, concerning the suitability of the

leased premises for LESSEE's intended use. (i) LESSEE agrees that if LESSOR does not deliver possession of the leased premises as herein provided for any reason, LESSOR shall not be liable for any damages to LESSEE for such failure, but LESSOR agrees to use reasonable efforts to deliver possession to LESSEE at the earliest possible date, and a proportionate abatement of rent for such time as LESSEE may be deprived of possession of said leased premises shall be LESSEE's sole remedy. (j) Neither the submission of this lease form, nor the prospective acceptance of the security deposit and/or rent shall constitute a reservation of or option for the leased premises, or an offer to lease, it being expressly understood and agreed that this lease shall not bind either party in any manner whatsoever until it has been executed by both parties. (k) LESSEE shall not be entitled to exercise any option contained herein if LESSEE is in default of any terms or conditions hereof. (1) The headings in this lease are for convenience only and shall not be considered part of the terms hereof. (m) No endorsement by LESSEE on any check shall bind LESSOR in any way.

29. SECURITY AGREEMENT. LESSEE hereby grants LESSOR a continuing security interest in all existing or hereafter acquired property of LESSEE which is in the leased premises to secure the payment of rent, the cost of leasehold improvements, and the performance of any other obligations of LESSEE under this lease. Default in the payment or performance of any of LESSEE's obligations hereunder is a default under this security agreement, and shall entitle LESSOR to immediately exercise all of the rights and remedies of a secured party under the Uniform Commercial Code. LESSEE also agrees to execute a UCC-1 Financing Statement and any other financing agreement required by LESSOR in connection with this security interest.

30. WAIVERS, ETC. No consent or waiver, express or implied, by LESSOR, to or of any breach of any covenant, condition or duty of LESSEE shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty. If LESSEE is several persons, several corporations or a partnership, LESSEE's obligations are joint or

partnership and also several. Unless repugnant to the context, "LESSOR" and "LESSEE" mean the person or persons, natural or corporate, named above as LESSOR and as LESSEE respectively, and their respective heirs, executors, administrators, successors and assigns.

31. AUTOMATIC FIVE YEAR EXTENSIONS. This lease, including all terms, conditions, escalations, etc. shall be automatically extended for additional successive periods of five (5) years each unless LESSOR or LESSEE shall serve written notice, either party to the other, of either party's desire not to so extend the lease. The time for serving such written notice shall be not more than twelve (12) months or less than six (6) months prior to the expiration of the then current lease period. Time is of the essence.

32. JURY TRIAL. LESSOR and LESSEE hereby waive any and all rights to a jury trial in any summary process or eviction proceeding in any way arising out of the lease.

33. ESTOPPEL CERTIFICATES. From time to time, LESSEE shall furnish to any party designated by LESSOR, within ten (10) days after a request therefor, a certificate signed by LESSEE confirming and containing such factual certifications and representations as to this lease as LESSOR may reasonably request.

34. CORPORATE APPROVAL. Concurrently with its execution of the lease, LESSEE shall provide LESSOR with duly authorized and executed corporate resolutions (in form and substance satisfactory to LESSOR) authorizing the entering into and consummation of the transactions contemplated by this lease and designating the corporate or other officer or officers to execute this lease on behalf of LESSEE.

35. FINANCIAL REPORTS. Within fifteen (15) days after LESSOR's request, LESSEE shall furnish LESSEE's most recent audited financial statements (including any

notes to them) to LESSOR, or, if no such audited statements have been prepared, such other financial statements (and notes to them) as may have been prepared by an independent certified public accountant or, failing those, LESSEE's internally prepared financial statements. LESSEE will discuss its financial statements with LESSOR and will give LESSOR access to LESSEE's books and records in order to enable LESSOR to verify the financial statements. LESSOR will not disclose any aspect of LESSEE's financial statements that LESSEE designates to LESSOR as confidential except (i) to LESSOR's lenders or prospective purchasers of the property, (ii) in litigation between LESSOR and LESSEE, and (iii) if required by court order.

36. CONFIDENTIALITY. LESSEE acknowledges that the terms and conditions of this lease are to remain confidential for the LESSOR's benefit, and may not be disclosed by LESSEE to anyone, by any manner or means, directly or indirectly, without LESSOR's prior written consent.

37. LEGAL EXPENSE; REMEDIES CUMULATIVE. In case suit should be brought because of the breach by LESSEE of any of its obligations under this lease, LESSOR shall be entitled to recover all expenses incurred in connection with such breach, including reasonable attorneys' fees. LESSOR's rights and remedies shall be cumulative and may be exercised and enforced concurrently, and no right or remedy of LESSOR shall be deemed to be exclusive of any other right or remedy it may have.

38. LIMITATION ON LESSOR'S LIABILITY. Notwithstanding anything set forth in this lease to the contrary, it is agreed that LESSEE shall look solely to the equity of LESSOR in the building for the satisfaction of the remedies of LESSEE in the event of a breach by LESSOR of any of the provisions of this lease, and LESSOR shall not be liable for any such breach except to the extent of LESSOR's equity in the building.

39. ADDITIONAL PROVISIONS. (Continued on attached rider if necessary.)

LESSOR at no additional cost to LESSEE, shall perform the following work at the leased premises:
Remove the existing tile in the rear portion of the leased premises;
Replace the existing carpet in the existing office area and perimeter offices with new carpet and vinyl cove base; and
Perform punchlist items including: installing covers over existing electrical outlets, replacing damaged ceiling tiles, and painting the back double metal doors.

LESSOR, at LESSOR's option, may construct up to an additional 10,000 square feet onto the existing building as shown on Exhibit "B" attached hereto ("Potential Addition") that may temporarily or permanently affect LESSEE's access to and from its tenant entry door and may involve relocating LESSEE's tenant entry door. In the event that the LESSOR makes the Potential Addition, LESSEE's proportionate share of Operating Costs and Taxes shall be equitably adjusted to reflect the new square footage of the building. In such event, LESSOR shall diligently pursue the completion of the Potential Addition and shall use reasonable efforts to complete the Potential Addition without undue delay and in a manner which does not materially and unreasonably affect LESSEE's use, enjoyment and occupation of the leased premises.

IN WITNESS WHEREOF, LESSOR AND LESSEE have hereunto set their hands and common seals and intend to be legally bound hereby this 13th day of May

LESSOR: 6-8 PRESTON COURT, L.L.C.
LESSEE: ASIANA PHARMACEUTICALS CORPORATION

By: PINNACLE PROPERTIES MANAGEMENT, INC., its manager

/s/ FREDERICK D. KEEFE
President, Pinnacle Properties Management, Inc.

By:

/s/ LAN BO CHEN By:

President Asiana Pharmaceuticals

GUARANTY

IN CONSIDERATION of the making of the above lease by 6-8 Preston Court, L.L.C with Asiana Pharmaceuticals Corporation at the request of the undersigned and in reliance on this

guaranty, the undersigned (GUARANTOR) hereby personally guarantees the prompt payment of rent by LESSEE and the performance by LESSEE of all the terms, conditions, covenants and agreements of the lease, any amendments thereto and any extensions or assignments thereof, and the undersigned promises to pay all expenses, including reasonable attorney's fees, incurred by LESSOR in enforcing all obligations of LESSEE under the lease or incurred by LESSOR in enforcing this guaranty. LESSOR's consent to any assignments, subleases, amendments and extensions by LESSEE or to any compromise or release of LESSEE's liability hereunder, with or without notice to the undersigned, or LESSOR's failure to notify the undersigned of any default and/or reinstatement of the lease by LESSEE, shall not relieve the undersigned from liability as GUARANTOR.

IN WITNESS WHEREOF, the undersigned GUARANTOR has hereunto set his/her/its hand and common seal intending to be legally bound hereby this 13th day of May.

12/98

/s/ LAN BO CHEN

ADDENDUM

This Addendum shall constitute an integral part of the Lease ("Lease") of even date herewith between 6-8 Preston Court, L.L.C. ("Lessor") and Asiana Pharmaceuticals Corporation ("Lessee") with respect to the Premises commonly known as 8A Preston Court. To the extent any of the terms and conditions set forth in this Addendum are inconsistent with the terms and conditions set forth in the Lease, the terms and conditions of this Addendum shall supercede the terms and conditions of the Lease and the terms and conditions of this Addendum shall govern.

The parties agree as follows:

1. Lessee shall immediately provide Lessor with telephonic notice, which shall promptly be confirmed by written notice, of any and all spillage, discharge, release and disposal of Hazardous Material onto or within the Premises, including the soils and subsurface waters thereof, which by law must be reported to any federal, state or local agency, and any injuries or damages resulting directly or indirectly therefrom. Further, Lessee shall deliver to Lessor each and every notice or order, when said order or notice identifies a violation which may have the potential to adversely impact the Premises, received from any federal, state or local agency concerning Hazardous Material and the possession, use and/or accumulation thereof promptly upon receipt of each such notice or order by Lessee. Lessor shall have the right, upon reasonable notice, to inspect and copy each and every notice or order received from any federal, state or local agency concerning Hazardous Material and the possession, use and/or accumulation thereof.

2. Lessee shall be responsible for and shall indemnify, protect, defend and hold harmless Lessor and Lessor's Agents (defined as Lessor's members, employees, agents, contractors, licensees or invitees) from any and all liability, damages, injuries, causes of action, claims, judgments, costs, penalties, fines, losses, and expenses which arise during or after the term of this Lease and which result from Lessee's or from Lessee's Agents (defined as Lessee's assignees, sublessees, employees, agents, contractors, licensees, or invitees) receiving, handling, use, storage, accumulation, transportation, generation, spillage, migration, discharge, release or disposal of Hazardous Material in, upon or about the Premises, including without limitation (i) diminution in value of the Premises, (ii) damages for the loss or restriction on use of any portion or amenity of the Premises, (iii) damages arising from any adverse impact on marketing of space in the Building, (iv) damages and the costs of remedial work to other property in the vicinity of the Premises owned by Lessor or an affiliate of Lessor, and (v) consultant fees, expert fees, and attorneys' fees.

3. The indemnification pursuant to the preceding Section 2 includes, without limiting the generality of Section 2, reasonable costs incurred in connection with any investigation of site conditions, cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil, subsoil, ground water, or elsewhere on, under or about the Premises, or on, under or about any other property in the vicinity of the Premises owned by Lessor or an affiliate of Lessor. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by Lessee results in any contamination of the Premises, or underlying soil or groundwater, Lessee shall promptly take all actions at its sole expense as are

necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material, provided that Lessor's approval of such action shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises, except that Lessee shall not be required to obtain Lessor's prior approval of any action of an emergency nature reasonably required or any action mandated by a governmental authority, but Lessee shall give Lessor prompt notice thereof.

4. Notwithstanding other provisions of this Addendum, it shall be a default under this Lease, and Lessor shall have the right to terminate the Lease and/or pursue its other remedies under the Lease, in the event that (i) Lessee's use of the Premises for the generation, storage, use, treatment or disposal of Hazardous Material is in a manner or for a purpose prohibited by applicable law unless Lessee is diligently pursuing compliance with such law, (ii) Lessee has been required by any governmental authority to take remedial action in connection with Hazardous Material contaminating the Premises if the contamination resulted from Lessee's action or use of the Premises, unless Lessee is diligently pursuing compliance with such requirement, or (iii) Lessee is subject to an enforcement order issued by any governmental authority in connection with the use, disposal or storage of a Hazardous Material on the Premises, unless Lessee is diligently seeking compliance with such enforcement order.

5. At any time prior to the expiration or earlier termination of the term of the Lease, Lessor shall have the right to enter upon the Premises at all reasonable times and at reasonable intervals in order to conduct appropriate tests regarding the presence, use and storage of Hazardous Material, and to inspect Lessee's records with regard thereto. Lessee will pay the reasonable costs of any such test which demonstrates that contamination in excess of permissible levels has occurred and such contamination was caused by use of the Premises during the term of the Lease. Lessee shall correct any deficiencies identified in any such tests in accordance with its obligations under this Addendum.

6. Lessee shall at its own expense cause an environmental site

assessment of the Premises to be conducted and a report thereof delivered to Lessor upon the expiration or earlier termination of the Lease. This report shall consist of a visual inspection of the premises for visible signs of possible contamination and an inspection of records regarding the generation, storage, use, disposal, and transport of Hazardous Materials within the Premises during Lessee's occupancy (hereinafter referred to as the "Exit Report"), or a more complete and broader report only if so recommended in the Exit Report to investigate areas of possible contamination. Lessee shall correct any deficiencies identified in such report in accordance with its obligations under this Addendum prior to the expiration or earlier termination of this Lease.

7. Lessee's obligations under this Addendum shall survive the termination of the Lease. Should Lessee employ any period of time after the expiration or earlier termination of this Lease, to complete the removal from the Premises of any such Hazardous Material, Lessee shall be a Lessee at sufferance subject to the provisions of Section 22 of the Lease.

8. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or:waste which is or becomes regulated by any local governmental authority, the State of Massachusetts or the United States Government.

9. If Lessee shall request Lessor's consent to any assignment of this Lease or to any subletting of all or any part of the Premises, Lessee shall submit to Lessor with such request the name of the proposed assignee or subLessee, such information concerning its business, financial responsibility and standing as Lessor may reasonably require, and the consideration and rents (and terms and conditions thereof) to be paid for and the effective date of the proposed assignment or subletting. Upon receipt of such request and all such information, Lessor shall have the right (without limiting Lessor's right of consent in respect of such assignment or subletting), by giving notice to Lessee within fifteen ;(15) days thereafter, (oseq level3 *romanoio) to terminate this Lease if the request is for an assignment or a subletting of all the Premises, or (oseq level3 *romanoiio) if such request is to sublet a portion of the Premises only, to terminate this Lease with respect to such portion. If Lessor exercises its right to terminate this Lease, the effective date of termination shall be set forth in Lessor's notice to Lessee, but such date shall not be earlier than the effective date of the proposed assignment or subletting nor later than ninety (90) days thereafter. If Lessor so elects to terminate this Lease, Lessee shall continue to pay the Rent and other charges hereunder to Lessor until the effective date of termination, on which date Lessee will surrender possession of the Premises, or the portion thereof subject to such right of termination, to Lessor in accordance with the provisions hereof. If Lessor shall terminate this Lease as to a portion of the Premises only, then following such termination the Rent and Additional Rent shall be reduced in the same proportion as the number of square feet of net rentable footage in such portion of the Premises bears to the number of square feet of net rentable footage in the Premises immediately prior to such termination.

10. oseq level2 \h \rO ooseq level3 \h \r0 o If Lessee shall request Lessor consent to an assignment of this Lease and Lessor shall consent thereto, the assignee ("Assignee") shall pay directly to Lessor, as additional rent hereunder, at such times as Assignee shall have agreed to pay Lessee, an amount equal to any consideration Assignee shall have agreed to pay Lessee on account of such assignment. If Assignee shall fail to pay Lessor any such consideration when due, such failure shall constitute a default under this Lease.

11. If Lessee shall request Lessor's consent to a subletting of the Premises or any part thereof and Lessor shall consent thereto, Lessee shall pay Lessor as Additional Rent, in addition to the Rent and other charges payable hereunder, an amount equal to any consideration paid by the subtenant to Lessee in excess of (oseq level3 *romanoio) the Rent and other charges payable hereunder if all of the Premises are so sublet, or (*seq level3 *romanoiio) if less than all, of the Premises are so sublet, the Rent and other charges payable hereunder allocable to the portion of the Premises so sublet based on the number

of square feet of net useable footage the Premises so sublet to the total number of square feet of net useable footage in the Premises. The foregoing amount shall be determined monthly and paid by Lessee to Lessor on the first day of each calendar month in advance during the term of such sublease. If Lessee shall fail to pay Lessor any such consideration, such failure shall be a default under this Lease.

IN WITNESS WHEREOF, the parties execute this Addendum on the 31st day of May, 1999.

LESSOR:

6-8 PRESTON COURT, L.L.C.,
a Delaware limited liability company

By: Pinnacle Properties Management, Inc., its manager

By: /s/ FRED KEEFE
Name: Fred Keefe
Title: President

LESSEE:

ASIANA PHARMACEUTICALS CORPORATION

By: /s/ LAN BO CHEN
Name: Lan Bo Chen
Title: Founder

PINNACLE PROPERTIES MANAGEMENT

STANDARD FORM

AMENDMENT TO LEASE #1

IN CONNECTION WITH A LEASE CURRENTLY IN EFFECT BETWEEN THE PARTIES AT 8-A PRESTON COURT, BEDFORD, MASSACHUSETTS, EXECUTED ON MAY 13, 1999 AND TERMINATING MAY 30, 2004, AND IN CONSIDERATION OF THE MUTUAL BENEFITS TO BE DERIVED HEREFROM, 6-8 PRESTON COURT, L.L.C., LESSOR AND ASIANA PHARMACEUTICALS CORPORATION, LESSEE, HEREBY AGREE TO AMEND SAID LEASE AS FOLLOWS:

1. Provided LESSOR is able to obtain a building permit and all other permits and approvals required from the City of Bedford, then LESSOR shall have the right at LESSOR's sole option and at LESSOR's sole expense to construct up to an additional 10,000 square feet of office space onto the existing Building, as shown on Exhibit "A" attached hereto ("Addition") that may temporarily or permanently affect LESSEE's access to and from its existing front entry door.

2. If LESSOR chooses to construct the Addition, then upon substantial completion of the Addition, LESSEE shall lease 1,700 square feet (including common area) additional as shown cross hatched on Exhibit "B" attached hereto ("Expansion Space"). LESSEE's Proportionate Share of Operating Costs and Taxes shall be equitably adjusted to reflect the new square footage of the Building and the Expansion Space. The Expansion Space shall be finished at LESSOR's expense as office space with LESSOR's building standard materials to consist of: carpeting throughout, two partitioned offices, acoustical tile ceilings, standard lighting, fire protection sprinklers, standard heating and cooling capacity, and 110V convenience electrical wall outlets at regular intervals. The Expansion

Space shall also be painted according to LESSOR's standards. All other terms, conditions and covenants of this lease shall apply to the Expansion Space.

3. The Security Deposit referred to in Section 2 of the lease shall be increased to $19,152.00 from $11,800.00. LESSEE shall pay the balance of $7,352.00 upon substantial completion.

4. LESSEE and LESSOR each warrants and represents to the other party that it has dealt with no broker or third person with respect to this lease amendment and LESSEE and LESSOR each agrees to indemnify the other party against any brokerage claims arising by any person or entity claiming by, through or under such party.

5. Commencing upon substantial completion of the Expansion Space, the lease shall he amended and modified so that the adjusted base rent shall be increased by $44,115.00 annually, from a total of $71,800.00 to an annual base rent of $115,915.00, or $9,659.58 per month. Annual base rent for the purpose of computing any future escalations thereon shall be $115,915.00.

6. Time is of the essence with respect to this Amendment.

EXCEPT AS SPECIFICALLY AMENDED HEREBY, THE LEASE AND ALL THE TERMS, CONDITIONS AND COVENANTS CONTAINED THEREIN SHALL REMAIN IN FULL FORCE AND EFFECT AND ARE HEREBY FULLY RATIFIED AND CONFIRMED. THIS AMENDMENT SHALL BE EFFECTIVE UPON FULL EXECUTION AND SHALL

CONTINUE THROUGH THE BALANCE OF THE LEASE AND ANY EXTENSIONS THEREOF UNLESS FURTHER MODIFIED BY WRITTEN AMENDMENT(S).

In Witness Whereof, LESSOR and LESSEE have hereunto set their hands and common seals this 31st day of July, 2000.

LESSOR: 52 & 56 ROLAND STREET, L.L.C.

BY: PINNACLE PROPERTIES MANAGEMENT, L.L.C., ITS MANAGER

By: /s/ FREDERICK D. KEEFE

Frederick D. Keefe, President and Member

LESSEE: ASIANA PHARMACEUTICALS CORPORATION

By: /s/ BRYAN G. KEANEY

Name: BRYAN G. KEANEY

Title: CHIEF FINANCIAL OFFICER

PINNACLE PROPERTIES MANAGEMENT, L.L.C.

STANDARD FORM

AMENDMENT TO LEASE #2

IN CONNECTION WITH A LEASE CURRENTLY IN EFFECT BETWEEN THE PARTIES AT 8-A PRESTON COURT, BEDFORD, MASSACHUSETTS, EXECUTED ON MAY 13, 1999 AND TERMINATING MAY 30, 2004, AND IN CONSIDERATION OF THE MUTUAL BENEFITS TO BE DERIVED HEREFROM, 6-8 PRESTON COURT, L.L.C., LESSOR AND ASIANA PHARMACEUTICALS CORPORATION, LESSEE, HEREBY AGREE TO AMEND SAID LEASE AS FOLLOWS:

1. LESSEE shall lease the approximately 3,000 square feet (including common area) additional as shown cross hatched on Exhibit "A" attached hereto ("Expansion Space") upon substantial completion of LESSOR's Work in the Expansion Space. LESSEE's Proportionate Share of Operating Costs and Taxes shall be equitably adjusted to reflect the new square footage of the Building and the Expansion Space. The Expansion Space shall be finished at LESSOR's expense as

office space with LESSOR's building standard materials consisting solely of the following ("LESSOR's Work"): carpeting throughout the front portion of the Expansion Space, one partitioned office, acoustical tile ceilings, standard painting, standard lighting, fire protection sprinklers, standard heating and cooling capacity, and 110V convenience electrical wall outlets at regular intervals. All other terms, conditions and covenants of this lease shall apply to the Expansion Space.

2. The Security Deposit referred to in Section 2. of the lease shall be increased to $28,832.00 from $19,152.00. LESSEE shall pay the balance of $9,680.00 upon substantial completion of LESSOR's Work in the Expansion Space.

3. LESSEE and LESSOR each warrants and represents to the other party that it has dealt with no broker or third person with respect to this lease amendment and LESSEE and LESSOR each agrees to indemnify the other party against any brokerage claims arising by any person or entity claiming by, through or under such party.

4. Commencing upon substantial completion of LESSOR's Work in the Expansion Space, the lease shall be amended and modified so that the adjusted base rent shall be increased by $54,085.00 annually, from a total of $115,915.00 to an annual base rent of $170,000.00, or $14,166.67 per month. Annual base rent for the purpose of computing any escalations thereon shall be $170,000.00.

5. Time is of the essence with respect to this Amendment.

EXCEPT AS SPECIFICALLY AMENDED HEREBY, THE LEASE AND ALL THE TERMS, CONDITIONS AND COVENANTS CONTAINED THEREIN SHALL REMAIN IN FULL FORCE AND EFFECT AND ARE HEREBY FULLY RATIFIED AND CONFIRMED. THIS AMENDMENT SHALL BE EFFECTIVE UPON FULL EXECUTION AND SHALL CONTINUE THROUGH THE BALANCE OF THE LEASE AND ANY EXTENSIONS THEREOF UNLESS FURTHER MODIFIED BY WRITTEN AMENDMENT(S).

In Witness Whereof, LESSOR and LESSEE have hereunto set their hands and common seals this 26th day of November 2001.

LESSOR: 6-8 PRESTON COURT, L.L.C.

BY: PINNACLE PROPERTIES MANAGEMENT, L.L.C., ITS MANAGING MEMBER

By: /s/ FREDERICK D. KEEFE

Frederick D. Keefe, President and Member

LESSEE: ASIANA PHARMACEUTICALS CORPORATION

By: /s/ BRYAN G. KEANEY

Name: BRYAN G. KEANEY

Title: CFO

PINNACLE PROPERTIES MANAGEMENT, L.L.C.

STANDARD FORM

AMENDMENT TO LEASE #3

IN CONNECTION WITH A LEASE CURRENTLY IN EFFECT BETWEEN THE PARTIES AT 8-A PRESTON COURT, BEDFORD, MASSACHUSETTS, EXECUTED ON MAY 13, 1999 AND TERMINATING MAY 30, 2004 ("LEASE"), AND IN CONSIDERATION OF THE MUTUAL BENEFITS TO BE DERIVED HEREFROM, 6-8 PRESTON COURT, L.L.C., LESSOR AND ASIANA PHARMACEUTICALS CORPORATION, LESSEE, HEREBY AGREE TO AMEND SAID LEASE AS FOLLOWS:

1. The leased premises shall be referred to as 6-A Preston Court rather than 8-A Preston Court.

2. Per Section 31 of the Lease, the current lease term is hereby extended for an additional five year term ("Extended Term") and shall now terminate on May 30, 2009 instead of on May 30, 2004. The base rent shall be in accordance with the existing Lease and amendments including all escalations.

3. LESSEE shall accept the leased premises in "AS IS" "WHERE IS" condition, without warranty or representation.

4. Notwithstanding anything in the Lease to the contrary, LESSEE may assign the Lease or sublease all or part of the leased premises (a "PERMITTED TRANSFER") to the following types of entities (a "PERMITTED TRANSFEREE") with written notice to LESSOR but without the written consent of LESSOR: (1) an Affiliate (as hereinafter defined) of LESSEE; (2) any corporation, limited partnership, limited liability partnership, limited liability company or other business entity in which or with which LESSEE, or its corporate successors or assigns, is merged or consolidated, in accordance with applicable statutory provisions governing merger and consolidation of business entities, so long as (A) LESSEE's obligations hereunder are assumed by the entity surviving such merger or created by such consolidation; and (B) the Tangible Net Worth (as hereinafter defined) of the surviving or created entity is not less than the Tangible Net Worth of LESSEE as of the date hereof; or (3) any corporation, limited partnership, limited liability partnership, limited liability company or other business entity acquiring all or substantially all of LESSEE's assets if such entity's Tangible Net Worth after such acquisition is not less than the Tangible Net Worth of LESSEE as of the date hereof. LESSEE shall promptly notify LESSOR of any such Permitted Transfer. LESSEE shall remain liable for the performance of all of the obligations of LESSEE hereunder, or if LESSEE no longer exists because of a merger, consolidation, or acquisition, the surviving or acquiring entity shall expressly assume in writing the obligations of LESSEE hereunder. Additionally, the Permitted Transferee shall comply with all of the terms and conditions of this Lease. No later than 30 days after the effective date of any Permitted Transfer, LESSEE agrees to furnish LESSOR with (A) copies of the instrument effecting the Permitted Transfer, (B) documentation establishing LESSEE's satisfaction of the requirements set forth above applicable to any such Permitted Transfer, and (C) evidence of insurance as required under the Lease with respect to the Permitted Transferee. "TANGIBLE NET WORTH" means the excess of total assets over total liabilities, in each case as

determined in accordance with generally accepted accounting principles consistently applied ("GAAP"), excluding, however, from the determination of total assets all assets which would be classified as intangible assets under GAAP including goodwill, licenses, patents, trademarks, trade names, copyrights, and franchises. "Affiliate" means any person or entity which, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the party in question.

5. LESSEE represents that Munchi BioTherapeutics Corp. (a Delaware corporation) has succeeded to the interests of Asiana Pharmaceuticals Corporation (a Massachusetts corporation) as LESSEE of the leased premises, and Munchi BioTherapeutics Corp. hereby assumes all obligations and liabilities of the LESSEE under the Lease.

6. LESSOR agrees to maintain casualty insurance in a commercially reasonable amount for the building of which the leased premises are a part.

7. LESSEE'S agreement to subordinate this Lease to any and all future mortgages and/or other future instruments in the nature of a mortgage, is conditional upon LESSOR using reasonable efforts and due diligence to obtain the future mortgagee's agreement that LESSEE's possession will not thereafter be disturbed so long as LESSEE is not in default in the payment of rent or other covenants or obligations hereof.

8. In Section 21 of the Lease, the notice address for Frank Brady is changed to the following: Frank Brady, Esq., Pinnacle Properties Management,. LLC, 10955

Lowell Avenue, Suite 600, Overland Park, KS 66210. Additionally, the following is added at the end of the first sentence: "with a copy to Bryan Keaney, Synta Pharmaceuticals, Inc., 45 Hartwell Avenue, Lexington, MA 02421".

9. The first, third, fourth and fifth sentences of Section 22 of the Lease are hereby deleted.

10. In Section 25 of the Lease, the phrase "no hazardous materials or waste shall be stored, disposed of, or allowed to remain at the leased premises at any time, and" is hereby replaced with "no hazardous materials or waste shall be stored, disposed of, or allowed to remain at the leased premises at any time except in compliance with all applicable statutes, regulations, ordinances and the like, and".

11. Per Section 35 of the Lease, provided LESSEE is not in default of the Lease, LESSEE will not be required to provide financial statements more than one time per year if requested by LESSOR.

12. Section 36 of the Lease is hereby deleted in its entirety.

13. Section 37 of the Lease shall be amended by the addition of the following language to the end of that section: "The prevailing party may recover from the non prevailing party reasonable attorney's fees."

14. LESSEE warrants and represents to LESSOR that it has not employed a broker or third person with respect to this lease amendment and LESSEE agrees to indemnify LESSOR against any brokerage claims arising by any person or entity claiming by, through or under LESSEE.

15. Time is of the essence with respect to this lease amendment.

EXCEPT AS SPECIFICALLY AMENDED HEREBY, THE LEASE AND ALL THE TERMS, CONDITIONS AND COVENANTS CONTAINED THEREIN SHALL REMAIN IN FULL FORCE AND EFFECT AND ARE HEREBY FULLY RATIFIED AND CONFIRMED. THIS LEASE AMENDMENT SHALL BE EFFECTIVE UPON FULL EXECUTION AND SHALL CONTINUE THROUGH THE BALANCE OF THE LEASE AND ANY EXTENSIONS THEREOF UNLESS FURTHER MODIFIED BY WRITTEN AMENDMENT(S).

In Witness Whereof, LESSOR and LESSEE have hereunto set their hands and common seals this day of December 2003.

LESSOR: 6-8 PRESTON COURT, L.L.C.

BY: PINNACLE PROPERTIES
MANAGEMENT, L.L.C., ITS MANAGING MEMBER

By: _____
Frederick D. Keefe, President and Member

LESSEE: ASIANA PHARMACEUTICALS CORPORATION

By: /s/ LAN BO CHEN
Name: LAN BO CHEN
Title: FOUNDER

LESSEE: MUNCHI BIOTHERAPEUTICS CORP.

By: /s/ LAN BO CHEN
Name: LAN BO CHEN
Title: FOUNDER

Exhibit 10.8

91 HARTWELL AVENUE
LEXINGTON, MASSACHUSETTS

Lease Dated January 13, 2005

THIS INSTRUMENT IS AN INDENTURE OF LEASE in which the Landlord and the Tenant are the parties hereinafter named, and which relates to space in a certain building (the "Building") known as, and with an address at, 91 Hartwell Avenue, Lexington, Massachusetts.

The parties to this Indenture of Lease hereby agree with each other as follows:

ARTICLE I

REFERENCE DATA

1.1 SUBJECTS REFERRED TO.

Each reference in this Lease to any of the following subjects shall be construed to incorporate the data stated for that subject in this Article:

Landlord:	Mortimer B. Zuckerman and Edward H. Linde, Trustees of 91 Hartwell Avenue Trust under Declaration of Trust dated September 28, 1981 filed with the Middlesex South Registry as Document No. 616455 as amended by instruments dated December 10, 1984 and April 17, 1991 respectively filed with said Registry District as Document Nos. 675674 and 844541 but not individually.
Landlord's Original Address:	c/o Boston Properties Limited Partnership 111 Huntington Avenue, Suite 300 Boston, Massachusetts 02199-7610
Landlord's Construction Representative:	Michael Schumacher
Tenant:	Synta

Pharmaceuticals, Inc., a Delaware corporation.

Tenant's Original Address: 45 Hartwell Avenue
Lexington, Massachusetts 02421

Tenant's Construction Representative:	----------
Commencement Date:	January 15, 2005
Second Floor Premises Rent Commencement Date:	February 15, 2005
Third Floor Premises Rent Commencement Date:	July 1, 2005
Original Term:	Twenty-five (25) calendar months (plus the partial month, if any, immediately following the Commencement Date), unless extended or sooner terminated as provided in this Lease.
Extension Option:	One (1) period of one (1) year as provided in and on

	the terms set forth in Section 2.4.1 hereof.
Term or Lease Term:	All references in this Lease or to the Term or Lease Term shall mean the Original Term and if extended pursuant to Section 2.4.1, the Original Term as extended by the exercise of the extension option unless otherwise specifically provided in this Lease.
The Site:	That certain parcel of land known as and numbered 91 Hartwell Avenue, Lexington, Middlesex Count, Massachusetts, being more particularly described in Exhibit A attached hereto. The Building (as defined below) is the only structure located on the Site.
The Building:	The Building known as and numbered 91 Hartwell Avenue, Lexington, Massachusetts.
The Complex:	The Building together with all surface parking areas, the Site and all improvements (including landscaping) thereon and thereto.
Tenant's Space:	A portion of the second (2nd) floor of the Building (the "Second Floor Premises") and a portion of the third (3rd) floor of the Building (the "Third Floor Premises"), in

	accordance with the floor plan annexed hereto as Exhibit D and incorporated herein by reference.
Number of Parking Spaces:	Seventy-six (76) spaces.
Annual Fixed Rent:	(a) With respect to the Second Floor Premises, for the period commencing on the Second Floor Premises Rent Commencement Date and ending on the last day of the Original Term of this Lease at the annual rate of $268,398.00, being the product of (i) $19.50 and (ii) the "Rentable Floor Area of the Second Floor Premises" (hereinafter defined in this Section 1.1). (b) With respect to the Third Floor Premises, for the period commencing on the Third Floor Premises Rent Commencement Date and ending on the last day of the Original Term of this Lease at the annual rate of $157,326.00, being the product of (i) $19.50 and (ii) the "Rentable Floor Area of the Third Floor Premises" (hereinafter defined in this Section 1.1). (c) During the extension option period (if exercised), as determined pursuant to Section 2.4.1).
Operating Expenses:	As provided in Section 2.6 hereof.
Real Estate Taxes:	As provided in Section 2.7 hereof.
Tenant Electricity:	Initially as provided in Section 2.5 subject to adjustment as provided in Section 2.8 hereof.
Additional Rent:	All charges and other sums payable by Tenant as set forth in this Lease, in addition to Annual Fixed Rent.
Rentable Floor Area of Tenant's Space (sometimes also called "Rentable Floor Area of the Premises"):	21,832 rentable square feet, consisting of 13,764 square feet of rentable floor area in the Second Floor Premises (the "Rentable Floor Area of the Second Floor Premises") and 8,068 square feet of rentable floor area in the Third Floor Premises (the "Rentable Floor Area of the Third Floor Premises").

Total Rentable Floor Area of the Building:	122,328 rentable square feet.
Permitted Use:	General office purposes.
Initial Minimum Limits of Tenant's Commercial General Liability Insurance:	$5,000,000.00 combined single limit per occurrence on a per location basis.
Broker:	Richards Barry Joyce & Partners 53 State Street, 29th Floor Boston, Massachusetts 02110
Security Deposit:	$35,477.00

1.2 EXHIBITS.

There are incorporated as part of this Lease:

Exhibit A	--	Description of Site
Exhibit B	--	Intentionally Omitted
Exhibit C	--	Landlord's Services
Exhibit D	--	Floor Plan
Exhibit E	--	Intentionally Omitted
Exhibit F	--	Form of Lien Waivers

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ARTICLE II

BUILDING, PREMISES, TERM AND RENT

2.1 THE PREMISES.

Landlord hereby demises and leases to Tenant, and Tenant hereby hires and accepts from Landlord, Tenant's Space in the Building excluding exterior faces of exterior walls, the common stairways and stairwells, elevators and elevator wells, fan rooms, electric and telephone closets, janitor closets, and pipes, ducts, conduits, wires and appurtenant fixtures serving exclusively, or in common, other parts of the Building, and if Tenant's Space includes less than the entire rentable area of any floor, excluding the common corridors, elevator lobbies and toilets located on such floor.

Tenant's Space with such exclusions is hereinafter referred to as the "Premises." The term "Building" means the Building identified on the first page, and which is the subject of this Lease; the term "Site" means all, and also any part of the Land described in Exhibit A, plus any additions or reductions thereto resulting from the change of any abutting street line and all parking areas and structures. The term "Property" means the Building and the Site.

2.2 RIGHTS TO USE COMMON FACILITIES.

Subject to Landlord's right to change or alter any of the following in Landlord's discretion as herein provided, Tenant shall have, as appurtenant to the Premises, the non-exclusive right to use in common with others, subject to reasonable rules of general applicability to tenants of the Building from time to time made by Landlord of which Tenant is given notice (a) the common lobbies, corridors, stairways, elevators and loading area of the Building, and the pipes, ducts, conduits, wires and appurtenant meters and equipment serving the Premises in common with others, (b) common walkways and driveways necessary for access to the Building, and (c) if the Premises include less than the entire rentable floor area of any floor, the common

toilets, corridors and elevator lobby of such floor. Notwithstanding anything to the contrary herein, Landlord has no obligation to allow any particular telecommunication service provider to have access to the Building or to the Premises except as may be required by applicable law. If Landlord permits such access, Landlord may condition such access upon the payment to Landlord by the service provider of fees assessed by Landlord in its sole discretion.

2.2.1 TENANT'S PARKING.

In addition, Tenant shall have the right to use the Number of Parking Spaces (referred to in Section 1.1) of the parking area, in common with use by other tenants from time to time of the Complex; provided, however, Landlord shall not be obligated to furnish stalls or spaces in any parking area specifically designated for Tenant's use. Tenant covenants and agrees that it and all persons claiming by, through and under it, shall at all times abide by all reasonable rules and regulations promulgated by Landlord with respect to the use of the parking areas on the Site. The parking privileges granted herein are non-transferable except to a permitted assignee or subtenant as provided in Section 5.6 through Section 5.6.6. Further, Landlord assumes no responsibility whatsoever for loss or damage due to fire, theft or otherwise to any automobile(s) parked on the Site or to any personal property therein, however caused, and Tenant covenants and agrees, upon request from Landlord from time to time, to notify its officers, employees, agents and invitees of such limitation of liability. Tenant acknowledges and agrees that a license only is hereby granted, and no bailment is intended or shall be created.

2.3 LANDLORD'S RESERVATIONS.

Landlord reserves the right from time to time, without unreasonable interference with Tenant's use: (a) to install, use, maintain, repair, replace and relocate for service to the Premises and other parts of the Building, or either, pipes, ducts, conduits, wires and

appurtenant fixtures, wherever located in the Premises or Building, and (b) to alter or relocate any other common facility, provided that substitutions are substantially equivalent or better. Installations, replacements and relocations referred to in clause (a) above shall be located so far as practicable in the central core area of the Building, above ceiling surfaces, below floor surfaces or within perimeter walls of the Premises. Except in the event of an emergency, Landlord shall provide Tenant with forty-eight (48) hours advance notice of the above-referenced work if such work shall adversely affect Tenant's use of or access to the Premises, the common areas of the Site and/or the parking area.

2.4 HABENDUM.

Tenant shall have and hold the Premises for a period commencing on the Commencement Date, and continuing for the Term unless sooner terminated as provided in Article VI or Article VII or unless extended as provided in Section 2.4.1.

2.4.1 EXTENSION OPTION.

(A) On the conditions (which conditions Landlord may waive by written notice to Tenant) that both at the time of exercise of the option to extend and at the commencement date of the extension option period (i) there exists no Event of Default (defined in Section 7.1), (ii) this Lease is still in full force and effect, and (iii) Tenant has not assigned this (except for an assignment permitted without Landlord's consent under Section 5.6.1 hereof), Tenant shall have the right to extend the Term hereof upon all the same Annual Fixed Rent, terms, conditions, covenants and agreements herein contained (except that the only extension option shall be as set forth in this Section 2.4.1) for one (1) period of one (1) year as hereinafter set forth. Such option period is sometimes herein referred to as an "Extended Term." Notwithstanding any implication to the contrary Landlord has no obligation to make any additional payment to Tenant in respect of any construction allowance or the like or to perform any work to the Premises as a result of the exercise by Tenant of such option.

(B) If Tenant desires to exercise the option to extend the Term, then Tenant shall give notice to Landlord, not earlier than twelve (12) months nor later than six (6) months prior to the expiration of the Original Term. Upon the giving of such notice, this Lease and the Term hereof shall be extended for the option period, without the necessity for the execution of any additional documents (except that Landlord and Tenant agree to enter into an instrument in writing setting forth the fixed rent); and in such event all references herein to the Term or the term of this Lease shall be construed as referring to the Term, as so extended, unless the context clearly otherwise requires.

2.5 FIXED RENT PAYMENTS.

Tenant agrees to pay to Landlord, or as directed by Landlord, at Landlord's Original Address specified in Section 1.1 hereof, or at such other place as Landlord shall from time to time designate by notice, (1)(a) on the Second Floor Premises Rent

Commencement Date with respect to the Second Floor Premises and on the Third Floor Premises Rent Commencement Date with respect to the Third Floor Premises, respectively, and thereafter monthly, in advance, on the first day of each and every calendar month during the Original Term, a sum equal to one twelfth (1/12th) of the applicable Annual Fixed Rent (sometimes hereinafter referred to as "fixed rent") and (b) on the Commencement Date and thereafter monthly, in advance, on the first day of each and every calendar month during the Original Term, a sum equal to one twelfth (1/12th) of $1.00 per annum for each square foot of Rentable Floor Area of Tenant's Space for tenant electricity subject to escalation as provided in Section 2.8 and (2) on the first day of each and every calendar month during the extension option period (if exercised), a sum equal to (a) one twelfth (1/12th) of the Annual Fixed Rent as determined in Section 2.4.1 for the extension option period plus (b) then applicable monthly electricity charges (subject to escalation for electricity as provided in Section 2.8 hereof). Until notice of some other designation is given, fixed rent

and all other charges for which provision is herein made shall be paid by remittance to or for the order of Boston Properties Limited Partnership, Agents at P.O. Box 3557, Boston, Massachusetts 02241-3557, and all remittances received by Boston Properties Limited Partnership, as Agents as aforesaid, or by any subsequently designated recipient, shall be treated as payment to Landlord.

Annual Fixed Rent for any partial month shall be paid by Tenant to Landlord at such rate on a pro rata basis, and, if the Second Floor Premises Rent Commencement Date and/or the Third Floor Premises Rent Commencement Date are a day other than the first day of a calendar month, the first payment of Annual Fixed Rent which Tenant shall make to Landlord shall be a payment equal to a proportionate part of such monthly Annual Fixed Rent for the partial month from the Second Floor Premises Rent Commencement Date and/or the Third Floor Premises Rent Commencement Date, as applicable, to the first day of the succeeding calendar month.

Additional Rent payable by Tenant on a monthly basis, as hereinafter provided, likewise shall be prorated, and the first payment on account thereof shall be determined in similar fashion but shall commence on the Commencement Date; and other provisions of this Lease calling for monthly payments shall be read as incorporating this undertaking by Tenant.

Notwithstanding that the payment of Annual Fixed Rent payable by Tenant to Landlord with respect to the Second Floor Premises shall not commence until the Second Floor Premises Rent Commencement Date and with respect to the Third Floor Premises shall not commence until the Third Floor Premises Rent Commencement Date, respectively, Tenant shall be subject to, and shall comply with, all other provisions of this Lease as and at the times provided in this Lease.

The Annual Fixed Rent and all other charges for which provision is herein made shall be paid by Tenant to Landlord, without offset, deduction or abatement except as otherwise specifically set forth in this Lease.

2.6 OPERATING EXPENSES.

"Landlord's Operating Expenses" means the cost of operation of the Building and the Site which shall exclude costs of special services rendered to tenants (including Tenant) for which a separate charge is made, but shall include, without limitation, the following: premiums for insurance carried with respect to the Building and the Site (including, without limitation, liability insurance, insurance against loss in case of fire or casualty and insurance of monthly installments of fixed rent and any Additional Rent which may be due under this Lease and other leases of space in the Building for not more than 12 months in the case of both fixed rent and Additional Rent and if there be any first mortgage of the Property, including such insurance as may be required by the holder of such first mortgage); compensation and all fringe benefits, worker's compensation insurance premiums and payroll taxes paid to, for or with respect to all persons engaged in the operating, maintaining or cleaning of the Building or Site, water, sewer, electric, gas, oil and telephone charges (excluding utility charges separately chargeable to tenants for additional or special services); cost of building and cleaning supplies and equipment; cost of maintenance, cleaning and repairs (other than repairs directly chargeable to other tenants or not properly chargeable against income

or reimbursed from contractors under guarantees); cost of snow removal and care of landscaping; payments under service contracts with independent contractors; management fees at reasonable rates consistent with the type of occupancy and the service rendered; and all other reasonable and necessary expenses paid in connection with the operation, cleaning and maintenance of the Building and the Site and properly chargeable against income, provided, however, there shall be included (a) depreciation for capital expenditures made by Landlord (i) to reduce Landlord's Operating Expenses if Landlord shall have reasonably determined that the annual reduction in Landlord's Operating Expenses shall exceed depreciation therefor or (ii) to comply with applicable laws, rules, regulations, requirements, statutes, ordinances, by-laws and court decisions of all public authorities which are now or hereafter in force; plus (b) in the case of both (i) and (ii) an interest factor, reasonably determined by Landlord, as being the interest rate then charged for long term mortgages by institutional lenders on like properties within the locality in which the Building is located; depreciation in the case of both (i) and (ii) shall be determined by dividing the original cost of such capital expenditure by the number of years of useful life of the capital item acquired and the useful life shall be reasonably determined by Landlord in accordance with generally accepted accounting principles and practices in effect at the time of acquisition of the capital item.

"Tenant's Share" shall mean 17.85%.

"Operating Expenses Allocable to the Premises" shall mean Tenant's Share of Landlord's Operating Expenses for and pertaining to the Building and the Site.

"Base Operating Expenses" shall mean Landlord's Operating Expenses for calendar year 2005 (that is, the period beginning January 1, 2005 and ending December 31, 2005). Base Operating Expenses shall not include market-wide cost increases due to extraordinary circumstances, included but not limited to Force Majeure (as defined in Section 6.1), conservation surcharges, boycotts, strikes, embargoes or shortages.

"Base Operating Expenses Allocable to the Premises" shall mean Tenant's Share of Base Operating Expenses.

If with respect to any calendar year falling within the Term, or fraction of a calendar year falling within the Term at the beginning or end thereof, the Operating Expenses Allocable to the Premises for a full calendar year exceed Base Operating Expenses Allocable to the Premises or for any such fraction of a calendar year exceed the corresponding fraction of Base Operating Expenses Allocable to the Premises (such amount being hereinafter sometimes referred to as the "Operating Cost Excess") then, Tenant shall pay to Landlord, as Additional Rent, the amount of such excess. Such payments shall be made at the times and in the manner hereinafter provided in this Section 2.6. (The Base Operating Expenses Allocable to the Premises do not include the $1.00 for tenant electricity to be paid by Tenant together with Annual Fixed Rent and for which provision is made in Section 2.5 hereof, separate provision being made in Section 2.8 of this Lease for Tenant's share of increases in electricity costs.)

Not later than one hundred and twenty (120) days after the end of the first calendar year or fraction thereof ending December 31 and of each succeeding calendar year during the Term or fraction thereof at the end of the Term, Landlord shall render Tenant a statement in reasonable detail and according to generally accepted accounting practices

certified by a representative of Landlord, showing for the preceding calendar year or fraction thereof, as the case may be, Base Operating Expenses, Landlord's Operating Expenses and Operating Expenses Allocable to the Premises. Said statement to be rendered to Tenant shall also show for the preceding year or fraction thereof as the case may be the amounts of operating expenses already paid by Tenant as Additional Rent on account of the operating expenses and the amount of the Operating Cost Excess remaining due from, or overpaid by, Tenant for the year or other period covered by the statement. Within thirty (30) days after the date of delivery of such statement, Tenant shall pay to Landlord the balance of the amounts, if any, required to be paid pursuant to the above provisions of this Section 2.6 with respect to the preceding year or fraction thereof, or Landlord shall credit any amounts overpaid by Tenant against (i) monthly installments of fixed rent next thereafter coming due or (ii) any sums then due from Tenant to Landlord under this Lease (or refund such portion of the overpayment as aforesaid if the Term has ended and Tenant has no further obligation to Landlord).

In addition, Tenant shall make payments monthly on account of Tenant's share of increases in Landlord's Operating Expenses anticipated for the then current year at the time and in the fashion herein provided for the payment of fixed rent. The amount to be paid to Landlord shall be an amount reasonably estimated annually by Landlord to be sufficient to cover, in the aggregate, a sum equal to the Operating Cost Excess for each calendar year during the Term.

Notwithstanding the foregoing provisions, no decrease in Landlord's Operating Expenses shall result in a reduction of the amount otherwise payable by Tenant if and to the extent said decrease is attributable to vacancies in the Building rather than to any other causes.

2.7 REAL ESTATE TAXES.

If with respect to any full Tax Year or fraction of a Tax Year falling within the Term, Landlord's Tax Expenses Allocable to the Premises (as hereinafter defined) for a full Tax Year exceed Base Taxes Allocable to the Premises or for any such fraction of a Tax Year exceed the corresponding fraction of Base Taxes Allocable to the Premises (such amount being hereinafter sometimes referred to as the "Tax Excess") then, on or before the thirtieth (30th) day following receipt by Tenant of the certified statement referred to below in this Section 2.7, then Tenant shall pay to Landlord, as Additional Rent, the amount of the Tax Excess. Not later than ninety (90) days after Landlord's Tax Expenses Allocable to the Premises are determined for the first such Tax Year or fraction thereof and for each succeeding Tax Year or fraction thereof during the Term, Landlord shall render Tenant a statement in reasonable detail certified by a representative of Landlord showing for the preceding year or fraction thereof, as the case may be, real estate taxes on the Building and the Site and abatements and refunds of any taxes and assessments. Expenditures for legal fees and for other expenses incurred in seeking the tax refund or abatement may be charged against the tax refund or abatement before the adjustments are made for the Tax Year. Said statement to be rendered to Tenant shall also show for the preceding Tax Year or fraction thereof as the case may be the amounts of real estate taxes already paid by Tenant as Additional Rent, and the amount of real estate taxes remaining due from, or overpaid by, Tenant for the year or other period covered by the statement. Within thirty (30) days after the date of delivery of the foregoing statement, Tenant shall pay to Landlord the balance of the amounts, if any,

required to be paid pursuant to the above provisions of this Section 2.7 with respect to the preceding Tax Year or fraction thereof, or Landlord shall credit any amounts due from it to Tenant pursuant to the provisions of this Section 2.7 against (i) monthly installments of fixed rent next thereafter coming due or (ii) any sums then due from Tenant to Landlord under this Lease (or refund such portion of the over-payment as aforesaid if the Term has ended and Tenant has no further obligation to Landlord).

In addition, payments by Tenant on account of increases in real estate taxes anticipated for the then current year shall be made monthly at the time and in the fashion herein provided for the payment of fixed rent. The amount so to be paid to Landlord shall be an amount reasonably estimated by Landlord to be sufficient to provide Landlord, in the aggregate, a sum equal to Tenant's share of such increases, at least ten (10) days before the day on which such payments by Landlord would become delinquent.

To the extent that real estate taxes shall be payable to the taxing authority in installments with respect to periods less than a Tax Year, the foregoing statement shall be rendered and payments made on account of such installments. Notwithstanding the foregoing provisions, no decrease in Landlord's Tax Expenses with respect to any Tax Year shall result in a reduction of the amount otherwise payable by Tenant if and to the extent said decrease is attributable to vacancies in the Building or partial completion of the Building rather than to any other causes.

Terms used herein are defined as follows:

(i) "Tax Year" means the twelve-month period beginning July 1 each year during the Term or if the appropriate governmental tax fiscal period shall begin on any date other than July 1, such other date.

(ii) "Tenant's Tax Share" means 18.79%.

(iii) "Landlord's Tax Expenses Allocable to the Premises" shall mean Tenant's Tax Share of Landlord's Tax Expenses.

(iv) "Landlord's Tax Expenses" with respect to any Tax Year means the aggregate real estate taxes on the Building and Site with respect to that Tax Year, reduced by any abatement receipts with respect to that Tax Year.

(v) "Base Taxes" means Landlord's Tax Expenses (hereinbefore defined) for fiscal tax year 2006 (that is, the period beginning July 1, 2005 and ending June 30, 2006).

(vi) "Base Taxes Allocable to the Premises" means Tenant's Tax Share of Base Taxes.

(vii) "Real estate taxes" means all taxes and special assessments of every kind and nature and user fees and other like fees assessed by any governmental authority on the Building or Site which the Landlord shall become obligated to pay because of or in connection with the ownership, leasing or operation of the Site, the Building and the Property (including, without limitation, if applicable the excise prescribed by Mass Gen Laws Chapter 121A, Section 10 and amounts in excess thereof paid to the Town of Lexington pursuant to agreement between Landlord and the Town)

and reasonable expenses of and fees for any formal or informal proceedings for negotiation or abatement of taxes (collectively, "Abatement Expenses"), which Abatement Expenses shall be excluded from Base Taxes. The amount of special taxes or special assessments to be included shall be limited to the amount of the installment (plus any interest, other than penalty interest, payable thereon) of such special tax or special assessment required to be paid during the year in respect of which such taxes are being determined. There shall be excluded from such taxes all late fees or penalties, and income, estate, succession, inheritance and transfer taxes; provided, however, that if at any time during the Term the present system of ad valorem taxation of real property shall be changed so that in lieu of, or in addition to, the whole or any part of the ad valorem tax on real property there shall be assessed on Landlord a capital levy or other tax on the gross rents received with respect to the Site or Building or Property, or a federal, state, county, municipal, or other local income, franchise, excise or similar tax, assessment, levy or charge (distinct from any now in effect in the jurisdiction in which the Property is located) measured by or based, in whole or in part, upon any such gross rents, then any and all of such taxes, assessments, levies or charges, to the extent so measured or based, shall be

deemed to be included within the term "real estate taxes" but only to the extent that the same would be payable if the Site and Building were the only property of Landlord.

(viii) If during the Lease Term the Tax Year is changed by applicable law to less than a full 12-month period, the Base Taxes and Base Taxes Allocable to the Premises shall each be proportionately reduced.

2.8 TENANT ELECTRICITY.

The current cost of furnishing electricity to the base building components of the Building and the Site is approximately $1.36 per square foot of the Total Rentable Floor Area of the Building and the current cost of furnishing electricity to the tenant spaces in the Building is approximately $1.15 per square foot of the Total Rentable Floor Area of the Building. The costs of electricity consumption chargeable to the tenants of the Building are based on the costs charged to Landlord by the local utility company providing service to the Building and the Site and are passed through to the tenants without mark-up. If with respect to any calendar year falling within the Term or fraction of a calendar year falling within the Term at the beginning or end thereof, the cost of furnishing electricity to the Building and the Site, including common areas and facilities and space occupied by tenants, (but expressly excluding utility charges separately chargeable to tenants for additional or special services) for a full calendar year exceeds $1.00 per square foot of Rentable Floor Area of the Building, or for any such fraction of a calendar year exceeds the corresponding fraction of $1.00 per square foot of Rentable Floor Area of the Building, then Tenant shall pay to Landlord, as Additional Rent, on or before the thirtieth (30th) day following receipt by Tenant of the statement referred to below in this Section 2.8, its proportionate share of the amount of such excess (i.e. the same proportion of such excess as the Rentable Floor Area of Tenant's Space bears to the Total Rentable Floor Area of the Building). In no event shall Tenant be responsible for any increases in the cost of electricity caused by

another tenant's excessive use. Payments by Tenant on account of such excess shall be made monthly at the time and in the fashion herein provided for the payment of Annual Fixed Rent. The amount so to be paid to Landlord shall be an amount from time to time reasonably estimated by Landlord to be sufficient to cover, in the aggregate, a sum equal to such excess for each calendar year during the Term. If the Landlord shall reasonably determine that the cost of electricity furnished to the Tenant at the Premises exceeds the amount being paid under Sections 2.5 and 2.8, then the Landlord may charge the Tenant for such excess and the Tenant shall promptly pay the same upon billing therefor.

Not later than ninety (90) days after the end of the first calendar year or fraction thereof ending December 31 and of each succeeding calendar year during the Term or fraction thereof at the end of the Term, Landlord shall render Tenant a reasonably detailed accounting certified by a representative of Landlord showing for the preceding calendar year, or fraction thereof, as the case may be, the costs of furnishing electricity to the Building. Said statement to be rendered to Tenant also shall show for the preceding year or fraction thereof, as the case may be, the amount already paid by Tenant on account of electricity, and the amount remaining due from, or overpaid by, Tenant for the year or

other period covered by the statement. Within thirty (30) days after the date of the delivery of such statement, Tenant shall pay to Landlord the balance of the amounts, if any required to be paid pursuant to the above provisions of this Section 2.8 with respect to the preceding year, or fraction thereof, or Landlord shall credit any amounts due from it to Tenant pursuant to the above provisions of this Section 2.8 against monthly installments of Annual Fixed Rent or Additional Rent next thereafter coming due unless the Lease Term has expired and Tenant has no other or further obligations to Landlord, in which case Landlord shall promptly refund such amount to Tenant.

ARTICLE III

CONDITION OF PREMISES; ALTERATIONS

3.1 CONDITION OF PREMISES.

Tenant shall accept the Premises in their As-Is condition without any obligation on the Landlord's part to perform any additions, alterations, improvements, demolition or other work therein or pertaining thereto.

3.2 QUALITY AND PERFORMANCE OF WORK.

All construction work required or permitted by this Lease shall be done in a good and workmanlike manner and in compliance with all applicable laws, ordinances, rules, regulations, statutes, by-laws, court decisions, and orders and requirements of all public authorities ("Legal Requirements") and all Insurance Requirements (as defined in Section 5.14 hereof). All of Tenant's work shall be coordinated with any work being performed by or for Landlord and in such manner as to maintain harmonious labor relations. Each party may inspect the work of the other at reasonable times and shall promptly give notice of observed defects. Each party authorizes the other to rely in connection

with design and construction upon approval and other actions on the party's behalf by any Construction Representative of the party named in Section 1.1 or any person hereafter designated in substitution or addition by notice to the party relying. Except to the extent to which Tenant shall have given Landlord notice of respects in which Landlord has not performed Landlord's construction obligations under this Article III (if any) (i) not later than the end of the sixth (6th) full calendar month next beginning after the Commencement Date with respect to the heating, ventilating and air conditioning systems servicing the Premises, and (ii) not later than the third (3rd) full calendar month next beginning after the Commencement Date with respect to Landlord's construction obligations under this Article III not referenced in (i) above, Tenant shall be deemed conclusively to have approved Landlord's construction and shall have no claim that Landlord has failed to perform any of Landlord's obligations under this Article III (if any). Landlord agrees to correct or repair at its expense items which are then incomplete or do not conform to the work contemplated under the Plans and as to which, in either case, Tenant shall have given notice to Landlord, as aforesaid.

3.3 SPECIAL ALLOWANCE.

Landlord shall provide to Tenant a special allowance equal to the product of (i) $6.00 and (ii) the Rentable Floor Area of the Premises (the "Tenant Allowance"). The Tenant Allowance shall be used and applied by Tenant solely on account of the cost of work performed by or on behalf of Tenant ("Tenant's Work"), which such Tenant's Work shall be performed in accordance with the terms of this Lease. Provided that the Tenant (i) has opened for business in the Premises, (ii) has completed all of such Tenant's Work in accordance with the terms of this Lease, has paid for all of such Tenant's Work in full and has delivered to Landlord lien waivers from all persons who might have a lien as a result of such work, in the recordable forms attached hereto as Exhibit F, (iii) has delivered to Landlord its certificate specifying the cost of such Tenant's Work and all contractors, subcontractors and supplies involved with Tenant's Work, together with evidence of such cost in the form of paid invoices, receipts and the like, (iv) has satisfied the requirements of (i) through (iii) above and made request for such payment on or before May 1, 2006, (v) is not otherwise in default under this Lease, and (vi) there are no liens (unless bonded to the reasonable satisfaction of Landlord) against Tenant's interest in the Lease or against the Building or the Site arising out of Tenant's Work or any litigation in which Tenant is a party, then within thirty (30) days after the satisfaction of the foregoing conditions, the Landlord shall pay to the Tenant the lesser of the amount of such costs so certified or the amount of the Tenant Allowance. Notwithstanding the foregoing, Tenant shall have the option to request Landlord to make two separate disbursements of the Tenant Allowance (one prior to final completion of the Tenant's Work and one upon completion of the same), provided that in the case of the request made prior to final completion (1) Tenant has satisfied the requirements of items (ii) through (vi) above with respect to that portion of the Tenant's Work completed prior to the date of the request and (2) the disbursement requested by Tenant equals $21,832.00 or more. For the purposes hereof, the cost to be so reimbursed by Landlord shall include (x) the cost of leasehold improvements, engineering fees, architectural fees and third-party supervision or management fees and (y) up to $21,832.00 towards the cost of Tenant's voice and data cabling, personal property, trade fixtures or trade equipment, moving expenses or any so-called soft costs.

Notwithstanding the foregoing, Landlord shall be under no obligation to apply any portion of the Tenant Allowance for any purposes other than as provided in this Section 3.4, nor shall Landlord be deemed to have assumed any obligations, in whole or in part, of Tenant to any contractors, subcontractors, suppliers, workers or materialmen. Further, in no event shall Landlord be required to make application of any portion of the Tenant Allowance on account of any supervisory fees, overhead, management fees or other payments to Tenant, or any partner or affiliate of Tenant. In the event that such cost of Tenant's Work is less than the Tenant Allowance, Tenant shall not be entitled to any payment or credit nor shall there be any application of the same toward Annual Fixed Rent or Additional Rent owed by Tenant under this Lease.

ARTICLE IV

LANDLORD'S COVENANTS; INTERRUPTIONS AND DELAYS

4.1 LANDLORD COVENANTS:

4.1.1 SERVICES FURNISHED BY LANDLORD.

To furnish services, utilities, facilities and supplies set forth in Exhibit C equal to those customarily provided by landlords in high quality buildings in the Boston West Suburban Market subject to escalation reimbursement in accordance with Section 2.6.

4.1.2 ADDITIONAL SERVICES AVAILABLE TO TENANT.

To furnish, at Tenant's expense, reasonable additional Building operation services which are usual and customary in similar office buildings in the Boston West Suburban Market upon reasonable advance request of Tenant at reasonable and equitable rates from time to time established by Landlord. Tenant agrees to pay to Landlord, as Additional Rent, the reasonable cost of any such additional Building services requested by Tenant and for the reasonable cost of any additions, alterations, improvements or other work performed by Landlord in the Premises at the request of Tenant within thirty (30) days after being billed therefor.

4.1.3 ROOF, EXTERIOR WALL, FLOOR SLAB AND COMMON FACILITY REPAIRS.

Except for (a) normal and reasonable wear and use and (b) damage caused by fire and casualty and by eminent domain, and except as otherwise provided in Article VI and subject to the escalation provisions of Section 2.6, (i) to make such repairs to the structural portions of the Building (including but not limited to the roof, exterior walls and floor slabs) and to the common areas and facilities as may be necessary to keep them in serviceable condition and (ii) to maintain the Building (exclusive of Tenant's responsibilities under this Lease) in a first class manner comparable to the maintenance of similar properties in the Boston West Suburban Market.

4.1.4 DOOR SIGNS.

To provide and install, at Landlord's expense, letters or numerals on the exterior doors to the Premises to identify Tenant's official name and Building address; all such letters and numerals shall be in the building standard graphics and no others shall be used or permitted on the Premises.

4.2 INTERRUPTIONS AND DELAYS IN SERVICES AND REPAIRS, ETC.

Landlord shall not be liable to Tenant for any compensation or reduction of rent by reason of inconvenience or annoyance or for loss of business arising from the necessity of Landlord or its agents entering the Premises for any of the purposes in this Lease authorized, or for repairing the Premises or any portion of the Building however the necessity may occur. In case Landlord is prevented or delayed from making any repairs, alterations or improvements, or furnishing any services or performing any other covenant or duty to be performed on Landlord's part, by reason of any cause reasonably beyond Landlord's control, including without limitation the causes set forth in Section 3.2 hereof as being reasonably beyond Landlord's control, Landlord shall not be liable to Tenant therefor, nor, except as expressly otherwise provided in Article VI, shall Tenant be entitled to any abatement or reduction of rent by reason thereof, or right to terminate this Lease, nor shall the same give rise to a claim in Tenant's favor that such failure constitutes actual or constructive, total or partial, eviction from the Premises.

Landlord reserves the right to stop any service or utility system, when necessary by reason of accident or emergency, or until necessary repairs have been completed; provided, however, that in each instance of stoppage, Landlord shall exercise reasonable diligence to eliminate the cause thereof. Except in case of emergency repairs, Landlord will give Tenant reasonable advance notice of any contemplated stoppage and will use reasonable efforts to avoid unnecessary inconvenience to Tenant by reason thereof.

In the event that the electrical, heating, ventilating, air conditioning, or all elevator service to the Premises shall be shut down for more than five (5) full and consecutive business days, but only as a result of causes which are covered by Landlord's loss of rentals insurance, then, Tenant shall be entitled to an abatement of Annual Fixed Rent equal to the "Insurance Amount" (hereinafter defined). The "Insurance Amount" shall be an amount equal to the payment actually received by Landlord (but only allocable to and on account of the Premises) for such shut down of electricity service to the Premises from Landlord's insurance carrier providing such loss of rents insurance less the amount of any deductible contained in such loss of rents insurance coverage. Notwithstanding anything herein contained to the contrary, in no event shall any of the events referred to in this Section give rise to a claim in Tenant's favor that such failure constitutes actual or constructive, total or partial, eviction from the Premises.

ARTICLE V

TENANT'S COVENANTS

Tenant covenants during the Term and such further time as Tenant occupies any part of the Premises:

5.1 PAYMENTS.

To pay when due all fixed rent and Additional Rent and all charges for utility services rendered to the Premises (except as otherwise provided in Exhibit C) and, further, as Additional Rent, all charges for additional services rendered pursuant to Section 4.1.2.

5.2 REPAIR AND YIELD UP.

Except as otherwise provided in Article VI and Section 4.1.3, to keep the Premises in good order, repair and condition, damage by casualty and reasonable wear and tear only excepted, and all glass in windows (except glass in exterior walls unless the damage thereto is attributable to Tenant's negligence or misuse) and doors of the Premises whole and in good condition with glass of similar type and quality as that injured or broken, damage by fire or taking under the power of eminent domain only excepted, and at the expiration or termination of this Lease peaceably to yield up the Premises all construction, work, improvements, and all alterations and additions thereto in good order, repair and condition, reasonable wear and tear only excepted, first removing all goods and effects of Tenant and, to the extent specified by Landlord by notice to Tenant given at the time Landlord approves Tenant's plans for the installation of the same that removal will be required upon the expiration or earlier termination of the Lease Term, the wiring for Tenant's computer, telephone and other communication systems and equipment whether located in the Premises or in any other portion of the Building, including all risers and all alterations and additions made by Tenant and all partitions. Tenant shall repair any damage caused by such removal and shall restore the Premises and leave them clean and neat. Tenant shall not permit or commit any waste, and Tenant shall be responsible for the cost of repairs which may be made necessary by reason of damage to common areas in the Building or to the Site caused by Tenant, Tenant's agents, contractors, employees, sublessees, licensees, concessionaires or invitees.

5.3 USE.

Continuously from the commencement of the Term, to use and occupy the Premises for the Permitted Use only, and not to injure or deface the Premises, Building, the Site or any other part of the Complex nor to permit in the Premises or on the Site any auction sale, vending machine (except for two (2) vending machines exclusively for use by Tenant's employees, one per on each floor occupied by Tenant; provided, however, that (i) Landlord shall have the right to approve the location of each such vending machine and (ii) Tenant shall be required to remove the vending machines upon the expiration or earlier termination of this Lease and repair any damage to the Premises caused by their installation and removal), or inflammable fluids or chemicals, or nuisance, or the emission from the Premises of any objectionable noise or odor, nor to permit in the Premises anything which will in any way result in the leakage of fluid or the growth of mold, and not to use or devote the Premises or any part thereof for any purpose other than the

Permitted Uses, nor for any use thereof which is inconsistent with maintaining the Building as a first class office building in the quality of its maintenance, use and occupancy, or which is improper, offensive, contrary to law or ordinance or liable to render necessary any alteration or addition to the Building. Further, (i) Tenant shall not,

nor shall Tenant permit its employees, invitees, agents, independent contractors, contractors, assignees or subtenants to, keep, maintain, store or dispose of (into the sewage or waste disposal system or otherwise) or engage in any activity which might produce or generate any substance which is or may hereafter be classified as a hazardous material, waste or substance (collectively "Hazardous Materials"), under federal, state or local laws, rules and regulations, including, without limitation, 42 U.S.C. Section 6901 et seq., 42 U.S.C. Section 9601 et seq., 42 U.S.C. Section 2601 et seq., 49 U.S.C. Section 1802 et seq. and Massachusetts General Laws, Chapter 21E and the rules and regulations promulgated under any of the foregoing, as such laws, rules and regulations may be amended from time to time (collectively "Hazardous Materials Laws"), (ii) Tenant shall immediately notify Landlord of any incident in, on or about the Premises, the Building or the Site that would require the filing of a notice under any Hazardous Materials Laws, (iii) Tenant shall comply and shall cause its employees, invitees, agents, independent contractors, contractors, assignees and subtenants to comply with each of the foregoing and (iv) Landlord shall have the right upon forty-eight (48) hours notice (except in the event of an emergency) to make such inspections (including testing) as Landlord shall reasonably determine are necessary from time to time to determine that Tenant is complying with the foregoing.

5.4 OBSTRUCTIONS; ITEMS VISIBLE FROM EXTERIOR; RULES AND REGULATIONS.

Not to obstruct in any manner any portion of the Building not hereby leased or any portion thereof or of the Site used by Tenant in common with others; not without prior consent of Landlord to permit the painting or placing of any signs, curtains, blinds, shades, awnings, aerials or flagpoles, or the like, visible from outside the Premises; and to comply with all reasonable rules and regulations now or hereafter made by Landlord, of which Tenant has been given notice, for the care and use of the Building and Site and their facilities and approaches; Landlord shall not be liable to Tenant for the failure of other occupants of the Building to conform to such rules and regulations.

5.5 SAFETY APPLIANCES.

To keep the Premises equipped with all safety appliances required by any public authority because of any use made by Tenant other than for Tenant's Permitted Use, and to procure all licenses and permits so required because of such use and, if requested by Landlord, to do any work so required because of such use, it being understood that the foregoing provisions shall not be construed to broaden in any way Tenant's Permitted Use.

5.6 ASSIGNMENT; SUBLEASE.

Except as otherwise expressly provided herein, Tenant covenants and

agrees that it shall not assign, mortgage, pledge, hypothecate or otherwise transfer this Lease and/or Tenant's interest in this Lease or sublet (which term, without limitation, shall include granting of concessions, licenses or the like) the whole or any part of the Premises. Any assignment, mortgage, pledge, hypothecation, transfer or subletting not expressly

permitted in or consented to by Landlord under Sections 5.6.1-5.6.6 shall be void, ab initio; shall be of no force and effect; and shall confer no rights on or in favor of third parties. In addition, Landlord shall be entitled to seek specific performance of or other equitable relief with respect to the provisions hereof.

5.6.1 Notwithstanding the provisions of Section 5.6 above and the provisions of Section 5.6.2, 5.6.3 and 5.6.5 below, Tenant shall have the right to assign this Lease or to sublet the Premises (in whole or in part) to any parent or subsidiary corporation of Tenant or to any corporation into which Tenant may be converted or with which it may merge, provided that the entity to which this Lease is so assigned or which so sublets the Premises has a credit worthiness (e.g. assets on a pro forma basis using generally accepted accounting principles consistently applied and using the most recent financial statements) which is the same or better than Tenant as of the date of this Lease. If any parent or subsidiary corporation of Tenant to which this Lease is assigned or the Premises sublet (in whole or in part) shall cease to be such a parent or subsidiary corporation, such cessation shall be considered an assignment or subletting requiring Landlord's consent, which consent shall not be unreasonably withheld, delayed or conditioned. Any such assignment or subletting shall be subject to the provisions of Section 5.6.4 and Section 5.6.6 below.

5.6.2 Notwithstanding the provisions of Section 5.6 above, in the event Tenant desires to assign this Lease or to sublet the Premises (in whole or in part), Tenant shall give Landlord a Proposed Transfer Notice (as defined in Section 5.6.4 hereof) and Landlord shall have the right at its sole option, to be exercised within fifteen (15) days after receipt of Tenant's Proposed Transfer Notice (the "Acceptance Period"), to terminate this Lease as of a date specified in a notice to Tenant, which date shall not be earlier than sixty (60) days nor later than one hundred and twenty (120) days after Landlord's notice to Tenant; provided, however, that upon the termination date as set forth in Landlord's notice, all obligations relating to the period after such termination date (but not those relating to the period before such termination date) shall cease and promptly upon being billed therefor by Landlord, Tenant shall make final payment of all rent and Additional Rent due from Tenant through the termination date. Notwithstanding the foregoing, in the event that Tenant shall propose to sublease a portion of the Premises, Landlord shall only have the right to so terminate this Lease with respect to the portion of the Premises which Tenant proposes to sublease (the "Terminated Portion of the Premises") and from and after the termination date the Rentable Floor Area of the Premises shall be reduced to the rentable floor area of the remainder of the Premises and the definition of Rentable Floor Area of the Premises shall be so amended and after such termination all references in this Lease to the "Premises" or the "Rentable Floor Area of the Premises" shall be deemed to be references to the remainder of the Premises and accordingly

Tenant's payments for Annual Fixed Rent, operating costs, real estate taxes and electricity shall be reduced on a pro rata basis to reflect the size of the remainder of the Premises.

In the event that Landlord elects to terminate this Lease as aforesaid, Tenant shall have the right upon written notice delivered to Landlord within fifteen (15) days from receipt of Landlord's termination notice, to rescind its Proposed Transfer Notice, at which point Landlord's termination notice shall be deemed null and void and this Lease shall continue in full force and effect.

In the event that Landlord shall not exercise its termination rights as aforesaid, or shall fail to give any or timely notice pursuant to this Section the provisions of Sections 5.6.3-5.6.6 shall be applicable. This Section 5.6.2 shall not be applicable to an assignment or sublease pursuant to Section 5.6.1.

5.6.3 Notwithstanding the provisions of Section 5.6 above, but subject to the provisions of this Section 5.6.3 and the provisions of Sections 5.6.4, 5.6.5 and 5.6.6 below, in the event that Landlord shall not have exercised the termination right as set forth in Section 5.6.2, or shall have failed to give any or timely notice under Section 5.6.2, then for a period of ninety (90) days (i) after the receipt of Landlord's notice stating that Landlord does not elect the termination right, or (ii) after the expiration of the Acceptance Period in the event Landlord shall not give any or timely notice pursuant to Section 5.6.2, as the case may be, Tenant shall have the right to assign this Lease or sublet the Premises in accordance with the Proposed Transfer Notice given as provided in Section 5.6.4 provided that, in each instance, Tenant first obtains the express prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Without limiting the foregoing standard, Landlord shall not be deemed to be unreasonably withholding its consent to such a proposed assignment or subleasing if:

(a) if Landlord has comparable space available for lease in the Building, the proposed assignee or subtenant is a tenant in the Building or is in active negotiation with Landlord for premises in the Building, or

(b) the proposed assignee or subtenant is not of good character and reputation or is not of a character consistent with the operation of a first class office building (by way of example Landlord shall not be deemed to be unreasonably withholding its consent to an assignment or subleasing to any governmental or quasi-governmental agency which is open to the public), or

(c) the proposed assignee does not possess adequate financial capability to perform the Tenant obligations as and when due or required or the proposed subtenant does not possess adequate financial capability to perform the subtenant obligations under the sublease as and when due or required, or

(d) the assignee or subtenant proposes to use the Premises (or part thereof) for a purpose other than the purpose for which the Premises may be used as stated in Section 1.1 hereof, or

(e) the character of the business to be conducted or the proposed use of the Premises by the proposed subtenant or assignee shall (i) be likely to increase Landlord's Operating Expenses beyond that which Landlord now incurs for use by Tenant; (ii) be likely to increase the burden on elevators or other Building systems or equipment over the burden prior to such proposed subletting or assignment; or (iii) violate or be likely to violate any provisions or restrictions contained herein relating to the use or occupancy of the Premises, or

(f) there shall be existing an Event of Default (defined in Section 7.1), or

(g) any part of the rent payable under the proposed assignment or sublease shall be based in whole or in part on the income or profits derived from the Premises or if any proposed assignment or sublease shall potentially have any adverse effect on the real estate investment trust qualification requirements applicable to Landlord and its affiliates, or

(h) the holder of any mortgage or ground lease on property which includes the Premises does not approve of the proposed assignment or sublease, or

(i) due to the identity or business of a proposed assignee or subtenant, such approval would cause Landlord to be in violation of any covenant or restriction contained in another lease or other agreement affecting space in the Building or elsewhere in the Property.

5.6.4 Tenant shall give Landlord notice (the "Proposed Transfer Notice") of any proposed sublease or assignment, and said notice shall specify the provisions of the proposed assignment or subletting, including (a) the name and address of the proposed assignee or subtenant, (b) in the case of a proposed assignment or subletting pursuant to Section 5.6.2, such information as to the proposed assignee's or proposed subtenant's net worth and financial capability and standing as may reasonably be required for Landlord to make the determination referred to in Section 5.6.3 above (provided, however, that Landlord shall hold such information confidential having the right to release same to its officers, accountants, attorneys and mortgage lenders on a confidential basis), (c) all of the terms and provisions upon which the proposed assignment or subletting is to be made, (d) in the case of a proposed assignment or subletting pursuant to Section 5.6.2, all other information necessary to make the determination referred to in Section 5.6.3 above and (e) in the case of a proposed assignment or subletting pursuant to Section 5.6.1 above, such information as may be reasonably required by Landlord to determine that such proposed assignment or subletting complies with the requirements of said Section 5.6.1.

If Landlord shall consent to the proposed assignment or subletting, as the case may be, then, in such event, Tenant may thereafter sublease or assign pursuant to

Tenant's notice, as given hereunder; provided, however, that if such assignment or sublease shall not be executed and delivered to Landlord within ninety (90) days after the date of Landlord's consent, the consent shall be deemed null and void and the provisions of Section 5.6.2 shall be applicable.

5.6.5 In addition, in the case of any assignment or subleasing as to which Landlord may consent (other than an assignment or subletting permitted under Section 5.6.1 hereof) such consent shall be upon the express and further condition, covenant and agreement, and Tenant hereby covenants and agrees that, in addition to the Annual Fixed Rent, Additional Rent and other charges to be paid pursuant to this Lease, fifty percent (50%) of the "Assignment/Sublease Profits" (hereinafter defined), if any, shall be paid to Landlord.

The "Assignment/Sublease Profits" shall be the excess, if any, of (a) the "Assignment/Sublease Net Revenues" as hereinafter defined over (b) the Annual Fixed Rent and Additional Rent and other charges provided in this Lease. The "Assignment/Sublease Net Revenues" shall be the fixed rent, Additional Rent and all other charges and sums paid either initially or over the term of the sublease or assignment plus all other profits and increases to be derived by Tenant as a result of such subletting or assignment, less the reasonable costs of Tenant incurred in such subleasing or assignment (the definition of which shall be limited to rent concessions, brokerage commissions, legal fees and alteration allowances, in each case actually paid), as set forth in a statement certified by an appropriate officer of Tenant and delivered to Landlord within thirty (30) days of the full execution of the sublease or assignment document, amortized over the term of the sublease or assignment (it being understood and agreed that said statement may set forth costs that are not required to be paid within said thirty-day period, so long as the obligation to pay the same has been incurred such that the costs are known at the time the statement is prepared).

All payments of the Assignment/Sublease Profits due Landlord shall be made within ten (10) days of receipt of same by Tenant.

5.6.6 (A) It shall be a condition of the validity of any assignment or subletting of right under Section 5.6.1 above, or consented to under Section 5.6.3 above, that the assignee or sublessee enter into a separate written instrument directly with Landlord in a form and containing terms and provisions reasonably satisfactory to Landlord to be bound directly to Landlord for all the obligations of the tenant hereunder, including, without limitation, the obligation (a) to pay the rent and other amounts provided for under this Lease (but in the case of a partial subletting pursuant to Section 5.6.1, such subtenant shall agree on a pro rata basis to be so bound) and (b) to comply with the provisions of Sections 5.6 through 5.6.6 hereof. Such assignment or subletting shall not relieve the tenant named herein of any of the obligations of the tenant hereunder and Tenant shall remain fully and primarily liable therefor and the liability of Tenant and such assignee (or subtenant, as the case may be) shall be joint and several. Further, and

notwithstanding the foregoing, the provisions hereof shall not constitute a recognition of the assignment or the assignee thereunder or the sublease or the subtenant thereunder, as the case may be, and at Landlord's option, upon the termination or expiration of the Lease (whether such termination is based upon a cause beyond Tenant's control, a default of Tenant, the agreement of Tenant and Landlord or any other reason), the assignment or sublease shall be terminated.

(B) As Additional Rent Tenant shall pay to Landlord as a fee for Landlord's review of any proposed assignment or sublease requested by Tenant and the preparation of any associated documentation in connection therewith, within thirty (30) days after receipt of an invoice from Landlord, an amount equal to the sum of (i) $150.00 per hour for in-house staff and/or (ii) reasonable out of pocket legal fees or other expenses incurred by Landlord in connection with such request. In no event shall the total amount of such fee exceed $2,000.00 in connection with any single request for consent.

(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 upon prior notice to Tenant, at any time and from time to time, collect rent and other charges from the assignee, sublessee or occupant and apply the net amount collected to the rent and other charges herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or a waiver of the provisions of Sections 5.6 through 5.6.6 hereof, or the acceptance of the assignee, sublessee or occupant as a tenant or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained, the Tenant herein named to remain primarily liable under this Lease.

(D) The consent by Landlord to an assignment or subletting under any of the provisions of Sections 5.6.1 or 5.6.3 shall in no way be construed to relieve Tenant from obtaining the express consent in writing of Landlord to any further assignment or subletting.

(E) On or after the occurrence of an "Event of Default" (defined in Section 7.1), Landlord shall be entitled to one hundred percent (100%) of any Assignment/Sublease Profits.

(F) Without limiting Tenant's obligations under Section 5.14, Tenant shall be responsible, at Tenant's sole cost and expense, for performing all work necessary to comply with Legal Requirements and Insurance Requirements in connection with any assignment or subletting hereunder including, without limitation, any work in connection with such assignment or subletting.

(G) In addition to the other requirements set forth in this Lease and notwithstanding any other provision of this Lease, partial sublettings of the Premises shall only be permitted under the following terms and conditions: (i) the layout of both the subleased premises and the remainder of the Premises must

comply with applicable laws, ordinances, rules and/or regulations and be approved by Landlord (which such approval shall not be unreasonably withheld, conditioned or delayed), including, without limitation, all requirements concerning access and egress; (ii) in the event the subleased premises are separately

physically demised from the remainder of the Premises, Tenant shall pay all reasonable costs of separately physically demising the subleased premises; and (iii) there shall be no more than two (2) subleases in effect for the Second Floor Premises and two (2) subleases in effect for the Third Floor Premises at any given time

5.7 INDEMNITY; INSURANCE.

(A) INDEMNITY. To defend with counsel first approved by Landlord (which approval shall not be unreasonably withheld or delayed), save harmless, and indemnify Landlord from any liability for injury, loss, accident or damage to any person or property, and from any claims, actions, proceedings and expenses and costs in connection therewith (including without limitation reasonable counsel fees) (i) arising from or claimed to have arisen from (a) the omission, fault, willful act, negligence or other misconduct of Tenant or Tenant's contractors, licensees, invitees, agents, servants, independent contractors or employees or (b) any use made or thing done or occurring on the Premises not due to the omission, fault, willful act, negligence or other misconduct of Landlord or Landlord's contractors, licensees, agents, servants, independent contractors or employees, or (ii) resulting from the failure of Tenant to perform and discharge its covenants and obligations under this Lease.

(B) INSURANCE. To maintain in full force from the date upon which Tenant first enters the Premises for any reason, throughout the Term of this Lease, and thereafter, so long as Tenant is in occupancy of any part of the Premises, commercial general liability insurance or comprehensive general liability insurance written on an occurrence basis with a broad form comprehensive liability endorsement under which Tenant is the named insured and Landlord and Landlord's managing agent (and such persons as are in privity of estate with Landlord and Landlord's managing agent as may be set out in notice from time to time) are named as additional insureds with limits which shall, at the commencement of the Term, be at least equal to those stated in Section 1.1 and from time to time during the Term shall be for such higher limits, if any, as are customarily carried in the Boston West Suburban Market with respect to similar properties or which may reasonably be required by Landlord, and worker's compensation insurance with statutory limits covering all of Tenant's employees working in the Premises, and to deposit with Landlord on or before the earlier of the date Tenant enters the Premises or the Commencement Date and concurrent with all renewals thereof, certificates for such insurance bearing the endorsement that the policies will not be canceled until after thirty (30) days' written notice to Landlord. In addition, in the event Tenant hosts a function in the Premises, Tenant agrees to obtain and maintain, and cause any persons or parties providing services for such function to obtain, the appropriate insurance coverages as reasonably determined by Landlord (including liquor liability, if applicable) and provide Landlord with evidence of the same. All insurance required to be maintained by Tenant pursuant to this Lease shall be maintained with responsible companies qualified to do

business, and in good standing, in the Commonwealth of Massachusetts and which have a rating of at least "A-" and are within a financial size category of not less than "Class VIII" in the most current Best's Key Rating Guide or such similar rating as may be reasonably selected by Landlord if such Guide is no longer published.

5.8 PERSONAL PROPERTY AT TENANT'S RISK.

That all of the furnishings, fixtures, equipment, effects and property of every kind, nature and description of Tenant and of all persons claiming by, through or under Tenant which, during the continuance of this Lease or any occupancy of the Premises by Tenant or anyone claiming under Tenant, may be on the Premises or elsewhere in the Building or on the Site, shall be at the sole risk and hazard of Tenant, and if the whole or any part thereof shall be destroyed or damaged by fire, water or otherwise, or by the leakage or bursting of water pipes, or other pipes, by theft or from any other cause, no part of said loss or damage is to be charged to or be borne by Landlord, except that Landlord shall in no event be indemnified or held harmless or exonerated from any liability to Tenant or to any other person, for any injury, loss, damage or liability to the extent such indemnity, hold harmless or exoneration is prohibited by law. Further, Tenant, at Tenant's expense, shall maintain at all times during the Term of this Lease business interruption insurance and insurance against loss or damage covered by so-called "all risk" type insurance coverage with respect to Tenant's fixtures, equipment, goods, wares and merchandise, tenant improvements made by or paid for by Tenant, and other property of Tenant (collectively "Tenant's Property"). Such insurance shall be in an amount at least equal to the full replacement cost of Tenant's Property. Tenant shall maintain all of its equipment, furniture and furnishings in good order and repair. In addition, during such time as Tenant is performing work in or to the Premises, Tenant, at Tenant's expense, shall also maintain builder's risk insurance for the full insurable value of such work.

5.9 RIGHT OF ENTRY.

To permit Landlord and its agents to examine the Premises at reasonable times and upon at least forty-eight (48) hours prior notice (except in the event of an emergency) and, if Landlord shall so elect, to make any repairs or replacements Landlord may deem necessary; to remove, at Tenant's expense, any alterations, addition, signs, curtains, blinds, shades, awnings, aerials, flagpoles, or the like not consented to in writing; and to show the Premises to prospective tenants during the six (6) months preceding expiration of the Term and to prospective purchasers and mortgagees at all reasonable times. Landlord and its agents shall use commercially reasonable efforts to minimize any unreasonable interference with Tenant's business operations and use of the Premises in the exercise of the foregoing rights, consistent with the reason for entry.

5.10 FLOOR LOAD; PREVENTION OF VIBRATION AND NOISE.

Not to place a load upon the Premises exceeding an average rate of 100 pounds of live load per square foot of floor area (partitions shall be considered as part of the live load); and not to move any safe, vault or other heavy equipment in, about or out of the Premises except in such manner and at such time as Landlord shall in each instance authorize;

Tenant's business machines and mechanical equipment which cause vibration or noise that may be transmitted to the Building structure or to any other space in the Building shall be so installed, maintained and used by Tenant so as to eliminate such vibration or

noise.

5.11 PERSONAL PROPERTY TAXES.

To pay promptly when due all taxes which may be imposed upon Tenant's Property in the Premises to whomever assessed.

5.12 COMPLIANCE WITH LAWS.

To comply with all applicable Legal Requirements now or hereafter in force which shall impose a duty on Landlord or Tenant relating to or as a result of the use or occupancy of the Premises; provided that Tenant shall not be required to make any alterations or additions to the structure, roof, exterior and load bearing walls, foundation, structural floor slabs and other structural elements of the Building unless the same are required by such Legal Requirements as a result of or in connection with Tenant's use or occupancy of the Premises beyond Tenant's Permitted Use. Tenant shall promptly pay all fines, penalties and damages that may arise out of or be imposed because of its failure to comply with the provisions of this Section 5.12.

Landlord at Landlord's expense, shall be responsible for the Premises complying on the Commencement Date with the requirements of the Federal Americans With Disabilities Act (the "ADA") in effect on the Commencement Date; provided, however, that notwithstanding the foregoing, Tenant at Tenant's expense, shall be responsible for (i) any additions, alterations or improvements performed by or for Tenant or any assignee of subtenant of Tenant ("Tenant Improvements") complying with the ADA and (ii) compliance with the ADA required because of "Tenant's Specific Use of the Premises" (as defined below) or Tenant Improvements. The term "Tenant's Specific Use of the Premises" as used in this Lease shall not refer to the general office use of the Premises, but shall refer to the specific products and operations Tenant and any assignee and subtenant of Tenant use in the Premises and the manner in which Tenant and any assignee and subtenant of Tenant use such products and conduct such operations.

5.13 PAYMENT OF LITIGATION EXPENSES.

To pay as Additional Rent all reasonable costs, counsel and other fees incurred by Landlord in connection with the successful enforcement by Landlord of any obligations of Tenant under this Lease or in connection with any bankruptcy case involving Tenant or any guarantor.

5.14 ALTERATIONS.

Tenant shall not make alterations and additions to Tenant's space except in accordance with plans and specifications therefor first approved by Landlord, which approval shall not be unreasonably withheld. However, Landlord's determination of matters relating to

aesthetic issues relating to alterations, additions or improvements which are visible outside the Premises shall be in Landlord's sole discretion. Without limiting such standard Landlord shall not be deemed unreasonable for withholding approval of any alterations or additions (including, without limitation, any alterations or additions to be performed by Tenant under Article III) which (a) in Landlord's opinion

might adversely affect any structural or exterior element of the Building, any area or element outside of the Premises, or any facility or base building mechanical system serving any area of the Building outside of the Premises, or (b) involve or affect the exterior design, size, height, or other exterior dimensions of the Building or (c) will require unusual expense to readapt the Premises to normal office use on Lease termination or expiration or increase the cost of construction or of insurance or taxes on the Building or of the services called for by Section 4.1 unless Tenant first gives assurance acceptable to Landlord for payment of such increased cost and that such readaptation will be made prior to such termination or expiration without expense to Landlord, (d) enlarge the Rentable Floor Area of the Premises, or (e) are inconsistent, in Landlord's judgment, with alterations satisfying Landlord's standards for new alterations in the Building. Landlord's review and approval of any such plans and specifications and consent to perform work described therein shall not be deemed an agreement by Landlord that such plans, specifications and work conform with applicable Legal Requirements and requirements of insurers of the Building and the other requirements of this Lease with respect to Tenant's insurance obligations (herein called "Insurance Requirements") nor deemed a waiver of Tenant's obligations under this Lease with respect to applicable Legal Requirements and Insurance Requirements nor impose any liability or obligation upon Landlord with respect to the completeness, design sufficiency or compliance of such plans, specifications and work with applicable Legal Requirements and Insurance Requirements nor give right to any other parties. Further, Tenant acknowledges that Tenant is acting for its own benefit and account, and that Tenant shall not be acting as Landlord's agent in performing any work in the Premises. Within thirty (30) days after receipt of an invoice from Landlord, Tenant shall pay to Landlord as a fee for Landlord's review of any work or plans (excluding any review respecting initial improvements performed pursuant to Article III hereof for which a fee, if any, has previously been paid but including any review of plans or work relating to any assignment or subletting), as Additional Rent, an amount equal to the sum of: (i) $150.00 per hour, plus (ii) third party expenses incurred by Landlord to review Tenant's plans and Tenant's work. All alterations and additions shall be part of the Building unless and until Landlord shall specify the same for removal pursuant to Section 5.2. All of Tenant's alterations and additions and installation of furnishings shall be coordinated with any work being performed by Landlord and in such manner as to maintain harmonious labor relations and not to damage the Buildings or Site or interfere with construction or operation of the Buildings and other improvements to the Site and, except for installation of furnishings, shall be performed by Landlord's general contractor or by contractors or workers first approved by Landlord. Except for work by Landlord's general contractor, Tenant, before its work is started, shall secure all licenses and permits necessary therefor; deliver to Landlord a statement of the names of all its contractors and subcontractors and the estimated cost of all labor and material to be furnished by them and security satisfactory to Landlord protecting Landlord against liens arising out of the furnishing of such labor and material; and cause each contractor to carry workmen's

compensation insurance in statutory amounts covering all the contractor's and subcontractor's employees and commercial general liability insurance or comprehensive general liability insurance with a broad form comprehensive liability endorsement with such limits as Landlord may reasonably require, but in no event less than $2,000,000.00 combined single limit per occurrence on a per location basis (all such insurance to be written in companies approved by

Landlord and naming and insuring Landlord and Landlord's managing agent as additional insureds and insuring Tenant as well as the contractors), and to deliver to Landlord certificates of all such insurance. Tenant shall also prepare and submit to Landlord a set of as-built plans (or, in cases where the alterations, additions or improvements at issue are not of such a nature that as-built plans would customarily be prepared or otherwise be reasonably practicable to obtain, detailed drawings and specifications), in both print and electronic forms, showing such work performed by Tenant to the Premises promptly after any such alterations, improvements or installations are substantially complete and promptly after any wiring or cabling for Tenant's computer, telephone and other communications systems is installed by Tenant or Tenant's contractor. Without limiting any of Tenant's obligations hereunder, Tenant shall be responsible, as Additional Rent, for the costs of any alterations, additions or improvements in or to the Building that are required in order to comply with Legal Requirements as a result of any work performed by Tenant. Landlord shall have the right to provide such rules and regulations relative to the performance of any alterations, additions, improvements and installations by Tenant hereunder and Tenant shall abide by all such reasonable rules and regulations and shall cause all of its contractors to so abide including, without limitation, payment for the costs of using Building services. Tenant agrees to pay promptly when due the entire cost of any work done on the Premises by Tenant, its agents, employees, or independent contractors, and not to cause or permit any liens for labor or materials performed or furnished in connection therewith to attach to the Premises or the Buildings or the Site and immediately to discharge any such liens which may so attach. Tenant shall pay, as Additional Rent, 100% of any real estate taxes on the Complex which shall, at any time after commencement of the Term, result from any alteration, addition or improvement to the Premises made by Tenant.

5.15 VENDORS.

Any vendors engaged by Tenant to perform services in or to the Premises including, without limitation, janitorial contractors and moving contractors shall be coordinated with any work being performed by or for Landlord and in such manner as to maintain harmonious labor relations and not to damage the Building or the Property or interfere with Building construction or operation and shall be performed by vendors first approved by Landlord.

ARTICLE VI

CASUALTY AND TAKING

6.1 DAMAGE RESULTING FROM CASUALTY.

In case during the Lease Term, the Premises and/or the Building are damaged by fire or casualty and such fire or casualty damage cannot, in the ordinary course, reasonably be expected to be repaired within one hundred eighty (180) days (and/or as to special work or work which requires long lead time then if such work cannot reasonably be expected to be repaired within such additional time as is reasonable under the circumstances given the nature of the work) from the time that repair work would commence, either party may, at its election, terminate this

Lease by notice given to the other party within sixty (60) days after the date of such fire or other casualty, specifying the effective date of termination. The effective date of termination specified by the terminating party shall be not less than thirty (30) days nor more than forty-five (45) days after the date of notice of such termination.

Unless terminated pursuant to the foregoing provisions, this Lease shall remain in full force and effect following any such damage subject, however, to the following provisions.

If the Building or the Site or any part thereof are damaged by fire or other casualty and this Lease is not so terminated, or Landlord or Tenant have no right to terminate this Lease, and in any such case the holder of any mortgage which includes the Building as a part of the mortgaged premises or any ground lessor of any ground lease which includes the Site as part of the demised premises allows the net insurance proceeds to be applied to the restoration of the Building (and/or the Site), Landlord shall, promptly after such damage and the determination of the net amount of insurance proceeds available, use due diligence to restore the Premises and the Building in the event of damage thereto (excluding Tenant's Property) into substantially the same condition as they were in prior to the fire or casualty and a just proportion of the Annual Fixed Rent, Tenant's share of Operating Costs and Tenant's share of real estate taxes shall be abated according to the nature and extent of the injury to the Premises, until the Premises shall have been restored by Landlord substantially into such condition except for punch list items and long lead items. Notwithstanding anything herein contained to the contrary, Landlord shall not be obligated to expend for such repair and restoration any amount in excess of the net insurance proceeds.

If such restoration is not completed within six (6) months from the time that repair work commences, such period to be subject, however, to extension where the delay in completion of such work is due to Force Majeure, as defined hereinbelow, (but in no event beyond ten (10) months from the date of the fire or casualty), Tenant, as its sole and exclusive remedy, shall have the right to terminate this Lease at any time after the expiration of such six-month period (as extended), which right shall continue until the restoration is substantially completed. Such termination shall be effective as of the thirtieth (30th) day after the date of receipt by Landlord of Tenant's notice, with the same

force and effect as if such date were the date originally established as the expiration date hereof unless, within thirty (30) days after Landlord's receipt of Tenant's notice, such restoration is substantially completed, in which case Tenant's notice of termination shall be of no force and effect and this Lease and the Lease Term shall continue in full force and effect. When used herein, "Force Majeure" shall mean any prevention, delay or stoppage due to governmental regulation, strikes, lockouts, acts of God, acts of war, terrorists acts, civil commotions, unusual scarcity of or inability to obtain labor or materials, labor difficulties, casualty or other causes reasonably beyond Landlord's control or attributable to Tenant's action or inaction.

6.2 UNINSURED CASUALTY.

Notwithstanding anything to the contrary contained in this Lease, if the Building or the Premises shall be substantially damaged by fire or casualty as the result of a risk not covered by the forms of casualty

insurance at the time maintained by Landlord and such fire or casualty damage cannot, in the ordinary course, reasonably be expected to be repaired within ninety (90) days from the time that repair work would commence, Landlord may, at its election, terminate the Term of this Lease by notice to the Tenant given within sixty (60) days after such loss. If Landlord shall give such notice, then this Lease shall terminate as of the date of such notice with the same force and effect as if such date were the date originally established as the expiration date hereof.

6.3 RIGHTS OF TERMINATION FOR TAKING.

If the entire Building, or such portion of the Premises as to render the balance (if reconstructed to the maximum extent practicable in the circumstances) unsuitable for Tenant's purposes, shall be taken by condemnation or right of eminent domain, Landlord or Tenant shall have the right to terminate this Lease by notice to the other of its desire to do so, provided that such notice is given not later than thirty (30) days after Tenant has been deprived of possession. If either party shall give such notice, then this Lease shall terminate as of the date of such notice with the same force and effect as if such date were the date originally established as the expiration date hereof.

Further, if so much of the Building shall be so taken that continued operation of the Building would be uneconomic as a result of the taking, Landlord shall have the right to terminate this Lease by giving notice to Tenant of Landlord's desire to do so not later than thirty (30) days after Tenant has been deprived of possession of the Premises (or such portion thereof as may be taken). If Landlord shall give such notice, then this Lease shall terminate as of the date of such notice with the same force and effect as if such date were the date originally established as the expiration date hereof.

Should any part of the Premises be so taken or condemned during the Lease Term hereof, and should this Lease not be terminated in accordance with the foregoing provisions, and the holder of any mortgage which includes the Premises as part of the mortgaged premises or any ground lessor of any ground lease which includes the Site as part of the demised premises allows the net condemnation proceeds to be applied to the restoration of the Building, Landlord agrees, after the determination of the net amount of

condemnation proceeds available to Landlord, to use due diligence to put what may remain of the Premises into proper condition for use and occupation as nearly like the condition of the Premises prior to such taking as shall be practicable (excluding Tenant's Property). Notwithstanding the foregoing, Landlord shall not be obligated to expend for such repair and restoration any amount in excess of the net condemnation proceeds made available to it.

If the Premises shall be affected by any exercise of the power of eminent domain, then the Annual Fixed Rent, Tenant's share of operating costs and Tenant's share of real estate taxes shall be justly and equitably abated and reduced according to the nature and extent of the loss of use thereof suffered by Tenant; and in case of a taking which permanently reduces the Rentable Floor Area of the Premises, a just proportion of the Annual Fixed Rent, Tenant's share of operating costs and Tenant's share of real estate taxes shall be abated for the remainder of the Lease Term.

6.4 AWARD.

Landlord shall have and hereby reserves to itself any and all rights to receive awards made for damages to the Premises, the Building, the Complex and the Site and the leasehold hereby created, or any one or more of them, accruing by reason of exercise of eminent domain or by reason of anything lawfully done in pursuance of public or other authority. Tenant hereby grants, releases and assigns to Landlord all Tenant's rights to such awards, and covenants to execute and deliver such further assignments and assurances thereof as Landlord may from time to time request, and if Tenant shall fail to execute and deliver the same within fifteen (15) days after notice from Landlord, Tenant hereby covenants and agrees that Landlord shall be irrevocably designated and appointed as its attorney-in-fact to execute and deliver in Tenant's name and behalf all such further assignments thereof which conform with the provisions hereof.

Nothing contained herein shall be construed to prevent Tenant from prosecuting in any condemnation proceeding a claim for the value of any of Tenant's usual trade fixtures installed in the Premises by Tenant at Tenant's expense and for relocation and moving expenses, provided that such action and any resulting award shall not affect or diminish the amount of compensation otherwise recoverable by Landlord from the taking authority.

ARTICLE VII

DEFAULT

7.1 TENANT'S DEFAULT.

(a) If at any time subsequent to the date of this Lease any one or more of the following events (herein sometimes called an "Event of Default") shall occur:

(i) Tenant shall fail to pay the fixed rent, Additional Rent or other charges for which provision is made herein on or before the date

on which the same become due and payable, and the same continues for seven (7) days after notice from Landlord thereof; or

(ii) Landlord having rightfully given the notice specified in subdivision (i) above twice in any calendar year, Tenant shall thereafter in the same calendar year fail to pay the fixed rent, Additional Rent or other charges on or before the date on which the same become due and payable; or

(iii) Tenant shall assign its interest in this Lease or sublet any portion of the Premises in violation of the requirements of Section 5.6 through 5.6.5 of this Lease; or

(iv) Tenant shall neglect or fail to perform or observe any other covenant herein contained on Tenant's part to be

performed or observed and Tenant shall fail to remedy the same within thirty (30) days after notice to Tenant specifying such neglect or failure, or if such failure is of such a nature that Tenant cannot reasonably remedy the same within such thirty (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

(v) Tenant's leasehold interest in the Premises shall be taken on execution or by other process of law directed against Tenant; or

(vi) Tenant shall make an assignment for the benefit of creditors or shall file a voluntary petition in bankruptcy or shall be adjudicated bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future Federal, State or other statute, law or regulation for the relief of debtors, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties, or shall admit in writing its inability to pay its debts generally as they become due; or

(vii) A petition shall be filed against Tenant in bankruptcy or under any other law seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future Federal, State or other statute, law or regulation and shall remain undismissed or unstayed for an aggregate of ninety (90) days (whether or not consecutive), or if any debtor in possession (whether or not Tenant) trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties or of the Premises shall be appointed without the consent or acquiescence of

Tenant and such appointment shall remain unvacated or unstayed for an aggregate of ninety (90) days (whether or not consecutive)--

then, and in any of said cases (notwithstanding any license of a former breach of covenant or waiver of the benefit hereof or consent in a former instance), Landlord lawfully may, immediately or at any time thereafter, and without demand or further notice terminate this Lease by written notice to Tenant, specifying a date not less than ten (10) days after the giving of such notice on which this Lease shall terminate, and this Lease shall come to an end on the date specified therein as fully and completely as if such date were the date herein originally fixed for the expiration of the Lease Term (Tenant hereby waiving any rights of redemption), and Tenant will then quit and surrender the Premises to Landlord, but Tenant shall remain liable as hereinafter provided.

(b) If this Lease shall have been terminated as provided in this Article, then Landlord may re- enter the Premises, either by

force, summary proceedings, ejectment or otherwise, and remove and dispossess Tenant and all other persons and any and all property from the same, as if this Lease had not been made.

(c) In the event that this Lease is terminated under any of the provisions contained in Section 7.1 (a) or shall be otherwise terminated by breach of any obligation of Tenant, Tenant covenants and agrees forthwith to pay and be liable for, on the days originally fixed herein for the payment thereof, amounts equal to the several installments of rent and other charges reserved as they would, under the terms of this Lease, become due if this Lease had not been terminated or if Landlord had not entered or re-entered, as aforesaid, and whether the Premises be relet or remain vacant, in whole or in part, or relet for a period less than the remainder of the Term, and for the whole thereof, but in the event the Premises be relet by Landlord, Tenant shall be entitled to a credit in the net amount of rent and other charges received by Landlord in reletting, after deduction of all reasonable expenses incurred in reletting the Premises (including, without limitation, remodeling costs, brokerage fees and the like), and in collecting the rent in connection therewith, in the following manner:

Landlord agrees to use reasonable efforts to relet the Premises after Tenant vacates the same in the event that this Lease is terminated based upon a default by Tenant hereunder. The marketing of the Premises in a manner similar to the manner in which Landlord markets other premises within Landlord's control in the Building shall be deemed to have satisfied Landlord's obligation to use "reasonable efforts." In no event shall Landlord be required to (i) solicit or entertain negotiations with any other prospective tenants for the Premises until Landlord obtains full and unappealable legal right to relet the Premises free of any claim of Tenant, (ii) relet the Premises before leasing other vacant space in the Building, (iii) lease the Premises for a rental less than the current fair market rental then prevailing for similar office space in the Building, or (iv) enter into a

lease with any proposed tenant that does not have, in Landlord's reasonable opinion, sufficient financial resources or operating experience to operate the Premises in a first class manner

Amounts received by Landlord after reletting shall first be applied against such Landlord's expenses, until the same are recovered, and until such recovery, Tenant shall pay, as of each day when a payment would fall due under this Lease, the amount which Tenant is obligated to pay under the terms of this Lease (Tenant's liability prior to any such reletting and such recovery not in any way to be diminished as a result of the fact that such reletting might be for a rent higher than the rent provided for in this Lease); when and if such expenses have been completely recovered, the amounts received from reletting by Landlord as have not

previously been applied shall be credited against Tenant's obligations as of each day when a payment would fall due under this Lease, and only the net amount thereof shall be payable by Tenant. Further, amounts received by Landlord from such reletting for any period shall be credited only against obligations of Tenant allocable to such period, and shall not be credited against obligations of Tenant hereunder accruing subsequent or prior to such period; nor shall any credit of any kind be due for any period after the date when the term of this Lease is scheduled to expire according to its terms.

(d)(i) At any time after such termination and whether or not Landlord shall have collected any damages as aforesaid, Tenant shall pay to Landlord as liquidated final damages and in lieu of all other damages beyond the date of notice from Landlord to Tenant, at Landlord's election, such a sum as at the time of the giving of such notice represents the amount of the excess, if any, of the total rent and other benefits which would have accrued to Landlord under this Lease from the date of such notice for what would be the then unexpired Lease Term if the Lease terms had been fully complied with by Tenant over and above the then cash rental value (in advance) of the Premises for the balance of the Lease Term.

(d)(ii) For the purposes of this Article, if Landlord elects to require Tenant to pay damages in accordance with the immediately preceding paragraph, the total rent shall be computed by assuming that Tenant's share of excess taxes, Tenant's share of excess operating costs and Tenant's share of excess electrical costs would be, for the balance of the unexpired Term from the date of such notice, the amount thereof (if any) for the immediately preceding annual period payable by Tenant to Landlord.

(e) In case of any Event of Default, re-entry, dispossession by summary proceedings or otherwise, Landlord may (i) re-let the Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms which may at Landlord's option be equal to or less than or exceed the period which would otherwise have constituted the balance of the Term of this Lease and may grant

concessions or free rent to the extent that Landlord considers advisable or necessary to re-let the same and (ii) may make such alterations, repairs and decorations in the Premises as Landlord in its sole judgment considers advisable or necessary for the purpose of reletting the Premises; and the making of such alterations, repairs and decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid. Landlord shall in no event be liable in any way whatsoever for failure to re-let the Premises, or, in the event that the Premises are re-let, for failure to collect the rent under re-letting.

(f) The specified remedies to which Landlord may resort hereunder are not intended to be exclusive of any remedies or means of redress to which Landlord may at any time be entitled lawfully, and Landlord may invoke any remedy (including the remedy of specific performance) allowed at law or in equity as if specific remedies were not herein provided for. Further, nothing contained in this

Lease shall limit or prejudice the right of Landlord to prove and obtain in proceedings for bankruptcy or insolvency by reason of the termination of this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be proved, whether or not the amount be greater, equal to, or less than the amount of the loss or damages referred to above.

(g) In lieu of any other damages or indemnity and in lieu of the recovery by Landlord of all sums payable under all the foregoing provisions of this Section 7.1, Landlord may elect to collect from tenant, by notice to Tenant, at any time after this Lease is terminated under any of the provisions contained in this Article VII or otherwise terminated by breach of any obligation of Tenant and before such full recovery, and Tenant shall thereupon pay, as liquidated damages, an amount equal to the sum of the Annual Fixed Rent and all Additional Rent payable for the twelve (12) months ended next prior to the such termination plus the amount of Annual Fixed Rent and Additional Rent of any kind accrued and unpaid at the time of such election plus any and all expenses which the Landlord may have incurred for and with respect of the collection to any of such rent.

7.2 LANDLORD'S DEFAULT.

Landlord shall in no event be in default in the performance of any of Landlord's obligations hereunder unless and until Landlord shall have failed to perform such obligations within thirty (30) days, or such additional time as is reasonably required to correct any such default, after notice by Tenant to Landlord properly specifying wherein Landlord has failed to perform any such obligation. The Tenant shall not assert any right to deduct the cost of repairs or any monetary claim against the Landlord from rent thereafter due and payable, but shall look solely to the Landlord for satisfaction of such claim.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

8.1 EXTRA HAZARDOUS USE.

Tenant covenants and agrees that Tenant will not do or permit anything to be done in or upon the Premises, or bring in anything or keep anything therein, which shall invalidate or increase the rate of insurance on the Premises or on the Building above the standard rate applicable to premises being occupied for the use to which Tenant has agreed to devote the Premises; and Tenant further agrees that, in the event that Tenant shall do any of the foregoing, Tenant will promptly pay to Landlord, on demand, any such increase resulting therefrom, which shall be due and payable as Additional Rent thereunder.

8.2 WAIVER.

Failure on the part of Landlord or Tenant to complain of any action or non-action on the part of the other, no matter how long the same may continue, shall never be a waiver by Tenant or Landlord, respectively,

of any of its rights hereunder. Further, no waiver at any time of any of the provisions hereof by Landlord or Tenant shall be construed as a waiver of any of the other provisions hereof, and a waiver at any time of any of the provisions hereof shall not be construed as a waiver at any subsequent time of the same provisions. The consent or approval of Landlord or Tenant to or of any action by the other requiring such consent or approval shall not be construed to waive or render unnecessary Landlord's or Tenant's consent or approval to or of subsequent similar act by the other.

No payment by Tenant, or acceptance by Landlord, of a lesser amount than shall be due from Tenant to Landlord shall be treated otherwise than as a payment on account. The acceptance by Landlord of a check for a lesser amount with an endorsement or statement thereon, or upon any letter accompanying such check, that such lesser amount is payment in full, shall be given no effect, and Landlord may accept such check without prejudice to any other rights or remedies which Landlord may have against Tenant.

8.3 CUMULATIVE REMEDIES.

Except as expressly provided in this Lease, the specific remedies to which Landlord may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which such party may be lawfully entitled in case of any breach or threatened breach by Tenant of any provisions of this Lease. In addition to the other remedies provided in this Lease, Landlord shall be entitled to the restraint by injunction of the violation or attempted or threatened violation of any of the covenants, conditions or provisions of this Lease or to a decree compelling specific performance of any such covenants, conditions or provisions.

8.4 QUIET ENJOYMENT.

Tenant, subject to the terms and provisions of this Lease on payment of the rent and observing, keeping and performing all of the 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 (exclusive of any period during which Tenant is holding over after the termination or expiration of this Lease without the consent of Landlord), without hindrance or ejection by any persons 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; and it is understood and agreed that this covenant and any and all other covenants of Landlord contained in this Lease shall be binding upon Landlord and Landlord's successors, including ground or master lessees, only with respect to breaches occurring during Landlord's or Landlord's successors' respective ownership of Landlord's interest hereunder, as the case may be.

Further, Tenant specifically agrees to look solely to Landlord's then equity interest in the Building at the time owned, or in which Landlord holds an interest as ground lessee, for recovery of any judgment from Landlord; it being specifically agreed that neither Landlord (original or successor), nor any partner in or of Landlord, nor any beneficiary of any Trust of which any person holding Landlord's interest is trustee, nor any member, manager, partner, director or stockholder, nor Landlord's managing agent, shall ever be personally liable for any such

judgment, or for the payment of any monetary obligation to Tenant. The provision contained in the foregoing sentence is not intended to, and shall not, limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord or Landlord's successors in interest, or any action not involving the personal liability of Landlord (original or successor), any partner in or of Landlord, any successor trustee to the persons named herein as Landlord, or any beneficiary of any trust of which any person holding Landlord's interest is trustee, or of any manager, member, partner, director or stockholder of Landlord or of Landlord's managing agent to respond in monetary damages from Landlord's assets other than Landlord's equity interest aforesaid in the Building, but in no event shall Tenant have the right to terminate or cancel this Lease or to withhold rent or to set-off any claim or damages against rent as a result of any default by Landlord or breach by Landlord of its covenants or any warranties or promises hereunder, except in the case of a wrongful eviction of Tenant from the demised premises (constructive or actual) by Landlord continuing after notice to Landlord thereof and a reasonable opportunity for Landlord to cure the same. In no event shall Landlord ever be liable to Tenant for any indirect or consequential damages or loss of profits or the like. In the event that Landlord shall be determined to have acted unreasonably in withholding any consent or approval under this Lease, the sole recourse and remedy of Tenant in respect thereof shall be to specifically enforce Landlord's obligation to grant such consent or approval, and in no event shall the Landlord be responsible for any damages of whatever nature in respect of its failure to give such consent or approval nor shall the same otherwise affect the obligations of Tenant under this Lease or act as any termination of this Lease.

8.5 NOTICE TO MORTGAGEE AND GROUND LESSOR.

After receiving notice from any person, firm or other entity that it holds a mortgage which includes the Premises as part of the mortgaged premises, or that it is the ground lessor under a lease with Landlord, as ground lessee, which includes the Premises as a part of the demised premises, no notice from Tenant to Landlord shall be effective unless and until a copy of the same is given to such holder or ground lessor (provided Tenant has received written notice of such holder or ground lessor, including correct addresses, prior to the date Tenant sends its notice), and the curing of any of Landlord's defaults by such holder or ground lessor within a reasonable time thereafter (including a reasonable time to obtain possession of the premises if the mortgagee or ground lessor elects to do so) shall be treated as performance by Landlord. For the purposes of this Section 8.5 or Section 8.15, the term "mortgage" includes a mortgage on a leasehold interest of Landlord (but not one on Tenant's leasehold interest).

8.6 ASSIGNMENT OF RENTS.

With reference to any assignment by Landlord or Landlord's interest in this Lease, or the rents payable hereunder, conditional in nature or otherwise, which assignment is made to the holder of a mortgage or ground lease on property which includes the Premises, Tenant agrees:

(a) That the execution thereof by Landlord, and the acceptance thereof by the holder of such mortgage or the ground lessor, shall never be treated as an assumption by such holder or ground lessor of any of the obligations of Landlord

hereunder, unless such holder, or ground lessor, shall, by notice sent to Tenant, specifically otherwise elect; and

(b) That, except as aforesaid, such holder or ground lessor shall be treated as having assumed Landlord's obligations hereunder only upon foreclosure of such holder's mortgage and the taking of possession of the Premises, or, in the case of a ground lessor, the assumption of Landlord's position hereunder by such ground lessor.

In no event shall the acquisition of title to the Building and the land on which the same is located by a purchaser which, simultaneously therewith, leases the entire Building or such land back to the seller thereof be treated as an assumption by such purchaser-lessor, by operation of law or otherwise, of Landlord's obligations hereunder, but Tenant shall look solely to such seller-lessee, and its successors from time to time in title, for performance of Landlord's obligations hereunder subject to the provisions of Section 8.4 hereof. In any such event, this Lease shall be subject and subordinate to the lease to such purchaser provided that such purchaser agrees to recognize the right of Tenant to use and occupy the Premises upon the payment of rent and other charges payable by Tenant under this Lease and the performance by Tenant of Tenant's obligations under this Lease and provided that Tenant agrees to attorn to such purchaser. For all purposes, such seller-lessee, and its successors in title, shall be the landlord hereunder unless and until Landlord's position shall have been assumed by such purchaser-lessor.

8.7 SURRENDER.

No act or thing done by Landlord during the Lease Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid, unless in writing signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys of the Premises prior to the termination of this Lease. The delivery of keys to any employee of Landlord or of Landlord's agents shall not operate as a termination of the Lease or a surrender of the Premises.

8.8 BROKERAGE.

(A) Tenant warrants and represents that Tenant has not dealt with any broker, finder or other agent in connection with the consummation of this Lease other than the Recognized Broker, if any, designated in Section 1.1 hereof; and in the event any claim is made against the Landlord relative to dealings by Tenant with brokers, finders or other agents other than the Recognized Broker, if any, designated in Section 1.1 hereof, Tenant shall defend the claim against Landlord with counsel of Tenant's selection first approved by Landlord (which approval will not be unreasonably withheld) and save harmless and indemnify Landlord on account of loss, cost or damage which may arise by reason of such claim.

(B) Landlord warrants and represents that Landlord has not dealt with any broker, finder or other agent in connection with the consummation of this Lease other than the Recognized Broker, if any, designated in Section 1.1 hereof; and in the event any claim is made against the Tenant relative to dealings by Landlord with brokers, finders or other agents other than the Recognized Broker, if any, designated in Section

1.1 hereof, Landlord shall defend the claim against Tenant with counsel of Landlord's selection and save harmless and indemnify Tenant on account of loss, cost or damage which may arise by reason of such claim. Landlord agrees that it shall be solely responsible for the payment of brokerage commissions to the Recognized Broker for the Original Term of this Lease, if any, designated in Section 1.1 hereof.

8.9 INVALIDITY OF PARTICULAR PROVISIONS.

If any term or provision of this Lease, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

8.10 PROVISIONS BINDING, ETC.

The obligations of this Lease shall run with the land, and except as herein otherwise provided, the terms hereof shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of Landlord and Tenant and, if Tenant shall be an

individual, upon and to his heirs, executors, administrators, successors and assigns. Each term and each provision of this Lease to be performed by Tenant shall be construed to be both a covenant and a condition. The reference contained to successors and assigns of Tenant is not intended to constitute a consent to subletting or assignment by Tenant.

8.11 RECORDING.

Tenant agrees not to record the within Lease, but each party hereto agrees, on the request of the other, to execute a so-called Notice of Lease or short form lease in form recordable and complying with applicable law and reasonably satisfactory to both Landlord's and Tenant's attorneys. In no event shall such document set forth 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.

8.12 NOTICES.

Whenever, by the terms of this Lease, notice shall or may be given either to Landlord or to Tenant, such notice shall be in writing and shall be sent by overnight commercial courier or by registered or certified mail postage or delivery charges prepaid, as the case may be:

If intended for Landlord, addressed to Landlord at the address set forth in Article I of this Lease (or to such other address or addresses as may from time to time hereafter be designated by Landlord by like notice) with a copy to Landlord, Attention: General Counsel.

If intended for Tenant, addressed to Tenant at the address set

forth in Article I of this Lease except that from and after the Commencement Date the address of Tenant shall be the Premises (or to such other address or addresses as may from time to time hereafter be designated by Tenant by like notice).

Except as otherwise provided herein, all such notices shall be effective when received; provided, that (i) if receipt is refused, notice shall be effective upon the first occasion that such receipt is refused, (ii) if the notice is unable to be delivered due to a change of address of which no notice was given, notice shall be effective upon the date such delivery was attempted or (iii) if the notice address is a post office box number, notice shall be effective the day after such notice is sent as provided hereinabove.

Where provision is made for the attention of an individual or department, the notice shall be effective only if the wrapper in which such notice is sent is addressed to the attention of such individual or department.

Any notice given by an attorney on behalf of Landlord or by Landlord's managing agent shall be considered as given by Landlord and shall be fully effective.

Time is of the essence with respect to any and all notices and periods for giving notice or taking any action thereto under this Lease.

8.13 WHEN LEASE BECOMES BINDING.

Employees or agents of Landlord have no authority to make or agree to make a lease or any other agreement or undertaking in connection herewith. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises, and this document shall become effective and binding only upon the execution and delivery hereof by both Landlord and Tenant. All negotiations, considerations, representations and understandings between Landlord and Tenant are incorporated herein and may be modified or altered only by written agreement between Landlord and Tenant, and no act or omission of any employee or agent of Landlord shall alter, change or modify any of the provisions hereof.

8.14 SECTION HEADINGS.

The titles of the Articles throughout this Lease are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Lease.

8.15 RIGHTS OF MORTGAGEE.

This Lease shall be subject and subordinate to any mortgage now or hereafter on the Site or the Building, or both, and to each advance made or hereafter to be made under any mortgage, and to all renewals, modifications, consolidations, replacements and extensions thereof and all substitutions therefor provided that the holder of such mortgage agrees to recognize the rights of Tenant under this Lease (including the right to use and occupy the Premises) upon the payment of rent and other charges payable by Tenant under this Lease and the performance by

Tenant of Tenant's obligations hereunder in which event Tenant shall agree to attorn to such holder and its successors as landlord. In confirmation of such subordination and recognition, Tenant shall execute and deliver promptly such instruments of subordination and recognition as such mortgagee may reasonably request. Tenant hereby appoints such mortgagee (from time to time) as Tenant's attorney-in-fact to execute such subordination upon default of Tenant in complying with such mortgagee's (from time to time) request. In the event that any mortgagee or its respective successor in title shall succeed to the interest of Landlord, then, this Lease shall nevertheless continue in full force and effect and Tenant shall and does hereby agree to attorn to such mortgagee or successor and to recognize such mortgagee or successor as its landlord. If any holder of a mortgage which includes the Premises, executed and recorded prior to the date of this Lease, shall so elect, this Lease and the rights of Tenant hereunder, shall be superior in right to the rights of such holder, with the same force and effect as if this Lease had been executed, delivered and recorded, or a statutory Notice hereof recorded, prior to the execution, delivery and recording of any such mortgage. The election of any such holder shall become effective upon either notice from such holder to Tenant in the same fashion as notices from Landlord to Tenant are to be given hereunder or by the recording in the appropriate registry or recorder's

office of an instrument in which such holder subordinates its rights under such mortgage to this Lease.

If in connection with obtaining financing a bank, insurance company, pension trust or other institutional lender shall request reasonable modifications in this Lease as a condition to such financing, Tenant will not unreasonably withhold, delay or condition its consent thereto, provided that such modifications do not increase the monetary or other obligations of Tenant hereunder or materially adversely affect the leasehold interest hereby created, or materially decrease the obligations of Landlord hereunder.

8.16 STATUS REPORTS AND FINANCIAL STATEMENTS.

Recognizing that Landlord may find it necessary to establish to third parties, such as accountants, banks, potential or existing mortgagees, potential purchasers or the like, the then current status of performance hereunder, Tenant, on the request of Landlord made from time to time (but no more often than once during any twelve (12) month period), will promptly furnish to Landlord, or any existing or potential holder of any mortgage encumbering the Premises, the Building, the Site and/or the Complex or any potential purchaser of the Premises, the Building, the Site and/or the Complex, (each an "Interested Party"), a statement of the status of any matter pertaining to this Lease, including, without limitation, acknowledgments that (or the extent to which) each party is in compliance with its obligations under the terms of this Lease. In addition, Tenant shall deliver to Landlord, or any Interested Party designated by Landlord, financial statements of Tenant and any guarantor of Tenant's obligations under this Lease, as reasonably requested by Landlord, including, but not limited to financial statements for the past three (3) years. Any such status statement or financial statement delivered by Tenant pursuant to this Section 8.16 may be relied upon by any Interested Party.

8.17 SELF-HELP.

If Tenant shall at any time default in the performance of any obligation under this Lease, Landlord shall have the right, but shall not be obligated, to enter upon the Premises and to perform such obligation notwithstanding the fact that no specific provision for such substituted performance by Landlord is made in this Lease with respect to such default. In performing such obligation, Landlord may make any payment of money or perform any other act. All sums so paid by Landlord (together with interest at the rate of one and one-half percentage points over the then prevailing prime rate in Boston as set by Bank of America, N.A., or its successor (but in no event greater than the maximum rate permitted by applicable law) and all costs and expenses in connection with the performance of any such act by Landlord, shall be deemed to be Additional Rent under this Lease and shall be payable to Landlord immediately on demand. Landlord may exercise the foregoing rights without waiving any other of its rights or releasing Tenant from any of its obligations under this Lease.

8.18 HOLDING OVER.

Any holding over by Tenant after the expiration of the term of this Lease shall be treated as a tenancy at sufferance and shall be on the terms and conditions as set forth in this Lease, as far as applicable except that Tenant shall pay as a use and occupancy charge an amount equal to the greater of (x) 150% of the Annual Fixed Rent and Additional Rent calculated (on a daily basis) at the highest rate payable under the terms of this Lease, or (y) the fair market rental value of the Premises, in each case for the period measured from the day on which Tenant's hold-over commences and terminating on the day on which Tenant vacates the Premises. In addition, Tenant shall save Landlord, its agents and employees harmless and will exonerate, defend and indemnify Landlord, its agents and employees from and against any and all damages which Landlord may suffer on account of Tenant's hold-over in the Premises after the expiration or prior termination of the term of this Lease. Nothing in the foregoing nor any other term or provision of this Lease shall be deemed to permit Tenant to retain possession of the Premises or hold over in the Premises after the expiration or earlier termination of the Lease Term. All property which remains in the Building or the Premises after the expiration or termination of this Lease shall be conclusively deemed to be abandoned and may either be retained by Landlord as its property or sold or otherwise disposed of in such manner as Landlord may see fit. If any part thereof shall be sold, then Landlord may receive the proceeds of such sale and apply the same, at its option against the expenses of the sale, the cost of moving and storage, any arrears of rent or other charges payable hereunder by Tenant to Landlord and any damages to which Landlord may be entitled under this Lease and at law and in equity.

8.19 NON-SUBROGATION.

Any insurance carried by either party with respect to the Premises or property therein or occurrences thereon shall, if it can be so written without additional premium or with an additional premium which the other party agrees to pay, include a clause or endorsement denying to the insurer rights of subrogation against the other party to the extent rights have been waived by the insured prior to occurrence of injury or loss. Each party, notwithstanding any provisions of this Lease to the contrary, hereby waives any rights of recovery against the other for

injury or loss due to hazards covered by such insurance (or which would have been covered had such party carried the insurance required to be carried by it under the Lease) to the extent of the indemnification received under such insurance policy. This waiver of rights by Tenant shall apply to, and be for the benefit of, Landlord's managing agent.

8.20 SECURITY DEPOSIT.

If, in Section 1.1 hereof, a security deposit is specified, Tenant agrees that the same will be paid upon execution and delivery of this Lease, and that Landlord shall hold the same, throughout the term of this Lease (including any extension thereof), as security for the performance by Tenant of all obligations on the part of Tenant to be kept and performed. Landlord shall have the right from time to time without prejudice to any other remedy Landlord may have on account thereof, to apply such deposit, or any part thereof, to

Landlord's damages arising from any default on the part of Tenant. If Landlord so applies all or any portion of such deposit, Tenant shall within seven (7) days after notice from Landlord deliver cash to Landlord in an amount sufficient to restore such deposit to the full amount stated in Section 1.1. Tenant not then being in default and having performed all of its obligations under this Lease, including the payment of all Annual Fixed Rent, Landlord shall return the deposit, or so much thereof as shall not have theretofore been applied in accordance with the terms of this Section 8.20, to Tenant on the expiration or earlier termination of the term of this Lease and surrender possession of the Premises by Tenant to Landlord in the condition required in the Lease at such time. While Landlord holds such deposit, Landlord shall have no obligation to pay interest on the same and shall have the right to commingle the same with Landlord's other funds. If Landlord conveys Landlord's interest under this Lease, the deposit, or any part thereof not previously applied, may be turned over by Landlord to Landlord's grantee, and, if so turned over, Tenant agrees to look solely to such grantee for proper application of the deposit in accordance with the terms of this Section 8.20, and the return thereof in accordance herewith.

Neither the holder of any mortgage nor the lessor in any ground lease on property which includes the Premises shall ever be responsible to Tenant for the return or application of any such deposit, whether or not it succeeds to the position of Landlord hereunder, unless such deposit shall have been received in hand by such holder or ground lessor.

8.21 LATE PAYMENT.

If Landlord shall not have received any payment or installment of Annual Fixed Rent or Additional Rent (the "Outstanding Amount") on or before the date on which the same first becomes payable under this Lease (the "Due Date"), the amount of such payment or installment shall incur a late charge equal to the sum of: (a) five percent (5%) of the Outstanding Amount for administration and bookkeeping costs associated with the late payment and (b) interest on the Outstanding Amount from the Due Date through and including the date such payment or installment is received by Landlord, at a rate equal to the lesser of (i) the rate announced by Bank of America, N.A., (or its successor) from time to time as its prime or base rate (or if such rate is no longer available, a comparable rate reasonably selected by Landlord), plus two percent

(2%), or (ii) the maximum applicable legal rate, if any. Such interest shall be deemed Additional Rent and shall be paid by Tenant to Landlord upon demand.

Notwithstanding the foregoing, Landlord agrees that such late charge will not be imposed upon the first late payment under this Lease until five (5) days after the date on which such payment first became due and payable.

8.22 TENANT'S PAYMENTS.

Each and every payment and expenditure, other than Annual Fixed Rent, shall be deemed to be Additional Rent hereunder, whether or not the provisions requiring payment of such amounts specifically so state, and shall be payable, unless otherwise provided in this Lease, within twenty (20) days after written demand by Landlord, and in the case of the

non-payment of any such amount, Landlord shall have, in addition to all of its other rights and remedies, all the rights and remedies available to Landlord hereunder or by law in the case of non-payment of Annual Fixed Rent. Unless expressly otherwise provided in this Lease, the performance and observance by Tenant of all the terms, covenants and conditions of this Lease to be performed and observed by Tenant shall be at Tenant's sole cost and expense. If Tenant has not objected to any statement of Additional Rent which is rendered by Landlord to Tenant within ninety (90) days after Landlord has rendered the same to Tenant, then the same shall be deemed to be a final account between Landlord and Tenant not subject to any further dispute. In the event that Tenant shall seek Landlord's consent or approval under this Lease, then Tenant shall reimburse Landlord, upon demand, as Additional Rent, for all reasonable costs and expenses, including legal and architectural costs and expenses, incurred by Landlord in processing such request, whether or not such consent or approval shall be given.

8.23 WAIVER OF TRIAL BY JURY.

To induce Landlord to enter into this Lease, Tenant hereby waives any right to trial by jury in any action, proceeding or counterclaim brought by either Landlord or Tenant on any matters whatsoever arising out of or any way connected with this Lease, the relationship of the Landlord and the Tenant, the Tenant's use or occupancy of the Premises and/or any claim of injury or damage, including but not limited to, any summary process eviction action.

8.24 GOVERNING LAW.

This Lease shall be governed exclusively by the provisions hereof and by the law of the Commonwealth of Massachusetts, as the same may from time to time exist.

EXECUTED as a sealed instrument in two or more counterparts each of which shall be deemed to be an original.

WITNESS:

/s/ Illegible

LANDLORD:

By: /s/ David C. Provost

DAVID C. PROVOST, FOR THE TRUSTEES OF 91 HARTWELL AVENUE TRUST PURSUANT TO WRITTEN DELEGATION BUT NOT INDIVIDUALLY

TENANT:

ATTEST:

SYNTA PHARMACEUTICALS, INC.

By: /s/ Wendy E. Rieder

Name: Wendy E. Rieder

Title: (Secretary or Assistant Secretary)

By: /s/ John A. McCarthy, Jr.

Name: John A. McCarthy, Jr.

Title: (President or Vice President)

Hereto duly authorized

By: /s/ Keith Ehrlich

Name: Keith Ehrlich

Title: (Treasurer or Assistant Treasurer)

Hereto duly authorized

CORPORATE SEAL

EXHIBIT A

DESCRIPTION OF SITE

That certain parcel of land situate in Lexington in the County of Middlesex and Commonwealth of Massachusetts, described as follows:

SOUTHEASTERLY by Hartwell Avenue, two hundred thirty-seven and 47/100 feet;

SOUTHEASTERLY by a curving line forming the junction of said Hartwell Avenue and Hartwell Place, as shown on

plan hereinafter mentioned, thirty-nine and 27/100 feet;

SOUTHWESTERLY five hundred thirty-two and 23/100 feet, and

SOUTHWESTERLY, SOUTHERLY and SOUTHEASTERLY one hundred ninety and 25/100 feet, by said Hartwell Place;

SOUTHERLY by lot 9 on said plan, three hundred seventy-four and 57/100 feet;

SOUTHWESTERLY three hundred sixty-seven and 65/100 feet;

NORTHWESTERLY thirty-one and 12/100 feet, and

NORTHWESTERLY again, eight hundred ninety and 63/100 feet, by land now or formerly of The United States of America;

NORTHEASTERLY by said United States of America land and by land now or formerly of John W. O(`Connor et al, nine hundred thirty-three and 87/100 feet.

Said parcel is shown as lot 10 on said plan, (Plan No.31330D).

All of said boundaries are determined by the Court to be located as shown on a subdivision plan, as approved by the Court, filed in the Land Registration Office, a copy of which is filed in the Registry of Deeds for the South Registry District of Middlesex County in Registration Book 835, Page 146, with Certificate 141096.

The above described land is subject to and has the benefit of the ditches as approximately shown on said plan at date of original decree, (May 17, 1963).

So much of the above described land as is included within the area marked "Tennessee Gas Transmission Company Easement 30' wide" is subject to the easements set forth in a taking by the Northeastern Gas Transmission Company, dated July 13, 1951 and duly recorded in Book 7772, Page 162.

The above described land is subject to an Avigation Easement set forth in a Declaration of Taking by the United States of America dated February 12, 1954 recorded with the Middlesex South District Registry of Deeds in Book 8219, Page 421 and more particularly shown as "Avigation Easement A-130E-1" on Plan No. 31330-D (referred to above).

The above described land is subject to an Order by the Town of Lexington for construction of water main in Hartwell Avenue, Document No. 461902 as affected by Certificate for Dissolving Betterments filed as Document No. 499500.

The above described land is subject to a Grant of Easement from Wilbur C. Nylander et al Trs. to the Town of Lexington to construct and maintain sewer in Hartwell Place, Document No. 508567.

The above described land is subject to a grant of Easement over 20 feet wide drain easement (i) for the benefit of lot 9 in common with others entitled thereto, set forth in Document 511666 and (ii) set forth in Document No. 479843 for the benefit of lot 7 shown on plan recorded with said Document No. 479843.

The above described land is subject to a Taking of easement by the Town of Lexington in Hartwell Place, Document No. 544200.

The above described land is subject to and has the benefit of a Grant of Easement and Reservation from Wilbur C. Nylander et al Trs. to the Town of Lexington for conservation purposes, Document No. 616453.

The above described land is subject to and has the benefit of the following:

A. Order of Conditions issued by the Town of Lexington Conservation Commission filed as Document No. 616456 as extended by Extension Permits issued by said Conservation Commission filed as Document Nos. 627154, 635069, 655552 and 669180.

B. Decision of the Town of Lexington Board of Appeals filed as Document No. 616457.

C. Decision of the Town of Lexington Board of Appeals filed as Document No. 616458.

D. Decision of the Town of Lexington Board of Appeals filed as Document No. 616459.

E. Decision of the Town of Lexington Board of Appeals filed as Document No. 634489.

F. Decision of the Town of Lexington Board of Appeals filed as Document No. 646344.

G. Decision of the Town of Lexington Board of Appeals filed as Document No. 646345.

H. Decision of the Town of Lexington Board of Appeals filed as Document No. 646346.

The above described land is subject to an Easement granted to Boston Edison Company filed as Document No. 672152.

The above described land is subject to such other easements, agreements and matters of record, if any, insofar as in force and applicable.

EXHIBIT C

LANDLORD SERVICES

I. CLEANING

Cleaning and janitorial services shall be provided as needed Monday through Friday, exclusive of holidays, Saturdays and Sundays.

A. OFFICE AREAS

Cleaning and janitorial services to be provided in the office areas shall include:

1. Vacuuming, damp mopping of resilient floors and trash removal.

2. Dusting of horizontal surfaces within normal reach (tenant equipment to remain in place).

3. High dusting and dusting of vertical blinds to be rendered as needed.

B. LAVATORIES

Cleaning and janitorial services to be provided in the common area lavatories of the building shall include:

1. Dusting, damp mopping of resilient floors, trash removal, sanitizing of basins, bowls and urinals as well as cleaning of mirrors and bright work.

2. Refilling of soap, towel, tissue and sanitary dispensers to be rendered as necessary.

3. High dusting to be rendered as needed.

C. MAIN LOBBIES, ELEVATORS, STAIRWELLS AND COMMON CORRIDORS

Cleaning and janitorial services to be provided in the common areas of the building shall include:

1. Trash removal, vacuuming, dusting and damp mopping of resilient floors and cleaning and sanitizing of water fountains.

2. High dusting to be rendered as needed.

D. WINDOW CLEANING

All exterior windows shall be washed on the inside and outside surfaces at frequency necessary to maintain a first class appearance.

II. HVAC

A. Heating, ventilating and air conditioning equipment will be provided with sufficient capacity to accommodate a maximum population density of one (1) person per one hundred fifty (150) square feet of useable floor area served, and a combined lighting and standard electrical load of 3.0 watts per square foot of useable floor area. In the event Tenant introduces into the Premises personnel or equipment which overloads the system's ability to adequately perform its proper functions, Landlord shall so notify Tenant in writing and supplementary system(s) may be required and installed by Landlord at Tenant's expense, if within fifteen (15) days Tenant has not modified its use so as not to cause such overload.

Operating criteria of the basic system are in accordance with the Massachusetts Energy Code and shall not be less than the following:

(i) Cooling season indoor conditions of not in excess of 78 degrees Fahrenheit when outdoor conditions are 91 degrees Fahrenheit drybulb and 73 degrees Fahrenheit wetbulb.

(ii) Heating season minimum room temperature of 72 degrees Fahrenheit when outdoor conditions are 6 degrees Fahrenheit drybulb.

B. Landlord shall provide heating, ventilating and air conditioning as normal seasonal charges may require during the hours of 8:00 a.m. to 6:00 p.m., Monday through Friday, and 8:00 a.m. to 12:00 p.m. on Saturdays (legal holidays in all cases excepted).

If Tenant shall require air conditioning (during the air conditioning season) or heating or ventilating during any other time period, Landlord shall use landlord's best efforts to furnish such services for the area or areas specified by written request of Tenant delivered to the Building Superintendent or the Landlord before 3:00 p.m. of the business day

preceding the extra usage. Landlord shall charge Tenant for such extra-hours usage at reasonable rates customary for first-class office buildings in the Boston Suburban market, and Tenant shall pay Landlord, as additional rent, upon receipt of billing therefor.

III. ELECTRICAL SERVICES

A. Landlord shall provide electric power for a combined load of 3.0 watts per square foot of useable area for lighting and for office machines through standard receptacles for the typical office space.

B. In the event that Tenant has special equipment (such as computers and reproduction equipment) that requires either 3-phase electric power or any voltage other than 120 amps, or for any other usage in excess of 3.0 watts per square foot, Landlord may at its option require the installation of separate metering (Tenant being solely responsible for the costs of any such separate meter and the installation thereof) and direct billing to Tenant for the electric power required for any such special equipment.

C. Landlord will furnish and install, at Tenant's expense, all replacement lighting tubes, lamps and ballasts required by Tenant. Landlord will clean lighting fixtures on a regularly scheduled basis at Tenant's expense.

IV. ELEVATORS

Provide passenger elevator service.

V. WATER

Provide hot water for lavatory purposes and cold water for drinking, lavatory and toilet purposes.

VI. CARD ACCESS SYSTEM

Landlord will provide a card access system at one entry door of the building.

EXHIBIT D

FLOOR PLAN

EXHIBIT F

FORMS OF LIEN WAIVERS

CONTRACTOR'S PARTIAL WAIVER AND SUBORDINATION OF LIEN

STATE OF _____ Date: _____

COUNTY _____ Application for Payment No.: _____

OWNER: _____

CONTRACTOR: _____

LENDER / MORTGAGEE: None

1.	Original Contract Amount:	$ _____
2.	Approved Change Orders:	$ _____
3.	Adjusted Contract Amount: (line 1 plus line 2)	$ _____
4.	Completed to Date:	$ _____
5.	Less Retainage:	$ _____
6.	Total Payable to Date: (line 4 less line 5)	$ _____
7.	Less Previous Payments:	$ _____
8.	Current Amount Due: (line 6 less line 7)	$ _____
9.	Pending Change Orders:	$ _____
10.	Disputed Claims:	$ _____

The undersigned who has a contract with _____ for furnishing labor or materials or both labor and materials or rental equipment, appliances or tools for the erection, alteration, repair or removal of a building or structure or other improvement of real property known and identified as located in _____ (city or town),

_____County, _____ and owned by _____, upon receipt of _____ ($_____) in payment of an invoice/requisition/application for payment dated _____ does hereby:

(a) waive any and all liens and right of lien on such real property for labor or materials, or both labor and materials, or rental equipment, appliances or tools, performed or furnished through the following date _____ (payment period), except for retainage, unpaid agreed or pending change orders, and disputed claims as stated above;

(b) subordinate any and all liens and right of lien to secure payment for such unpaid, agreed or pending change orders and disputed claims, and such further labor or materials, or both labor and materials, or rental equipment, appliances or tools, except for retainage, performed or furnished at any time through the twenty-fifth day after the end of the above payment period, to the extent of the amount actually advanced by the above lender/mortgagee through such twenty-fifth day.

Signed under the penalties of perjury this _____ day of _____, 20__.

WITNESS: CONTRACTOR:

Name: Name:

Title: Title:

SUBCONTRACTOR'S LIEN WAIVER

General Contractor:

Subcontractor:

Owner:

Project:

Total Amount Previously Paid: $

Amount Paid This Date: $ ----------

Retainage (Including This Payment) Held to Date: $ ----------

In consideration of the receipt of the amount of payment set forth above and any and all past payments received from the Contractor in connection with the Project, the undersigned acknowledges and agrees that it has been paid all sums due for all labor, materials and/or equipment furnished by the undersigned to or in connection with the Project and the undersigned hereby releases, discharges, relinquishes and waives any and all claims, suits, liens and rights under any Notice of Identification, Notice of Contract or statement of account with respect to the Owner, the Project and/or against the Contractor on account of any labor, materials and/or equipment furnished through the date hereof.

The undersigned individual represents and warrants that he is the duly authorized representative of the undersigned, empowered and authorized to execute and deliver this document on behalf of the undersigned and that this document binds the undersigned to the extent that the payment referred to herein is received.

The undersigned represents and warrants that it has paid in full each and every sub-subcontractor, laborer and labor and/or material supplier with whom undersigned has dealt in connection with the Project and the undersigned agrees at its sole cost and expense to defend, indemnify and hold harmless the Contractor against any claims, demands, suits, disputes, damages, costs, expenses (including attorneys' fees), liens and/or claims of lien made by such sub-subcontractors, laborers and labor and/or material suppliers arising out of or in any way related to the Project. This document is to take effect as a sealed instrument.

Signed under the penalties of perjury as of this _____ day of _____, 20__.

SUBCONTRACTOR:

Signature and Printed Name of Individual Signing this Lien Waiver

---

WITNESS:

Name: ---

Title: ---

Dated: ---

CONTRACTOR'S WAIVER OF CLAIMS AGAINST OWNER AND ACKNOWLEDGMENT OF FINAL PAYMENT

Commonwealth of Massachusetts Date: _____

COUNTY OF _____ Invoice No.: _____

OWNER: _____

CONTRACTOR: _____

PROJECT: _____

1. Original Contract Amount: $ _____

2. Approved Change Orders: $ _____

3. Adjusted Contract Amount: $ _____

4. Sums Paid on Account of Contract Amount: $ _____

5. Less Final Payment Due: $ _____

The undersigned being duly sworn hereby attests that when the Final Payment Due as set forth above is paid in full by Owner, such payment shall constitute payment in full for all labor, materials, equipment and work in place furnished by the undersigned in connection with the aforesaid contract and that no further payment is or will be due to the undersigned.

The undersigned hereby attests that it has satisfied all claims against it for items, including by way of illustration but not by way of limitation, items of: labor, materials, insurance, taxes, union benefits, equipment, etc. employed in the prosecution of the work of said contract, and acknowledges that satisfaction of such claims serves as an inducement for the Owner to release the Final Payment Due.

The undersigned hereby agrees to indemnify and hold harmless the Owner from and against all claims arising in connection with its Contract with respect to claims for the furnishing of labor, materials and equipment by others. Said indemnification and hold harmless shall include the reimbursement of all actual attorney's fees and all costs and expenses of every nature, and shall be to the fullest extent permitted by law.

The undersigned hereby irrevocably waives and releases any and all liens and right of lien on such real property and other property of the Owner for labor or materials, or both labor and materials, or rental equipment, appliances or tools, performed or furnished by the undersigned, and anyone claiming by, through, or under the undersigned, in connection with the Project.

The undersigned hereby releases, remises and discharges the Owner, any agent of the Owner and their respective predecessors, successors, assigns, employees, officers, shareholders, directors, and principals, whether disclosed or undisclosed (collectively "Releasees") from and against any and all claims, losses, damages, actions and causes of action (collectively "Claims") which the undersigned and anyone claiming by, through or under the undersigned has or may have against the Releasees, including, without limitation, any claims arising in connection with the Contract and the work performed thereunder.

Notwithstanding anything to the contrary herein, payment to the undersigned of the Final Payment Due sum as set forth above, shall not constitute a waiver by the Owner of any of its rights under the contract including by way of illustration but not by way of limitation guarantees and/or warranties. Payment will not be made until a signed waiver is returned to Owner.

The undersigned individual represents and warrants that he/she is the duly authorized representative of the undersigned, empowered and authorized to execute and deliver this document on behalf of the undersigned.

Signed under the penalties of perjury as a sealed instrument as of this ___ day of _____, _____.

_____
Corporation

By: _____

Name: _____

Title: _____

Hereunto duly authorized

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF SUFOLK

On this ___ day of _____, 20___, before me, the undersigned notary

public, personally appeared _____, proved to me through satisfactory evidence of identification, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it as _____ for _____, a corporation/partnership voluntarily for its stated purpose.

NOTARY PUBLIC
My Commission Expires:

Exhibit 10.9

STOCK EXCHANGE AGREEMENT

This Stock Exchange Agreement (this "AGREEMENT") is made and entered into as of September 9, 2002 by and among CxSynta LLC, Keith R. Gollust, and Mountain Trail Investments, LLC (each a "SELLER" and collectively, "SELLERS"), Principia Associates, Inc., a Delaware corporation ("PRINCIPIA"), and Synta Pharmaceuticals Corp., a Delaware corporation ("SYNTA").

W I T N E S S E T H:

WHEREAS, Sellers own all of the outstanding Common Stock , $.01 par value per share ("PRINCIPIA SHARES"), which shares represent all of the outstanding capital stock of Principia, and desire to exchange the Principia Shares for shares of the Common Stock , $.0001 par value per share ("SYNTA SHARES"), of Synta and warrants for additional shares of Synta Shares;

WHEREAS, Principia is the owner of thirty seven million four hundred thousand (37,400,000) shares of the Common Stock, $.01 par value per share (the "SBR SHARES"), of SBR Pharmaceuticals Corp., a Delaware corporation ("SBR"), which SBR Shares represent all of the shares of capital stock of SBR owned beneficially or of record by Principia; and

WHEREAS, Synta desires to receive, acquire and accept from Sellers, and Sellers desire to assign, transfer and deliver to Synta, the Principia Shares, upon the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
EXCHANGE AND PURCHASE OF SHARES

Section 1.1 EXCHANGE OF SHARES. At the Closing, subject to the terms and conditions of this Agreement, Sellers, as the legal and beneficial owners of the Principia Shares, shall transfer, assign convey and deliver, or cause to be transferred, conveyed and delivered, the Principia Shares to Synta, free and clear of all liens and encumbrances, and Synta shall accept the transfer and assignment of the Principia Shares.

Section 1.2 DELIVERY OF PRINCIPIA SHARES. At the Closing, Sellers shall deliver to Synta stock certificates representing the Principia Shares together with stock powers duly endorsed by Sellers in favor of Synta, and Principia shall promptly issue a new stock certificate representing the Principia Shares in the name of Synta or its designee upon delivery by Synta of the aforementioned stock certificates and stock powers to the transfer agent for Principia.

Section 1.3 ISSUANCE OF SYNTA SHARES. At the Closing, in consideration for the contribution of the Principia Shares to Synta as set forth in Section 1.1 and 1.2 hereof, Synta shall deliver to Sellers an aggregate of four million nine hundred thirty nine thousand five hundred eighty one (4,939,500) shares of Synta Shares, together with three year warrants for the purchase of an aggregate of nine hundred fifty nine thousand one hundred twenty-six (959,126)

shares of Synta Shares, in the form attached hereto as EXHIBIT A (collectively, the "SYNTA WARRANTS"). The number of shares of Synta Shares to be issued to each Seller and the number of shares of Synta shares subject to the Synta Warrant to be granted to each Seller is set forth on EXHIBIT B attached hereto.

ARTICLE II

CLOSING

Section 2.1 CLOSING. The closing of the transactions contemplated hereby (the "CLOSING") shall take place at the offices of Nixon Peabody LLP, 101 Federal Street, Boston, MA 02110-1832, or at such other place as may be agreed to by Sellers and Synta, at 10:00 AM (Boston time) on or before September 20, 2002, or on such other date as may be agreed upon in writing by Sellers and Synta if subsequent to September 20, 2002 (the "CLOSING DATE").

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLERS

Each of the Sellers hereby severally represents and warrants to Synta as follows:

Section 3.1 TITLE TO SHARES. Such Seller owns of record and beneficially, free and clear of all encumbrances, and has good title to the number of Principia Shares as set forth on EXHIBIT B attached hereto. Such Seller is not a party to any agreement, trust or other arrangement that in any way restricts such Seller's ability to perform its obligations under this Agreement, including, without limitation, voting or transferring such Seller's Principia Shares.

Section 3.2 NO CONFLICT. The execution, delivery and performance of this Agreement by such Seller does not and will not (a) conflict with or violate any law or governmental order applicable to such Seller or any of such Seller's respective assets, properties or businesses or (b) conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, or result in the creation of any encumbrance on any of the Principia Shares owned by such Seller pursuant to, any note, bond, mortgage or indenture, contract, agreement, lease, sublease, license, permit, franchise or other instrument or arrangement to which such Seller is a party or by which any of the Principia Shares owned by such Seller is bound or affected, which would adversely affect the ability of such Seller to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement.

Section 3.3 GOVERNMENTAL CONSENTS AND APPROVALS. The execution, delivery and performance of this Agreement by such Seller does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any governmental authority.

Section 3.4 LITIGATION. No action, suit, investigation or proceeding by or against such Seller is pending or, to the knowledge of each Seller, threatened before any court, arbitrator or administrative agency, which could reasonably be expected to affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated by this Agreement.

Section 3.5 SECURITIES ACT. The Synta Shares and Warrant issued by Synta to such Seller pursuant to this Agreement are being acquired by such Seller for investment only and not with a view to any public distribution thereof, and such Seller will not offer to sell or otherwise dispose of the Synta Shares or Warrant so acquired by him in violation of any of the registration requirements of the Securities Act of 1933, as amended, or any applicable state blue sky laws.

Section 3.6 NO BROKER. No broker, finder or investment banker is entitled to any brokerage, finders or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Sellers.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF PRINCIPIA

Principia hereby represents and warrants to Synta as follows:

Section 4.1 ORGANIZATION, GOOD STANDING AND AUTHORITY OF PRINCIPIA. Principia is a corporation duly organized, validly existing and in corporate good standing under the laws of the State of Delaware. Principia has full corporate power and authority to enter into this Agreement. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by the Board of Directors of Principia and no other proceedings or actions on the part of Principia are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement constitutes the valid and binding obligation of Principia, enforceable in accordance with its terms.

Section 4.2 CAPITAL STOCK OF PRINCIPIA. The authorized capital stock of Principia consists of Two Million One Hundred (2,000,100) shares of Principia Shares. As of the date hereof, One Million Three Hundred Thousand (1,300,000) shares of Principia Shares are issued and outstanding, all of which are validly issued, fully paid and nonassessable. None of the issued and outstanding shares of Principia Shares were issued in violation of any preemptive rights. There are no options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the Principia Shares or obligating Principia to issue, sell or assign the Principia Shares, or any other interest in, Principia Shares. There are no outstanding contractual obligations of Principia to repurchase, redeem or otherwise acquire any shares of Principia Shares or to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any other person.

Section 4.3 FINANCIAL STATEMENTS. The unaudited balance sheet of Principia as of August 31, 2002 and the related statement of income for the period then ended, complete and correct copies of which have been delivered to Synta, fairly present the financial position of Principia as at such date and the results of operations of Principia for the period then ended, in each case in accordance with U.S. generally accepted accounting principles ("GAAP") consistently applied for the period covered (subject to the normal year-end adjustments).

Section 4.4 NO MATERIAL ADVERSE CHANGE. Since August 31, 2002, there has been no material adverse change in the properties, business, prospects, results of operations or financial condition of Principia.

Section 4.5 NO DEFAULT; NO CONFLICT WITH OTHER INSTRUMENTS. Principia is not in default under or in violation of any provision of its Certificate of Incorporation or By-Laws. To its knowledge, based upon the representations made in the Stock Purchase Agreement, Principia is not in default under or in violation of any material indenture, mortgage, deed of trust, note, debenture, or any material agreement, lease, or other instrument or contract to which it is a party or by which it or any of it properties or assets is bound or any judgment, decree, order, statute, rule or regulation to which it is subject or by which it or any of its properties or assets is bound. To its knowledge, based upon the representations made in the Stock Purchase Agreement, the execution, delivery and performance of this Agreement, and the consummation by Principia of the transactions contemplated hereby do not and will not constitute a default under any of (a) the terms, conditions or provisions of the Certificate of Incorporation or By-Laws of Principia or (b) any material indenture, mortgage, deed of trust, note, debenture, agreement, lease or other material instrument or material contract or any such judgment, decree, order, statute, rule or regulation with respect to which Principia is a party or subject or result in the creation of any lien, charge or encumbrance on any of the properties or assets of Principia.

Section 4.6 SUBSIDIARIES; OWNERSHIP OF SBR SHARES. Principia has no subsidiaries other than SBR. To its knowledge, Principia has good and marketable title to the SBR Shares free and clear of any and all restrictions, liens, charges, encumbrances, options and adverse claims or rights whatsoever, except as provided by applicable federal and state securities laws. To its knowledge,

based upon the representations made in the Stock Purchase Agreement, Principia owns ninety-eight and eight-tenths percent (98.80%) of the issued and outstanding capital stock of SBR and all the issued and outstanding shares of capital stock of SBR are duly authorized, validly issued, fully paid and nonassessable.

Section 4.7 ORGANIZATION, GOOD STANDING AND AUTHORITY OF SBR. Based upon the representations made in the Stock Purchase Agreement (as defined in Section 7.1 of this Agreement), SBR is a corporation duly organized, validly existing and in corporate good standing under the laws of the State of Delaware and has the requisite power and authority to own all of its properties and assets and to carry on its business as it is now being conducted. Based upon the representations made in the Stock Purchase Agreement, SBR is duly qualified to do business and is in corporate good standing in each jurisdiction in which it owns or leases property or engages in any activity which would require it to qualify to do business as a foreign corporation, except such jurisdictions where the failure to so qualify would not have a material adverse effect on the business, condition (financial or otherwise), results of operations, rights, properties, assets or prospects of SBR.

Section 4.8 CERTIFICATE AND BY-LAWS, ETC., OF SBR. Based upon the representations made in the Stock Purchase Agreement, Principia has delivered to Synta true, accurate and complete copies of the Certificate of Incorporation and By-Laws of SBR and such Certificate of Incorporation and By-Laws are in full force and effect.

Section 4.9 NO DEFAULT; NO CONFLICT WITH OTHER INSTRUMENTS. To Principia's knowledge, based upon the representations made in the Stock Purchase Agreement, SBR is not,

and by reason of the consummation of the transactions contemplated by this Agreement will not be, in default under or in violation of any material indenture, mortgage, deed of trust, note, debenture, or any material agreement, lease, or other material instrument or material contract to which it is a party or by which it or any of its properties or assets is bound or any judgment, decree, order, statute, rule or regulation to which it is subject or by which it or any of its properties or assets are bound. To Principia's knowledge, based upon the representations made in the Stock Purchase Agreement, the consummation of the transactions contemplated by this Agreement will not result in the creation of any lien, charge or encumbrance on any of the properties or assets of SBR or on the SBR Shares.

Section 4.10 CAPITAL STOCK OF SBR. Based upon the representations made in the Stock Purchase Agreement, the authorized capital stock of SBR consists of forty million (40,000,000) shares of Common Stock, $.01 par value per share ("SBR COMMON STOCK"). Based upon the representations made in the Stock Purchase Agreement, thirty seven million eight hundred fifty five thousand two hundred (37,855,200) shares of SBR Common Stock are issued and outstanding, all of which are validly issued, fully paid and nonassessable, and seven hundred two thousand three hundred thirty four (702,334) shares of SBR Common Stock are reserved for issuance pursuant to stock options granted pursuant to SBR's 1997 Stock Option Incentive Plan. Based upon the representations made in the Stock Purchase Agreement, none of the issued and outstanding shares of SBR Common Stock was issued in violation of any preemptive rights. Based upon the representations made in the Stock Purchase Agreement, except for the aforementioned stock options issued under the SBR Stock Option Incentive Plan, there are no options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the SBR Shares or obligating either Principia or SBR to issue, sell or assign the SBR Shares or any SBR Common Stock, or any other interest in, SBR. Based upon the representations made in the Stock Purchase Agreement, there are no outstanding contractual obligations of SBR to repurchase, redeem or otherwise acquire any shares of SBR Common Stock or to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any other person.

Section 4.11 LITIGATION. Based upon the representations made in the Stock

Purchase Agreement, (a) no action, suit, investigation or proceeding is pending or, to Principia's knowledge, threatened before any court, arbitrator or administrative agency against or affecting Principia or SBR, (b) no action, suit, investigation or proceeding is pending or, to Principia's knowledge, threatened before any court, arbitrator or administrative agency against or affecting Principia or SBR that could have the effect of delaying or hindering the transactions contemplated in this Agreement and (c) to Principia's knowledge, neither Principia nor SBR is in default with respect to any judgment, order, writ, injunction or decree of any court or any administrative agency.

Section 4.12 REQUIRED CONSENTS AND APPROVALS. Except for the authorization of Principia's Board of Directors and stockholders, the execution and delivery of this Agreement by Principia does not, and the performance of this Agreement by Principia will not, require any consent, approval, order, authorization, registration, qualification or designation from any governmental authority or pursuant to any agreement or other instrument by which Principia, or any of its respective properties or assets, is bound except (a) for such consents, approvals, orders, authorizations, registrations, qualifications or designations that have already been obtained and are in full force and effect on the date hereof, and (b) where the failure to obtain such consents,

approvals, orders, authorizations, registrations, qualifications or designations would not prevent or delay the consummation of the transactions contemplated by this Agreement, or otherwise prevent Principia from performing its obligations under this Agreement.

ARTICLE V
REPRESENTATIONS, WARRANTIES OF SYNTA

Synta represents and warrants to Sellers as follows:

Section 5.1 ORGANIZATION, GOOD STANDING AND AUTHORITY OF SYNTA. Synta is a corporation duly organized, validly existing and in corporate good standing under the laws of the State of Delaware and has the requisite power and authority to own, lease and operate all its properties and assets and to carry on its business as it is now being conducted. Synta is duly qualified to do business and is in corporate good standing in each jurisdiction in which it owns or leases property or engages in any activity which would require it to qualify to do business as a foreign corporation, except such jurisdictions where the failure to so qualify would not have a material adverse effect on the business, condition (financial or otherwise), results of operations, rights, properties, assets or prospects of Synta.

Section 5.2 AUTHORIZATION. Synta has full corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors of Synta and no other proceedings or actions on the part of Synta are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement constitutes a valid and binding obligation of Synta, enforceable in accordance with its terms.

Section 5.3 CERTIFICATE AND BY-LAWS, ETC., OF SYNTA. Synta has delivered to Principia true, accurate and complete copies of the Certificate of Incorporation and By-Laws of Synta. Such Certificate of Incorporation and By-Laws are in full force and effect.

Section 5.4 NO DEFAULT; NO CONFLICT WITH OTHER INSTRUMENTS. Synta is not in default under or in violation of any provision of its Certificate of Incorporation or By-Laws. Synta is not in default under or in violation of any material indenture, mortgage, deed of trust, note, debenture, or any material agreement, lease, or other instrument or contract to which it is a party or by which it or any of it properties or assets is bound or any judgment, decree, order, statute, rule or regulation to which it is subject or by which it or any of its properties or assets is bound. The execution, delivery and performance of this Agreement, and the consummation by Synta of the transactions contemplated

hereby do not and will not constitute a default under any of (a) the terms, conditions or provisions of the Certificate of Incorporation or By-Laws of Synta or (b) any material indenture, mortgage, deed of trust, note, debenture, agreement, lease or other material instrument or material contract or any such judgment, decree, order, statute, rule or regulation with respect to which Synta is a party or subject or result in the creation of any lien, charge or encumbrance on any of the properties or assets of Synta.

Section 5.5 CAPITAL STOCK OF SYNTA. The authorized capital stock of Synta consists of one hundred million (100,000,000) shares of Synta Common Stock. As of the date hereof, thirty

one million eight hundred twenty six thousand seven hundred thirty eight (31,826,738) shares of Synta Common Stock are issued and outstanding, all of which are validly issued, fully paid and nonassessable, and two million two hundred eighty four thousand five hundred fifty (2,284,550) shares of Synta Common Stock are reserved for issuance pursuant to stock options granted pursuant to Synta's 2001 Stock Plan. None of the issued and outstanding shares of Synta Common Stock was issued in violation of any preemptive rights. Except for the aforementioned stock options issued under the Synta 2001 Stock Plan, there are no options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the Synta Common Stock or obligating Synta to issue or sell any Synta Common Stock, or any other interest in, Synta. There are no outstanding contractual obligations of Synta to repurchase, redeem or otherwise acquire any shares of Synta Common Stock or to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any other person. Upon consummation of the transactions contemplated by this Agreement and issuance of the Synta Shares in the name of each Seller in the stock records of Synta, assuming the exercise of the Synta Warrants (but excluding Synta Shares, if any, owned by the Sellers prior to the Closing Date), the Sellers will own in aggregate fourteen and seventy-five hundredths percent (14.75%) of the issued and outstanding capital stock of Synta, as calculated on a fully-diluted basis, free and clear of any and all mortgages, pledges, liens, security interests, charges, claims, equitable interests, encumbrances, restrictions on transfer, conditional sale or other title retention device or arrangement, transfer right for the payment of any liability, or restriction on the creation of the foregoing. Upon consummation of the transactions contemplated by this Agreement, the Synta Shares will be fully paid and nonassessable. All the issued and outstanding shares of capital stock of Synta are duly authorized, validly issued, fully paid and nonassessable.

Section 5.6 LITIGATION. There are no actions, suits, or proceedings pending, or to the knowledge of Synta threatened, against Synta by any person which question the validity, legality or propriety of the transactions contemplated by this Agreement.

Section 5.7 REQUIRED CONSENTS AND APPROVALS. Except for the authorization of Synta's Board of Directors and stockholders, the execution and delivery of this Agreement by Synta does not, and the performance of this Agreement by Synta will not, require any consent, approval, order, authorization, registration, qualification or designation from any governmental authority or pursuant to any agreement or other instrument by which Synta or any of its properties is bound except (a) for such consents, approvals, orders, authorizations, registrations, qualifications or designations that have already been obtained and are in full force and effect on the date hereof, and (b) where the failure to obtain such consents, approvals, orders, authorizations, registrations, qualifications or designations would not prevent or delay the consummation of the transactions contemplated by this Agreement or otherwise prevent Synta from performing its obligations under this Agreement.

Section 5.8 SECURITIES ACT. The Principia Shares transferred and assigned to Synta pursuant to this Agreement are being acquired for investment only and not with a view to any public distribution thereof, and Synta will not offer to sell or otherwise dispose of the Principia Shares so acquired by it in violation of any of the registration requirements of the Securities Act of 1933

or any applicable state blue sky laws.

Section 5.9 NO BROKER. No broker, finder or investment banker is entitle to any brokerage, finders or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Synta.

ARTICLE VI
CONDITIONS TO CLOSING

6.1 CONDITIONS OF SYNTA'S PERFORMANCE. The performance by Synta of its obligations under this Agreement shall be subject to the fulfillment, as determined by Synta, in its reasonable judgment, of each of the conditions specified below:

(a) each of the Sellers shall have performed and complied in all material respects with his or its obligations under this Agreement required to be performed by him or it at or prior to the Closing.

(b) the representations and warranties of each of the Sellers and Principia shall be true and correct in all material respects when made and as of the Closing with the same effect as though made at and as of the Closing;

(c) Synta shall have received from Principia:

(i) a certificate, duly executed by an authorized officer, certifying that the representations and warranties of Principia set forth in this Agreement are true and correct in all material respects when made and as of the Closing with the same effect as though made at and as of the Closing; and

(ii) satisfactory evidence that the representatives of Principia executing and delivering this Agreement are authorized to do so.

(d) Synta shall have received from each of the Sellers: a certificate, duly executed by such Seller, certifying that the representations and warranties of such Seller set forth in this Agreement are true and correct in all material respects when made and as of the Closing with the same effect as though made at and as of the Closing;

(e) Synta shall have received the written resignation of each member of the Board of Directors of Principia and each of the officers of Principia.

6.2 CONDITIONS OF SELLERS' PERFORMANCE. The performance by each of the Sellers of his or its obligations under this Agreement shall be subject to the fulfillment, as determined by such Seller, in his or its reasonable judgment, of each of the conditions specified below:

(a) Synta shall have performed and complied in all material respects with its obligations under this Agreement required to be performed by it at or prior to the Closing; and

(b) the Sellers shall have received from Synta:

(i) a certificate, duly executed by an authorized officer of Synta, certifying that the representations and warranties of Synta set forth in this Agreement are true and correct in

all material respects when made and as of the Closing with the same effect as though made at and as of the Closing; and

(ii) satisfactory evidence that the representatives of Synta executing and delivering this Agreement are authorized to do so.

ARTICLE VII

OTHER AGREEMENTS

Section 7.1 PURCHASE OF SBR SHARES BY SYNTA. Promptly following the Closing, Synta shall cause SBR to be merged with and into Principia, and in connection therewith Synta shall have Principia give notice to each of the other stockholders of SBR that Principia will purchase, for a purchase price of $.3267973 per share, all of the shares of the SBR Shares owned by such other stockholders of SBR substantially on the terms contemplated by Section 6.14 of the Stock Purchase Agreement dated as of July 31, 2002 pursuant to which Principia purchased the SBR Shares (the "STOCK PURCHASE AGREEMENT"). A copy of the Stock Purchase Agreement has been provided to Synta previously.

Section 7.2 INDEMNIFICATION OF SELLERS. Synta hereby covenants and agrees to indemnify, protect, defend and save harmless each Seller from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, judgments, suits, actions, proceedings, costs, disbursements and expenses (including, without limitation, attorneys' expenses and disbursements) of any kind or nature whatsoever (a "Loss") which may at any time be imposed upon, incurred by or asserted or awarded against any Seller (an "Indemnitee") relating to, resulting from or arising out of the Stock Purchase Agreement or Principia's acquisition of the SBR Shares, provided such Loss was not due to the Indemnitee's willful misconduct. Indemnitee shall give to Synta notice in writing as soon as reasonably practicable under the circumstances of the commencement of any action, suit or proceeding or of any claim threatened to be made against Indemnitee for which Indemnitee proposes to demand indemnification under this Section 7.2. Failure to notify Synta shall not relieve Synta from any liability which it may have to Indemnitee if such failure does not materially adversely affect Synta or its ability to defend any such action, suit or proceeding. With respect to any action, suit or proceeding as to which Indemnitee gives notice, Synta shall have the right to assume control of the defense, compromise or settlement thereof, including at its own expense, employment of counsel reasonably satisfactory to Indemnitee, provided that the outcome includes the complete general release of the Indemnitee. In the event Synta does not notify Indemnitee in writing that it intends to assume control of such defense within thirty (30) days after Indemnitee has given Synta notice thereof, Indemnitee may undertake such defense. Synta shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any action, suit or proceeding or claim threatened to be made against Indemnitee effected without Synta's prior written consent. Synta shall not settle any action, suit or proceeding or threatened claim without Indemnitee's prior written consent. Neither Synta nor Indemnitee will unreasonably withhold its or his consent to any proposed settlement. Synta shall not be obligated to indemnify any Indemnitee for any consequential or other indirect damages of any kind other than as set forth in this Section 7.2.

ARTICLE VIII

OTHER PROVISIONS

Section 8.1 GOVERNING LAW AND JURISDICTION. This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed according to the laws of the State of Delaware without regard to choice of law principles.

Section 8.2 NOTICES. Unless otherwise provided herein, all notices required or permitted by the terms hereof shall be in writing. Any written notice shall become effective when received. All notices and other communications hereunder shall be deemed to have been duly given if hand delivered or mailed, by certified or registered mail, return receipt requested, postage prepaid, by overnight delivery service or by facsimile (with receipt confirmed and hard copy to follow) to the respective parties at the following addresses, or at such other address for a party as shall be specified in a notice given in accordance with this Section:

If to Sellers, to:

CxSynta LLC
c/o Caxton Corporation
731 Alexander Road, Bldg. 2
Princeton, NJ 08540
Attn: Scott Bernstein, Esq.
Facsimile: (609) 419-9040

Keith R. Gollust
c/o Gollust Management, Inc.
500 Park Avenue, Suite 510
New York, NY 10022
Facsimile:

Mountain Trail Investments, LLC
865 South Figueroa St., Suite 700
Los Angeles, CA 90017
Attn: Jonathan D. Jaffrey
Facsimile:

if to Principia, to:

Principia Associates, Inc.
731 Alexander Road, Bldg. 2
Princeton, NJ 08540
Attn: Scott Bernstein, Esq.
Facsimile: (609) 419-9040

and, if to Synta, to:

Synta Pharmaceuticals Corp.
45 Hartwell Avenue
Lexington, MA 02421
Attn: Dr. Safi R. Bahcall
Facsimile: (781) 274-8228

with a copy to:

Nixon Peabody LLP
101 Federal Street
Boston, MA 02110-1832
Attn: Michael K. Barron, Esq.
Facsimile: (866) 947-1784

Section 8.3 AMENDMENT AND ALTERATION. No amendment or alternation of the terms of this Agreement shall be valid or binding unless made in writing signed by an authorized representative of each of the parties to this Agreement specifically referring to this Agreement.

Section 8.4 BINDING AGREEMENT/ASSIGNMENT. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, permitted assigns and legal representatives; PROVIDED, HOWEVER, that neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of each of the other parties, which consent shall not unreasonably be delayed, conditioned or withheld.

Section 8.5 COUNTERPARTS; COPIES. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, any copy, facsimile or telecommunication or other reliable reproduction of a writing, transmission or signature may be substituted and used in lieu of the original writing, transmission or signature for any and all purposes for which the original writing, transmission or signature could be used, provided that receipt of such copy, facsimile telecommunication or other reproduction shall have been confirmed by the sending party.

Section 8.6 EXPENSES. Except as otherwise specified in this Agreement, each party hereto shall bear its or his own expenses incurred in connection with the negotiation, execution and performance of this Agreement.

Section 8.7 CERTAIN RULES OF CONSTRUCTION. The headings in the Sections and paragraphs of this Agreement are inserted for convenience only and shall not constitute a part of this Agreement or in any way modify, amend or affect its provisions. This Agreement is the result of negotiations between the parties and shall not be deemed or construed as having been drafted by any one party.

Section 8.8 TAX CONSEQUENCES. Synta, Principia and the Sellers are each relying on the advice of their own tax advisors as to the tax effects of the transactions contemplated by this Agreement. No party is making any representation or warranty regarding the tax effects of such transactions to any other party; PROVIDED, HOWEVER, that the parties shall cooperate and take such actions and execute and deliver such documents and instruments as may be necessary to insure that the transactions contemplated hereby qualify as a tax-free reorganization pursuant to all applicable federal, state, local or foreign tax laws.

Section 8.9 INTEGRATION. This Agreement represents the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes any prior agreements, negotiations, discussions or understandings with respect to the subject matter hereof.

Section 8.10 EXCLUSIVITY. Sellers will not, for the period beginning on the date hereof until the earlier to occur of the Closing or December 31, 2002, directly or indirectly (a) solicit or initiate the submission of proposals or offers from any person other than Synta for, (b) participate in any discussions other than with Synta pertaining to, or (c) furnish any information to any person other than Synta relating to, any acquisition or purchase of all or substantially all of the material assets of, or any equity interest in Principia (including without limitation the Principia Shares or), SBR, the SBR Shares, or a merger, consolidation or business combination involving Principia or SBR.

Section 8.11 FURTHER ASSURANCES. Each party hereto shall do and perform or cause to be done and performed all further acts and things and shall execute and deliver all other agreements, certificates, instruments and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

Section 8.12 SURVIVAL. The representations and warranties of the parties hereto contained in this Agreement shall survive until the first anniversary of the date of the Closing. The right to indemnification set forth in Section 7.2 shall not be affected by this Section 8.12.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, Synta and Principia have caused this Agreement to be executed by their respective duly authorized officers, under seal, as of the date first set forth above.

SELLERS

CxSYNTA LLC

By: /S/ PETER D'ANGELO

Print Name: Peter D'Angelo

Title: PRESIDENT

/S/ KEITH R. GOLLUST

Keith R. Gollust

MOUNTAIN TRAIL INVESTMENTS, LLC

By: /S/ RICHARD N. FOSTER

Print Name: R.N. Foster

Title: PARTNER

PRINCIPIA ASSOCIATES, INC.

By: /S/ BRUCE KOVNER

Print Name: Bruce Kovner

Title: CHAIRMAN

SYNTA PHARMACEUTICALS CORP.

By: /S/ SAFI BAHCALL

Print Name: Safi Bahcall

Title: CHIEF EXECUTIVE OFFICER

Exhibit 10.10

AGREEMENT OF MERGER

This Agreement of Merger (this "Agreement") is made and entered into as of December 27, 2002 by and among Synta Pharmaceuticals Corp., a Delaware corporation ("Synta"), DGN Genetics Acquisition Corp., a Delaware corporation (the "Merger Sub", and together with Synta, the "Buyers"), Diagon Genetics, Inc., a Delaware corporation ("Diagon"), and Dr. Safi R. Bahcall, Dr. Lan Bo Chen and Lin-Huey Chen and Lynn T. Lee, Trustees for the Lan Bo Chen and Lin-Huey Chen Irrevocable Trust dtd 12/19/95 (each a "Stockholder" and collectively, the "Stockholders").

W I T N E S S E T H:

WHEREAS, the Stockholders collectively own all of the issued and outstanding shares of the capital stock (the "Stock") of Diagon as set forth in EXHIBIT A hereto;

WHEREAS, the respective boards of directors of Synta, the Merger Sub and Diagon have approved the merger of Diagon with and into the Merger Sub (the "Merger"), pursuant to and subject to the conditions set forth herein and in accordance with the laws of the State of Delaware;

WHEREAS, subsequent to the Merger and prior to January 1, 2003, Synta intends to merge the Merger Sub with and into Synta in accordance with the laws of the State of Delaware; and

WHEREAS, Synta, the Merger Sub, Diagon and the Stockholders desire to make certain representations, warranties and agreements in connection with the Merger;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
THE MERGER

Section 1.1 THE MERGER. At the Effective Time (as defined in Section 1.2), Diagon shall be merged with and into the Merger Sub (Diagon together with Merger Sub, the "Constituent Corporations") in accordance with the applicable provisions of the Delaware General Corporation Law ("DGCL"), and the separate existence of Diagon shall thereupon cease; and the Merger Sub, as the surviving corporation in the Merger (the "Surviving Corporation"), shall continue its corporate existence in accordance with the DGCL.

Section 1.2 EFFECTIVE TIME OF THE MERGER. At the Closing, the Merger Sub shall cause the Merger to be consummated by filing with the Secretary of State of Delaware an appropriate Certificate of Merger (the "Certificate of Merger") duly executed in accordance with this Agreement and the DGCL. The date and time at which the Certificate of Merger is filed is referred to herein as the "Effective Time"

Section 1.3 CERTIFICATE OF INCORPORATION. The Certificate of Incorporation of the Merger Sub as in effect at the Effective Time shall be the Certificate of Incorporation of the Surviving Corporation; PROVIDED, HOWEVER, that Article 1 of the Certificate of Incorporation shall be amended to read as follows: "The name of the corporation is Diagon Genetics, Inc."

Section 1.4 BY-LAWS. The by-laws of Merger Sub as in effect at the Effective Time shall be the by-laws of the Surviving Corporation.

Section 1.5 DIRECTORS AND OFFICERS. The directors and officers of the Surviving Corporation at the Effective Time shall be the directors and officers of Merger Sub in office immediately prior to the Effective Time, each to serve in accordance with the by-laws of the Surviving Corporation.

Section 1.6 RIGHTS AND LIABILITIES OF SURVIVING CORPORATION. At the Effective Time, the Surviving Corporation shall succeed to all the properties and assets of the Constituent Corporations and to all debts, choses in action and other interests due or belonging to the Constituent Corporations and shall be subject to and responsible for all the debts, liabilities and duties of the Constituent Corporations in accordance with Section 259 of the DGCL.

Section 1.7 CONVERSION OF SHARES. At the Effective Time, by virtue of the Merger and without any action on the part of the holder of any securities of the Constituent Corporations:

(a) each share of Stock then outstanding, and all rights with respect thereto, shall be converted into and represent the right to receive the Merger Consideration as defined in Section 2.2;

(b) each share of Stock, if any, held in Diagon's treasury shall be canceled and retired without payment of any consideration therefor; and

(c) each outstanding stock option, warrant or other right, if any, to purchase shares of the capital stock of Diagon, whether or not then exercisable or vested, shall be canceled and no cash or other consideration shall be paid or delivered in exchange therefor.

ARTICLE II
CLOSING; MERGER CONSIDERATION

Section 2.1 CLOSING. The closing of the transactions contemplated hereby (the "Closing") shall take place at the offices of Nixon Peabody LLP, 101 Federal Street, Boston, MA 02110-1832, or at such other place as may be agreed to by Stockholders and Synta, at 10:00 AM (Boston time) on or before December 27, 2002, or on such other date as may be agreed upon in writing by Stockholders and Synta if subsequent to December 27, 2002 (the "Closing Date").

Section 2.2 MERGER CONSIDERATION. Each Stockholder shall receive for his Stock the number of shares of Common Stock, $.0001 par value per share, of Synta ("Synta Shares") and cash payment set forth opposite his name on EXHIBIT A (the "Merger Consideration"). The cash payment shall be made to each Stockholder either via wire transfer of immediately available funds to the account of the Stockholder, if such information has previously been provided to Synta, or via check made payable to the order of the Stockholder. The method of payment shall be determined by Synta in its discretion.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF STOCKHOLDERS

Diagon and each of the Stockholders hereby jointly and severally represent and warrant to the Buyers as follows:

Section 3.1 TITLE TO SHARES. Each Stockholder owns of record and beneficially, free and clear of all encumbrances, and has good title to the number of shares of Stock as set forth on EXHIBIT A attached hereto. No Stockholder is a party to any agreement, trust or other arrangement that in any way restricts such Stockholder's ability to perform its obligations under this Agreement, including, without limitation, voting or transferring such Stockholder's shares of Stock.

Section 3.2 NO CONFLICT. The execution, delivery and performance of this Agreement by each Stockholder does not and will not (a) conflict with or violate any law or governmental order applicable to such Stockholder or any of such Stockholder's respective assets, properties or businesses or (b) conflict with,

result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, or result in the creation of any encumbrance on any of the shares of Stock owned by such Stockholder pursuant to, any note, bond, mortgage or indenture, contract, agreement, lease, sublease, license, permit, franchise or other instrument or arrangement to which such Stockholder is a party or by which any of the shares of Stock owned by such Stockholder is bound or affected, which would adversely affect the ability of such Stockholder to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement.

Section 3.3 GOVERNMENTAL CONSENTS AND APPROVALS. The execution, delivery and performance of this Agreement by each Stockholder does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any governmental authority.

Section 3.4 LITIGATION. No action, suit, investigation or proceeding by or against any Stockholder is pending or, to the knowledge of any Stockholder, threatened before any court, arbitrator or administrative agency, which could reasonably be expected to affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated by this Agreement.

Section 3.5 SECURITIES ACT. The Synta Shares issued by Synta to each Stockholder pursuant to this Agreement are being acquired by such Stockholder for investment only and not with a view to any public distribution thereof, and such Stockholder will not offer to sell or otherwise dispose of the Synta Shares so acquired by such Stockholder in violation of any of the registration requirements of the Securities Act of 1933, as amended, or any applicable state blue sky laws.

Section 3.6 NO BROKER. No broker, finder or investment banker is entitled to any brokerage, finders or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of any Stockholder or Diagon.

Section 3.7 ORGANIZATION, GOOD STANDING AND AUTHORITY OF DIAGON. Diagon is a corporation duly organized, validly existing and in corporate good standing under the laws of the State of Delaware. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby have been duly authorized by Board of Directors of Diagon and, as set forth in Section 3.14 hereof, by the Stockholders and no other proceedings or actions on the part of Diagon is necessary to authorize this Agreement and the transactions contemplated hereby except as set forth in Section 3.14 hereof. This Agreement constitutes a valid and binding obligation of Diagon, enforceable in accordance with its terms.

Section 3.8 CAPITAL STOCK OF DIAGON. The authorized capital stock of Diagon consists of forty million (40,000,000) shares of Common Stock, $.0001 par value per share (the "Diagon Common Stock"). As of the date hereof, three thousand (3,000) shares of Diagon Common Stock are issued and outstanding, all of which are validly issued, fully paid and nonassessable. None of the issued and outstanding shares of Diagon Common Stock were issued in violation of any preemptive rights. There are no options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the Stock or obligating Diagon to issue, sell or assign the Stock, or any other interest in, the Stock. There are no outstanding contractual obligations of Diagon to repurchase, redeem or otherwise acquire any shares of the Stock or to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any other person.

Section 3.9 FINANCIAL STATEMENTS OF DIAGON. The unaudited balance sheet of Diagon as of November 30, 2002 and the related statement of income for the period then ended, complete and correct copies of which have been delivered

to Synta previously, fairly present the financial position of Diagon as at such date and the results of operations of Diagon for the period then ended, in each case in accordance with U.S. generally accepted accounting principles consistently applied for the period covered (subject to the normal year-end adjustments).

Section 3.10 NO MATERIAL ADVERSE CHANGE. Since November 30, 2002, there has been no material adverse change in the properties, business, prospects, results of operations or financial condition of Diagon.

Section 3.11 NO DEFAULT; NO CONFLICT WITH OTHER INSTRUMENTS. Diagon is not in default under or in violation of any provision of its charter or by-laws. Diagon is not in default under or in violation of any material indenture, mortgage, deed of trust, note, debenture, or any material agreement, lease, or other instrument or contract to which it is a party or by which it or any of it properties or assets is bound or any judgment, decree, order, statute, rule or regulation to which it is subject or by which it or any of its properties or assets is bound. The performance of this Agreement and the consummation of the transactions contemplated hereby do not and will not constitute a default under any material indenture, mortgage, deed of trust, note, debenture, agreement, lease or other material instrument or material contract or any such judgment, decree, order, statute, rule or regulation with respect to which Diagon is a party or subject or result in the creation of any lien, charge or encumbrance on any of the properties or assets of Diagon.

Section 3.12 SUBSIDIARIES. Diagon has no subsidiaries.

Section 3.13 LITIGATION. There is (a) no action, suit, investigation or proceeding pending or, to any Stockholder's knowledge, threatened before any court, arbitrator or administrative agency against or affecting Diagon, (b) no action, suit, investigation or proceeding pending or, to any Stockholder's knowledge, threatened before any court, arbitrator or administrative agency against or affecting Diagon that could have the effect of delaying or hindering the transactions contemplated in this Agreement and (c) to any Stockholder's knowledge, no default with respect to any judgment, order, writ, injunction or decree of any court or any administrative agency against or affecting Diagon that could have the effect of delaying or hindering the transaction contemplated in this Agreement.

Section 3.14 REQUIRED CONSENTS AND APPROVALS. The performance of this Agreement will not require any consent, approval, order, authorization, registration, qualification or designation from any governmental authority or pursuant to any agreement or other instrument by which Diagon, or any of its properties or assets, is bound except (a) for such consents, approvals, orders, authorizations, registrations, qualifications or designations that have already been obtained and are in full force and effect on the date hereof, and (b) where the failure to obtain such consents, approvals, orders, authorizations, registrations, qualifications or designations would not prevent or delay the consummation of the transactions contemplated by this Agreement, or otherwise prevent the Stockholders from performing their obligations under this Agreement. Each of the Stockholders agrees that the execution and delivery of this Agreement shall constitute his vote for adoption of this Agreement in accordance with, and his written waiver of any notice required by or appraisal rights with respect to the transactions contemplated hereby arising under, the DGCL.

ARTICLE IV
REPRESENTATIONS, WARRANTIES OF BUYERS

Buyers jointly and severally represent and warrant to Stockholders as follows:

Section 4.1 ORGANIZATION, GOOD STANDING AND AUTHORITY OF THE BUYERS.

Each of the Buyers is a corporation duly organized, validly existing and in corporate good standing under the laws of the State of Delaware and has the requisite power and authority to own, lease and operate all its properties and assets and to carry on its business as it is now being conducted. Each of the Buyers is duly qualified to do business and is in corporate good standing in each jurisdiction in which it owns or leases property or engages in any activity which would require it to qualify to do business as a foreign corporation, except such jurisdictions where the failure to so qualify would not have a material adverse effect on the business, condition (financial or otherwise), results of operations, rights, properties, assets or prospects of the Buyers.

Section 4.2 AUTHORIZATION. Each of the Buyers has full corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors of Synta and by the Board of Directors and sole stockholder of the Merger Sub and no other proceedings or actions on the part of each of the Buyers are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement constitutes a valid and binding obligation of each of the Buyers, enforceable in accordance with its terms.

Section 4.3 NO VIOLATION. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will violate any provisions of the charter or by-laws of either of the Buyers, or violate, or be in conflict with, or allow the termination of, or constitute a default under, or cause the acceleration of the maturity of, or create a lien under, any material debt or obligation pursuant to any material agreement or commitment to which such Buyer is a party or by which such Buyer is bound, or, to the knowledge of such Buyer, violate any statute or law or any judgment, decree, order, regulation or rule of any governmental authority to which such Buyer is subject.

Section 4.4 CONSENTS AND APPROVALS OF GOVERNMENTAL AUTHORITIES. Except for consents, approvals or authorizations which if not received or declarations, filings or registrations which if not made, would not have a material adverse effect on the business, results of operations or financial condition of the Buyers or impede the consummation of the transactions contemplated by this Agreement in any material respect, no consent, approval or authorization of, or declaration, filing or registration with, any governmental authority is required to be made or obtained by either of the Buyers in connection with the execution, delivery and performance of this Agreement or the transactions contemplated hereby.

Section 4.5 BROKERS', FINDERS' FEES, ETC. Neither of the Buyers has employed any broker, finder, investment banker or financial advisor as to whom either Buyer may have any obligation to pay any brokerage or finders' fees, commissions or similar compensation in connection with the transactions contemplated hereby.

Section 4.6 LITIGATION. There is no action, proceeding or investigation pending or threatened against either of the Buyers, which, if adversely determined, would adversely affect the Buyers' performance under this Agreement or the consummation of the transactions contemplated hereby.

ARTICLE V
CONDITIONS TO CLOSING

5.1 CONDITIONS OF BUYERS' PERFORMANCE. The performance by the Buyers under this Agreement shall be subject to the fulfillment, as determined by the Buyers, in their reasonable judgment, of each of the conditions specified below:

(a) each of the Stockholders shall have performed and complied in all material respects with his obligations under this Agreement required to be performed by such Stockholder at or prior to the Closing;

(b) the representations and warranties of Diagon and each of the Stockholders shall be true and correct in all material respects when made and as of the Closing with the same effect as though made at and as of the Closing;

(c) the Buyers shall have received from Diagon and each of the Stockholders: a certificate, duly executed by such Stockholder, certifying that the representations and warranties of such Stockholder set forth in this Agreement are true and correct in all material respects when made and as of the Closing with the same effect as though made at and as of the Closing; and

(d) the Buyers shall have received the written resignation of each member of the Board of Directors of Diagon and each of the officers of Diagon.

5.2 CONDITIONS OF STOCKHOLDERS' PERFORMANCE. The performance by each of the Stockholders of such Stockholder's obligations under this Agreement shall be subject to the fulfillment, as determined by such Stockholder, in his reasonable judgment, of each of the conditions specified below:

(a) the Buyers shall have performed and complied in all material respects with their obligations under this Agreement required to be performed by it at or prior to the Closing; and

(b) the Stockholders shall have received from the Buyers:

(i) a certificate, duly executed by an authorized officer of each of the Buyers, certifying that the representations and warranties of each of the Buyers set forth in this Agreement are true and correct in all material respects when made and as of the Closing with the same effect as though made at and as of the Closing; and

(ii) satisfactory evidence that the representatives of each of the Buyers executing and delivering this Agreement are authorized to do so.

ARTICLE VI
INDEMNIFICATION

Section 6.1 INDEMNIFICATION BY STOCKHOLDERS. Subject to Section 6.3 hereof, from and after the Closing, the Stockholders hereby jointly and severally covenant and agree to indemnify, protect, defend and save harmless each of the Buyers from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, judgments, suits, actions, proceedings, costs, disbursements and expenses (including, without limitation, reasonable attorneys' expenses and disbursements) of any kind or nature whatsoever (a "LOSS") arising out of or incurred with respect to (a) any breach of any or all of the Stockholders' representations and warranties in this Agreement or any certificate delivered at the Closing, or (b) the breach or nonperformance of any covenant or obligation to be performed by the Stockholders hereunder or under any agreement executed in connection herewith, provided such Loss was not due to a Buyer's willful misconduct.

Section 6.2 INDEMNIFICATION OF THE STOCKHOLDERS. Subject to Section 6.3 hereof, from and after the Closing, the Buyers shall indemnify and hold harmless the Stockholders (and their respective legatees, heirs, and legal representatives) from and against any and all Loss arising out of or incurred with respect to (a) any breach of any or all of the Buyers' representations and warranties in this Agreement or any certificate delivered at the Closing, or (b) the breach or nonperformance of any covenant or obligation to be performed by the Buyers hereunder or under any agreement executed in connection herewith, provided such Loss was not due to a Stockholder's willful misconduct.

Section 6.3 CONDITIONS TO INDEMNIFICATION. An indemnified party (an "Indemnitee") shall give to the indemnifying party (an "Indemnitor") notice in writing as soon as reasonably practicable under the circumstances of the commencement of any action, suit or proceeding or of any claim threatened to be made against Indemnitee for which Indemnitee proposes to demand indemnification

under this Article 6. Failure to notify Indemnitor shall not relieve the Indemnitor from any liability which he may have to Indemnitee if such failure does not materially adversely affect Indemnitor or his ability to defend any such action, suit or proceeding. With respect to any action, suit or proceeding as to which Indemnitee gives notice, Indemnitor shall have the right to assume control of the defense, compromise or settlement thereof, including at Indemnitor's own expense, employment of counsel reasonably satisfactory to Indemnitee, provided that the outcome includes the complete general release of the Indemnitee. In the event Indemnitor does not notify Indemnitee in writing that he intends to assume control of such defense within thirty (30) days after Indemnitee has given Indemnitor notice thereof, Indemnitee may undertake such defense. Indemnitor shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any action, suit or proceeding or claim threatened to be made against Indemnitee effected without Indemnitor's prior written consent. Indemnitee shall not settle any action, suit or proceeding or threatened claim without Indemnitor's prior written consent. Neither Indemnitor nor Indemnitee

will unreasonably withhold his consent to any proposed settlement. Indemnitor shall not be obligated to indemnify any Indemnitee for any consequential or other indirect damages of any kind other than as set forth in this Article 6.

ARTICLE VII
OTHER AGREEMENTS

Section 7.1 ISSUANCE OF SYNTA SHARES TO BETH ISRAEL. Subsequent to the Closing, in accordance with that certain License Agreement by and between Diagon and Beth Israel Deaconess Medical Center, Inc., a Massachusetts nonprofit corporation ("Beth Israel"), dated November 15, 2002, and that certain additional License Agreement, also by and between Diagon and Beth Israel, dated November 15, 2002, Synta shall deliver to Beth Israel an aggregate of one hundred eighty-four thousand, four hundred forty-seven (184,447) shares of Synta Shares, provided that Synta and Beth Israel have entered into a mutually acceptable Stock Transfer Agreement with regard to such Synta Shares.

Section 7.2 MERGER OF SURVIVING CORPORATION WITH AND INTO SYNTA. Subsequent to the Merger and prior to January 1, 2003, Synta shall use reasonable efforts to merge the Surviving Corporation with and into Synta pursuant to Section 253 of the DGCL, with Synta being the surviving corporation.

ARTICLE VIII
OTHER PROVISIONS

Section 8.1 GOVERNING LAW AND JURISDICTION. This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed according to the laws of the State of Delaware without regard to choice of law principles.

Section 8.2 NOTICES. Unless otherwise provided herein, all notices required or permitted by the terms hereof shall be in writing. Any written notice shall become effective when received. All notices and other communications hereunder shall be deemed to have been duly given if hand delivered or mailed, by certified or registered mail, return receipt requested, postage prepaid, by overnight delivery service or by facsimile (with receipt confirmed and hard copy to follow) to the respective parties at the following addresses, or at such other address for a party as shall be specified in a notice given in accordance with this Section:

If to Stockholders, to:

Dr. Lan Bo Chen
184 East Emerson Road
Lexington, MA 02420
Facsimile: (781) 863-5917

Lin-Huey Chen and Lynn T. Lee,
Trustees for the Lan Bo Chen and Lin-
Huey Chen Irrevocable Trust dated December 19, 1995

c/o Mrs. Lin-Huey Chen
184 East Emerson Road
Lexington, MA 02420
Facsimile: (781) 863-5917

Dr. Safi R. Bahcall
140 West 69th Street
#111C
New York, NY 10023
Facsimile: (530) 323-7045

and, if to Synta or the Merger Sub, to:

Synta Pharmaceuticals Corp.
45 Hartwell Avenue
Lexington, MA 02421
Attn: Dr. Safi R. Bahcall
Facsimile: (781) 274-8228

with a copy to:

Nixon Peabody LLP
101 Federal Street
Boston, MA 02110
Attn: Michael K. Barron, Esq.
Facsimile: (866) 947-1784

Section 8.3 AMENDMENT AND ALTERATION. No amendment or alteration of the terms of this Agreement shall be valid or binding unless made in writing signed by an authorized representative of each of the parties to this Agreement specifically referring to this Agreement.

Section 8.4 BINDING AGREEMENT/ASSIGNMENT. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, permitted assigns and legal representatives; PROVIDED, HOWEVER, that neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of each of the other parties, which consent shall not unreasonably be delayed, conditioned or withheld.

Section 8.5 COUNTERPARTS; COPIES. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, any copy, facsimile or telecommunication or other reliable reproduction of a writing, transmission or signature may be substituted and used in lieu of the original writing, transmission or signature for any and all purposes for which the original writing, transmission or signature could be used, provided that receipt of such copy, facsimile telecommunication or other reproduction shall have been confirmed by the sending party.

Section 8.6 EXPENSES. Except as otherwise specified in this Agreement, each party hereto shall bear his own expenses incurred in connection with the negotiation, execution and performance of this Agreement.

Section 8.7 CERTAIN RULES OF CONSTRUCTION. The headings in the Sections and paragraphs of this Agreement are inserted for convenience only and shall not constitute a part of this Agreement or in any way modify, amend or

affect its provisions. Terms used in the singular shall be read in the plural, and vice versa, and terms used in the masculine gender shall be read in the feminine or neuter gender when the context so requires, and vice versa. This Agreement is the result of negotiations between the parties and shall not be deemed or construed as having been drafted by any one party.

Section 8.8 TAX CONSEQUENCES. Buyers and the Stockholders are each relying on the advice of their own tax advisors as to the tax effects of the transactions contemplated by this Agreement. No party is making any representation or warranty regarding the tax effects of such transactions to any other party; PROVIDED, HOWEVER, that the parties shall cooperate and take such actions and execute and deliver such documents and instruments as may be necessary to insure that the transactions contemplated hereby qualify as a tax-free reorganization pursuant to all applicable federal, state, local or foreign tax laws.

Section 8.9 INTEGRATION. This Agreement represents the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes any prior agreements, negotiations, discussions or understandings, whether written or oral, with respect to the subject matter hereof.

Section 8.10 FURTHER ASSURANCES. Each party hereto shall do and perform or cause to be done and performed all further acts and things and shall execute and deliver all other agreements, certificates, instruments and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

Section 8.11 SURVIVAL. The representations and warranties and rights to indemnification of the parties hereto contained in this Agreement shall survive eighteen (18) months from the date of the Closing.

Section 8.12 SEVERABILITY. The provisions of this Agreement shall be deemed severable, and if any part of any provision is held to be illegal, void, voidable, invalid, non-binding or unenforceable in its entirety or partially or as to any party, for any reason, such provision may be changed, consistent with the intent of the parties hereto, to the extent reasonably necessary to make the provision, as so changed, legal, valid, binding and enforceable. If any provision of this Agreement is held to be illegal, void, voidable, invalid, non-binding or unenforceable in its entirety or partially or as to any party, for any reason, and if such provision cannot be changed consistent with the intent of the parties hereto to make it fully legal, valid, binding and enforceable, then such provisions will be stricken from this Agreement, and the remaining

provisions of this Agreement shall not in any way be affected or impaired, but shall remain in full force and effect.

Section 8.13 CONFLICT WAIVER. The parties to this Agreement hereby acknowledge that (i) Nixon Peabody LLP ("NP") has represented the interests of Synta and Merger Sub (the "Represented Parties") in connection with this Agreement and the transactions contemplated by this Agreement; (ii) the business terms of the transactions contemplated by this Agreement have been primarily negotiated between the Represented Parties and the other parties to this Agreement (the "Other Parties"); (iii) the parties have requested that NP draft the Agreement and assist in the implementation of the Merger; (iv) because of the amicable relationship of the parties, NP has agreed to draft the Agreement and assist in the implementation of the Merger; (v) each of the Other Parties has been advised by NP to retain his own independent attorney to review this Agreement and that each of the Other Parties is entitled to the undivided loyalty of an attorney that will act in a manner designed solely to further his best interest; (vi) each of the Other Parties has been advised by NP that his individual interests in this Agreement and the transactions contemplated by this Agreement may conflict with and/or be adverse to the interests of the Represented Parties or one or more of the Other Parties; (vii) NP cannot advise

the Other Parties individually with respect to his personal interests against the Represented Parties or one or more of the Other Parties, as each of the Other Parties would expect from his own attorney; and (viii) communications by Represented Parties and each of the Other Parties with NP may not be protected by the attorney-client privilege if litigation arises between any of the parties to this Agreement in connection with this Agreement or the transactions contemplated by this Agreement; and (ix) NP's advice to the Represented Parties may be potentially adverse to the interests of one or more of the Other Parties. Each of the Other Parties hereby waives any conflict of interest presented by NP's representation of the Represented Parties in connection with this Agreement and the transactions contemplated by this Agreement. In agreeing to this waiver, each of the Other Parties acknowledges that he has had the opportunity to consult with separate legal counsel of his own choice.

REMAINDER OF PAGE INTENTIALLY LEFT BLANK. SIGNATURE PAGE FOLLOWS.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

SYNTA PHARMACEUTICALS CORP.

By: /S/ DR.SAFI R. BAHCALL

Print Name: Safi R. Bahcall

Title: CHIEF EXECUTIVE OFFICER

DGN GENETICS ACQUISITION CORP.

By: /S/ BRYAN G. KEANEY

Print Name: Bryan G. Keaney

Title: PRESIDENT

DIAGON GENETICS, INC.

By: /S/ DR. SAFI R. BAHCALL

Print Name: Safi R. Bahcall

Title: CHIEF EXECUTIVE OFFICER

STOCKHOLDERS:

/S/ DR. LAN BO CHEN
Dr. Lan Bo Chen

/S/ DR. SAFI R. BAHCALL
Dr. Safi R. Bahcall

LIN-HUEY CHEN AND LYNN T. LEE, TRUSTEES FOR THE LAN BO CHEN IRREVOCABLE TRUST DATED DECEMBER 19, 1995

/S/ LIN-HUEY CHEN, TRUSTEE
Lin-Huey Chen, Trustee

/S/ LYNN T. LEE
Lynn T. Lee

Exhibit 10.11

SYNTA PHARMACEUTICALS CORP. HAS REQUESTED THAT THE MARKED PORTIONS OF THIS DOCUMENT BE ACCORDED CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

[*] DENOTES WHERE CONFIDENTIAL MATERIALS HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

ASSET PURCHASE AGREEMENT

Asset Purchase Agreement dated as of December 17, 2003, by and among SYNTA PHARMACEUTICALS CORP., a Delaware corporation ("Buyer"), CANCER GENOMICS, INC., a Delaware corporation ("CG"), KAVA PHARMACEUTICALS, INC., a Delaware corporation ("Kava"), SINGLEPIXEL BIOMEDICAL, INC., a Delaware corporation ("SinglePixel"; CG, Kava and SinglePixel shall singly and collectively be referred to herein as a "Seller" or "Sellers") and CMAC, LLC, a Delaware limited liability company ("Stockholder").

This Agreement sets forth the terms and conditions upon which the Buyer will purchase from the Sellers, and Sellers (each severally and not jointly) will sell to the Buyer, all the assets of such Sellers (other than the Retained Assets, as hereinafter defined) and the business and goodwill of the Sellers as a going concern, subject to those liabilities of the Sellers which are specifically hereinafter described, for the consideration provided herein.

In all instances, except where otherwise provided, each Seller's rights and obligations hereunder shall be deemed several and not joint among the Sellers.

In consideration of the foregoing, the mutual representations, warranties and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 DEFINITIONS. For the purposes of this Agreement, all capitalized words or expressions used in this Agreement shall have the meanings specified in this Article I (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"AFFILIATE" means when used with respect to any Person, if such Person is a corporation, any officer or director thereof and any Person which is, directly or indirectly, the beneficial owner (by itself or as part of any group) of more than fifty percent (50%) of any class of any Equity Security thereof, and, if such beneficial owner is a partnership, any general or limited partner thereof, or if such beneficial owner is a corporation, any Person controlling, controlled by or under common control with such beneficial owner, or any officer or director of such beneficial owner or of any corporation occupying any such control relationship.

"AGREEMENT" means this Asset Purchase Agreement (together with all Exhibits and Schedules hereto) as in effect from time to time.

"BUSINESS DAY" means any day, excluding Saturday, Sunday and any other day on which commercial banks in Boston, Massachusetts are authorized or required by law to close.

"CHARTER" means the Certificate of Incorporation, Articles of Incorporation or Organization or other organizational document of a corporation, as amended and restated through the date hereof.

"CLAIM" means an action, suit, proceeding, hearing, investigation, litigation, charge, complaint, claim or demand.

"CODE" means the Internal Revenue Code of 1986, and the regulations, rulings, and court decisions in respect thereof, all as the same shall be in effect at the time.

"COMMISSION" means the Securities and Exchange Commission and any other similar or successor agency of the federal government administering the Securities Act or the Exchange Act.

"ENVIRONMENTAL ACTION" means any administrative, regulatory or judicial action, suit, demand, claim, notice of non-compliance or violation, investigation, request for information, proceeding, consent order or consent agreement relating in any way to any Environmental Law or any Environmental Permit.

"ENVIRONMENTAL LAW" means any applicable federal, state or local law, statute, rule, regulation, or ordinance relating to the environment, human health or safety from pollution or other environmental degradation or Hazardous Materials.

"EQUITY SECURITY" shall have the meaning given to such term in Section 3(a)(ii) of the Exchange Act.

"ERISA" means the Employee Retirement Income Security Act of 1974, and any similar or successor federal statute, and the rules, regulations and interpretations thereunder, all as the same shall be in effect at the time.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, and the rules and regulations and interpretations of the Commission thereunder, all as the same shall be in effect at the time.

"GAAP" means generally accepted accounting principles, consistently applied.

"LIEN" means, with respect to any asset, any mortgage, deed of trust, pledge, hypothecation, assignment, security interest, lien, charge, restriction, adverse claim by a third party, title defect or encumbrance of any kind.

"MATERIAL ADVERSE EFFECT" means a material adverse impact or effect on the assets of a Seller or of the Buyer, as the case may be.

"OFFICER'S CERTIFICATE" means a certificate signed in the name of a corporation by its President, Chief Executive Officer, Treasurer, Chief Financial Officer, or, if so specified, the Secretary, acting in his or her official capacity.

"PERSON" means any individual, firm, partnership, association, trust, corporation, limited liability company, governmental body or other entity.

"PURCHASE DOCUMENTS" means this Agreement, the Non-Competition Agreements, the Bills of Sale, the Instruments of Assumption, the Patent Assignments, the Kava Pharmaceutical License Agreement and any other certificate, document, instrument, stock power, or agreement executed in connection therewith.

"SECURITIES ACT" means the Securities Act of 1933 and the rules, regulations and interpretations of the Commission thereunder, all as the same shall be in effect at the time.

"SUBSIDIARY" means, with respect to any Person, any corporation, association or other entity of which such Person owns at least a majority in interest of the outstanding capital stock or other Equity Securities having by the terms thereof voting power under ordinary circumstances to elect a majority of the directors, managers or trustees thereof.

"TAX" means any federal, state, local or foreign tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

"TAX RETURN" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"TO STOCKHOLDER'S KNOWLEDGE", "KNOWN TO STOCKHOLDER", "TO THE KNOWLEDGE OF THE STOCKHOLDER" and words of similar import means the actual knowledge of any of Michael R.L. Astor, Joel W. McCleary, Nicholas N. Noon and Todd A. Klibansky as of the date hereof.

"VALID CLAIM" shall mean a claim in an issued, unexpired patent or in a pending patent application within the Kava Patents, Single Pixel Patents or CG Patents that (a) has not been finally cancelled, withdrawn, abandoned or rejected by any administrative agency or other body of competent jurisdiction, (b) has not been revoked, held invalid, or declared unpatentable or unenforceable in a decision of a court or other body of competent jurisdiction that is unappealable or uappealed within the time allowed for appeal, (c) has not been rendered unenforceable through disclaimer or otherwise, (d) is not lost through an interference proceeding or (e) to the extent pending, has not been pending for longer than five (5) years from the filing date of the earliest patent application from which the pending application claims priority, provided that subsequent to such five (5) year period, if the pending claim is issued as a claim of an issued and unexpired patent within the Kava Patents, Single Pixel Patents or CG Patents, such claim shall be considered thereafter as a Valid Claim hereunder.

The following terms are defined in the following Sections of this Agreement:

Term	Section
Agreement	Recitals
Assumed Liabilities	2.1
Bills of Sale	2.8
Business	2.1
Buyer	Recitals
Closing	2.7
Closing Date	2.7
Seller Financial Statements	3.4
Gross Revenues	2.5(b)
Indemnifying Party	8.5
Instruments of Assumption	2.9
Losses	8.2
Necessary Permits	3.13
Non-Competition Agreements	6.1
Patent Assignment	6.1
Plan	3.15(a)
Purchased Assets	2.1
Purchase Price	2.2
Retained Assets	2.2
Retained Liabilities	2.4
Stockholder	Recitals

ARTICLE II

PURCHASE AND SALE OF ASSETS

2.1 PURCHASE OF ASSETS. Upon the terms and subject to the conditions contained in this Agreement, at the Closing (as defined in Section 2.7 below), each Seller shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase, acquire and accept from each Seller, the business of the respective Sellers as a going concern (the "Business"), including all of the Sellers' assets of every kind and description as set forth on SCHEDULE 2.1 hereto (the "Purchased Assets") (other than those assets included in the Retained Assets as defined in Section 2.2 below), and subject only to the liabilities and obligations of the Sellers which are defined in Section 2.3 (the "Assumed Liabilities"). The Purchased Assets include, without limitation, all assets, rights, interests and properties of the Sellers (other than those assets included in the Retained Assets as defined in Section 2.2).

2.2 RETAINED ASSETS. The Sellers will each retain ownership only of such Seller's cash and cash equivalents on hand and in banks, minute and stock record books, journals, ledgers and books of original entry and such Seller's rights under the Purchase Documents (collectively, the "Retained Assets").

2.3 ASSUMED LIABILITIES. The Buyer shall assume and agree to pay, perform and discharge the Assumed Liabilities, and will pay, perform and discharge the Assumed Liabilities as they become due. The Assumed Liabilities shall consist of the liabilities of the Sellers listed on SCHEDULE 2.3 attached hereto.

2.4 RETAINED LIABILITIES. The liabilities and obligations which shall be retained by each of the Sellers (the "Retained Liabilities") shall consist of all liabilities of such Seller other than Assumed Liabilities, including, without limitation, the following:

(a) all liabilities of each Seller relating to indebtedness for borrowed money whether or not such liabilities are reflected on the Seller Financial Statements;

(b) all liabilities of each Seller or the Stockholder resulting from, constituting or relating to a breach of any of the representations, warranties, covenants or agreements of the such Seller or the Stockholder under this Agreement;

(c) all liabilities of each Seller for Taxes, including any gain and income from the sale of the Assets and other transactions contemplated herein;

(d) all liabilities for all environmental, ecological, health, safety, products liability (except as specifically referred to herein) or other claims pertaining to the Business or the Purchased Assets which relate to time periods or events occurring on or prior to the Closing Date;

(e) all liabilities of each Seller arising in connection with its operations unrelated to the Business and all liabilities (including any liability pursuant to any claim, litigation or proceeding) in connection with the operation of the Business prior to the Closing except as otherwise specifically provided herein and any liability of such Seller based on its tortuous or illegal conduct;

(f) any liability or obligation incurred by each Seller in connection with the negotiation, execution or performance of this Agreement, including, without limitation, all legal, accounting, brokers', finders' and other professional fees and expenses;

(g) all liabilities incurred by each Seller after the Closing Date;

(h) all liabilities or obligations associated with a Seller's

employees, including but not limited to any liability or obligation under or with respect to any collective bargaining agreement, employment agreement, unemployment or workers' compensation laws, or any liability or obligation arising from the decision of Buyer not to offer employment to any such employees; and

(i) all liabilities and obligations arising out of, resulting from, or relating to any employee benefit plan, program, or arrangement maintained or contributed to by each Seller,

or any entity which is or has been aggregated with such Seller for purposes of section 414 of the Code or section 4001 of ERISA.

2.5 PURCHASE PRICE. Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale, assignment, transfer and delivery of the Purchased Assets and covenants not to compete received from the Sellers and the Stockholder, Buyer will issue to the Sellers an aggregate of 553,344 shares of the Buyer's common stock, par value $0.0001 per share ("Common Stock" and the "Consideration Shares", and together with the adjustments set forth below, the "Purchase Price"). The Consideration Shares shall be apportioned among the Sellers as follows: 25% to CG, 50% to Kava and 25% to SinglePixel. Delivery of stock certificates representing the Consideration Shares shall be made to each of the Sellers at the Closing. The parties agree that the Purchase Price represents fair consideration and reasonably equivalent value for the Purchased Assets.

(a) ADJUSTMENTS FOR MILESTONES. Buyer shall make a one-time only payment:

(i) to Kava, or any of its assignees, of [*] payable in either cash or shares of the Buyer's Common Stock (at the discretion of the Buyer and, if such payment is in Common Stock, valued at the then current fair market value of the Common Stock) in a single payment by wire transfer or delivery of shares of Common Stock to an account designated in writing by Kava, or any of its assignees, to Buyer within sixty (60) days of the commencement by Buyer of a Phase III (or other pivotal) clinical trial for any drug candidate, the manufacture, use or sale of which infringes one or more Valid Claims of the Kava Patents (a "Kava Drug Candidate"). For purposes of this Agreement, "Kava Patents" shall mean any and all patent filings assigned to Kava or to which Kava has or will have any right, title or interest, including the issued patents and pending patent applications under the Kava IP (as defined in SCHEDULE 2.1), and all non-provisionals, divisionals, continuations, continuations-in-part and all patents issuing on any of the foregoing, and all foreign counterparts thereof; together with all registrations, reissues, re-examinations, supplemental protection certificates and extensions thereof and all foreign counterparts thereof. In the event that Buyer commences a Phase III (or other pivotal) clinical trial for a drug candidate, the manufacture, use of sale of which does not infringe one or more Valid Claims of the Kava Patents at the time of the commencement of such clinical trial but the manufacture, use or sale of which later infringes one or more Valid Claims of the Kava Patents, then Buyer shall make such one-time only payment under this subsection (i) of Section 2.5(a) within sixty (60) days of the drug candidate becoming a Kava Drug Candidate under this Agreement; and

(ii) to SinglePixel, or any of its assignees, [*] payable in either cash or shares of the Buyer's Common Stock (at the discretion of the Buyer and, if such payment is in Common Stock, valued at the then current fair market value of the Common Stock) in a single payment by wire transfer or delivery of shares of Common Stock to an account designated in writing by SinglePixel, or any of its assignees, to Buyer within sixty (60) days of the receipt by Buyer of approval by the Federal Drug Administration of any SinglePixel diagnostic product, the

manufacture, use or sale of which infringes one or more Valid Claims of the SinglePixel Patents (a "SinglePixel Product"). For purposes of this Agreement, "SinglePixel Patents" shall mean any and all patent filings assigned to SinglePixel or to which SinglePixel has or will have any right, title or interest, including the issued patents and pending patent applications identified under the SinglePixel IP (as defined in SCHEDULE 2.1), and all non-provisionals, divisionals, continuations, continuations-in-part and all patents issuing on any of the foregoing, and all foreign counterparts thereof; together with all registrations, reissues, re-examinations, supplemental protection certificates and extensions thereof. In the event that Buyer receives approval by the Federal Drug Administration of any SinglePixel diagnostic product, the manufacture, use or sale of which does not infringes one or more Valid Claims of the SinglePixel Patents at the time of receipt of such approval but the manufacture, use or sale of which later infringes one or more Valid Claims of the SinglePixel Patents, then Buyer shall make such one-time only payment under this subsection (ii) of Section 2.5(a) within sixty (60) days of the SinglePixel diagnostic product becoming a SinglePixel Product under this Agreement. For purposes of this Section 2.5, the term "diagnostic product" means any product which is intended to predict, detect or identify a disease, determine the presence of a pathologic condition or monitor the course of disease or therapy in humans or other animals.

(b) ROYALTIES FOR CERTAIN PATENTS. In the event that Buyer obtains revenue or other measurable economic benefit ("Gross Revenues") from products or services covered by a Valid Claim in any Kava Patent or CG Patent (the "Kava Products", and the "CG Products", respectively), Buyer shall pay to Kava or CG, or any of their assignees, as the case may be, a percentage of the Gross Revenues received by Buyer or such licensee from sales of such Kava Product or CG Product as follows: (i) [*]% of Gross Revenues of the Kava Product, and (ii) [*]% of Gross Revenues of the CG Product. The amount of such Gross Revenues shall be proportionately adjusted to reflect the exclusion of the contribution of ingredients or components not directly related to the Kava Product and/or CG Product, but in no case less than [*]% of the rates specified above. Any payments by Buyer pursuant to this subsection shall be made by cash or check within ninety (90) days of the end of each fiscal year of Buyer in which any applicable sale is made. The obligations under this section shall continue on a country-by-country basis until the later of (1) the expiration date, as such date may be modified or extended, of the last-to-expire patent of the relevant Kava IP or CG IP (as the case may be) in such country, or (2) ten (10) years from first commercial sale of the Kava Product or CG Product. For purposes of this Section 2.5, "CG Patents" shall mean any and all patent filings assigned to CG or to which CG has or will have any right, title or interest, including the issued patents and pending patent applications identified under the CG IP (as defined in SCHEDULE 2.1), and all non-provisionals, divisionals, continuations, continuations-in-part; and all patents issuing on any of the foregoing, and all foreign counterparts thereof; together with all registrations, reissues, re-examinations, supplemental protection certificates and extensions thereof.

(c) THIRD PARTY ROYALTY OFFSET. In the event that in any royalty period, Buyer, in order to sell any Kava Product or CG Product in any country, makes royalty payments to one or more third parties ("Third Party Payments") as consideration for a license to an issued patent or patents owned by such third party(ies), in the absence of which the Kava Product or CG Product could not legally be made, used or sold in such country, then Buyer shall have the right

to reduce the royalties otherwise due pursuant to Section 2.5(b) above for such Kava Product or CG Product by [*]% of such Third Party Payments. Notwithstanding the foregoing, such reductions under this subsection (c) shall in no event reduce such royalty for such Kava Product or CG Product in any such country to less than [*]% of the rates otherwise specified above.

2.6 ALLOCATION OF PURCHASE PRICE. The Purchase Price shall be allocated among the Purchased Assets and the covenants not to compete received from the Sellers and the Stockholder as set forth in SCHEDULE 2.6 attached hereto. The Sellers and Buyer shall be bound by such allocation for all purposes and to account for and report the purchase and sale contemplated hereby for all financial, accounting and Tax purposes in accordance with such allocation.

2.7 TIME AND PLACE OF CLOSING. The closing of the transactions described in Sections 2.1 through 2.6 above (the "Closing") shall take place at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., at 11:00 a.m. on January 9, 2004, or at such other place or time as the parties hereto may agree. The date and time at which the Closing actually occurs is hereinafter referred to as the "Closing Date."

2.8 EXECUTION AND DELIVERY OF DOCUMENTS OF TITLE BY THE SELLERS. At the Closing, each Seller shall execute and deliver to Buyer the form of Bill of Sale attached hereto as EXHIBIT A and such deeds, conveyances, bills of sale, certificates of title, assignments, assurances and other instruments and documents as Buyer may reasonably request in order to effect the sale, conveyance, and transfer of the Purchased Assets from the Sellers to the Buyer. Such instruments and documents shall be sufficient to convey to Buyer good and merchantable title in all of the Purchased Assets. Each Seller will, from time to time after the Closing Date, take such additional actions and execute and deliver such further documents as Buyer may reasonably request in order more effectively to sell, transfer and convey the Purchased Assets to Buyer and to place Buyer in position to operate and control all of the Purchased Assets.

2.9 EXECUTION AND DELIVERY OF DOCUMENTS BY BUYER. At the Closing, Buyer shall execute and deliver to each Seller an Instrument of Assumption in the form attached hereto as EXHIBIT B, and such other documents as the Sellers may reasonably request in order to evidence Buyer's assumption of the Assumed Liabilities. Buyer will, from time to time after the Closing Date, take such additional action and deliver such further documents as the Sellers may reasonably request in order effectively to assume the Assumed Liabilities.

2.10 CONSENT TO ASSIGNMENT. Upon the terms, and subject to the conditions set forth in this Agreement, each Seller hereby assigns to the Buyer all of the Purchased Assets which are capable of assignment without the consent of other parties.

Insofar as any Purchased Asset is not assignable to the Buyer without the agreement of or novation by or consent to the assignment from another party and no such agreement, novation or consent has been obtained by such Seller on or prior to Closing Date, this Agreement shall not constitute an assignment or attempted assignment if such assignment or attempted assignment would constitute a breach of Seller's obligations related to such Purchased Asset. In the event that consent or novation is required to such assignment:

(a) the Seller shall use all reasonable endeavors to cooperate with the Buyer in its efforts to procure such novation or assignment as aforesaid. The reasonable costs of any such novation or assignment shall be paid by the Buyer;

(b) unless and until any such Purchased Asset shall be novated or assigned as aforesaid the Seller shall hold such Purchased Asset and any moneys, goods or other benefits received thereunder as agent of the Buyer and the Buyer shall (if such sub-contracting is permissible and lawful under such Purchased Asset in question) as the Seller's sub-contractor perform all the obligations of the Seller under such Purchased Asset;

(c) unless and until any such Purchased Asset shall be novated or assigned, the Seller will (so far as it lawfully may) give such assistance to the Buyer (and at the Buyer's cost) as the Buyer may reasonably require to enable the Buyer to enforce its rights under such Purchased Asset and (without

limitation) will provide access to all relevant books, documents and other information in relation to such Purchased Asset as the Buyer may reasonably require from time to time.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE SELLERS AND THE STOCKHOLDER

Each Seller and the Stockholder each hereby represents and warrants to Buyer as follows:

3.1 ORGANIZATION AND QUALIFICATION. Each Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Stockholder is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. The Stockholder and each Seller have full power and authority to own, use and lease their properties and to conduct their business as currently conducted and as proposed to be conducted. The copies of the Stockholder's operating agreement, as amended to date and certified by an officer of the Stockholder and delivered to Buyer's counsel prior to the Closing, is true, complete and correct. The copies of each Seller's Charter and By-Laws, as amended to date, in each case certified by their respective Secretaries and delivered to Buyer's counsel prior to the Closing, are true, complete and correct.

3.2 AUTHORITY; NO VIOLATION. Each Seller and the Stockholder has all requisite corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. The execution, delivery and performance of this Agreement by each Seller and the Stockholder have been duly and validly authorized and approved by all necessary corporate action. This Agreement constitutes the legal and binding obligation of each Seller and the Stockholder, enforceable against each of them in accordance with its terms. The entering into of this Agreement by the Stockholder and each Seller does not, and the consummation by such Seller and the Stockholder of the transactions contemplated hereby, including specifically the transfer of the Purchased Assets to Buyer by such Seller, will not violate the provisions of (a) to the knowledge of the Stockholder, any applicable federal, state, local or foreign laws, (b) such

Seller's or Stockholder's respective Charter, By-Laws or operating agreement, as the case may be, or (c) any provision of, or result in a default or acceleration of any obligation under, or result in any change in the rights or obligations of such Seller or the Stockholder under, any Lien, contract, agreement, license, lease, instrument, indenture, order, arbitration award, judgment, or decree to which such Seller or the Stockholder is a party or by which any of them is bound, or to which any property of such Seller or the Stockholder is subject.

3.3 SUBSIDIARIES. Each Seller represents and warrants that it has no Subsidiaries.

3.4 SELLER FINANCIAL STATEMENTS. Attached hereto as SCHEDULE 3.4 are unaudited consolidating balance sheets as of June 30, 2003 (collectively, the "Seller Financial Statements") for each Seller. The Seller Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby. The Stockholder represents and warrants that the Seller Financial Statements fairly present the financial condition and the results of operation of each Seller and that there are no assets of the Sellers that are not included in the Seller Financial Statements, except for assets of any Seller that are not required by GAAP to be included in the Seller Financial Statements.

3.5 ABSENCE OF CERTAIN CHANGES. Except as otherwise disclosed in SCHEDULE 3.5 attached hereto, since June 30, 2003, there has not been:

(a) any material change in the business, operations, assets,

liabilities, prospects or condition (financial or otherwise) of any Seller;

(b) any obligation or liability incurred by a Seller other than obligations and liabilities incurred in the ordinary course of business for an amount not more than $5,000 in each case or $15,000 in the aggregate;

(c) any Lien placed on any of the Sellers' properties or assets which remains in existence on the date hereof or any payment or discharge of a material Lien or liability of the Sellers not disclosed on the Seller Financial Statements or incurred in the ordinary course of business;

(d) any purchase, sale, lease, assignment, transfer or other disposition, or any agreement or other arrangement for the purchase, sale, lease, assignment, transfer or other disposition, of any part of the Sellers' properties or assets, other than purchases for and sales from inventory in the ordinary course of business, except for fixed assets purchased or other capital expenditures made in amounts not exceeding $5,000 for any single item and $25,000 in the aggregate for all such items;

(e) any damage, destruction or loss, whether or not covered by insurance, adversely affecting a Seller's properties, assets or business;

(f) any declaration, setting aside or payment of any dividend on, or the making of any other distribution in respect of, any Equity Security of a Seller, or any direct or

indirect redemption, purchase or other acquisition by a Seller of any of its own Equity Securities, or any issuance by a Seller of any Equity Security;

(g) any labor trouble or claim of unfair labor practices involving a Seller; any change in the employment contracts of or compensation payable or to become payable by a Seller to any of its current or former officers, directors, employees, consultants, or agents, or any bonus payment, loan or arrangement made to or with respect to any of such officers, directors, employees, consultants, or agents; or any change in coverage vesting, or benefits available under any Plan;

(h) any change with respect to a Seller's management or supervisory personnel;

(i) any contracts, licenses, leases or agreements entered into by a Seller which are outside the ordinary course of business or which obligate such Seller for more than $5,000 in any one case or more than $25,000 in the aggregate or any cancellation, termination, modification, or acceleration by any party to any contract, license, lease or agreement involving more than $10,000 to which any such Seller is a party or by which any of them is bound;

(j) any amendment or other change (or any authorization to make such an amendment or change) to such Seller's Charter or By-Laws, except as required in connection with the consummation of the transactions contemplated hereby;

(k) any postponement or delay in payment of any accounts payable or other liability of such Seller except in the ordinary course of business consistent with prior practices;

(l) any cancellation, waiver, compromise or release of any right or claim either involving more than $10,000 or outside the ordinary course of business consistent with prior practices;

(m) any other occurrence, action, failure to act or transaction involving a Seller other than transactions in the ordinary course of business consistent with prior practices.

3.6 TITLE, SUFFICIENCY AND CONDITION OF ASSETS. Except as disclosed in SCHEDULE 3.6 hereto, each Seller has good and marketable title to, or a valid

leasehold interest in, all of the Purchased Assets, free and clear of all Liens, and free of any material infractions or non-compliance with applicable laws and regulations (collectively, "Defects") and the sale and delivery of the Purchased Assets to Buyer pursuant hereto shall vest in Buyer good and marketable title thereto, free and clear of any and all Liens or Defects, other than as disclosed in SCHEDULE 3.6 hereto or as may be created by Buyer. The Stockholder and each Seller shall each, prior to the Closing, use their best efforts to cure at their expense any Defect identified by Buyer. Each Seller owns or leases all property and assets necessary for the conduct of their respective businesses as such businesses are presently conducted and are proposed to be conducted, and all such property and assets are included in the Purchased Assets. To the knowledge of the Stockholder and except as disclosed in SCHEDULE 3.6 hereto, all tangible properties and assets owned or leased by such Seller and contained in the Purchased Assets are in good operating

condition and repair, ordinary wear and tear excepted, have been well maintained, and conform with all applicable laws, statutes, ordinances, rules and regulations.

3.7 INTELLECTUAL PROPERTY. All patents, patent applications, proprietary designs, copyrights, trade names, servicemarks, trademarks and trademark applications and proprietary know how which are currently owned by or licensed to each Seller are listed in SCHEDULE 3.7 attached hereto ("Intellectual Property"). Except as set forth in SCHEDULE 3.7, the Intellectual Property is all of the intellectual property necessary for the operation of the Business as it is currently conducted. All of each Seller's patents, patent applications and trademarks have been registered in, filed in or issued by the United States Patent Office or the corresponding offices of other countries identified in SCHEDULE 3.7, and have been properly maintained and renewed in accordance with all applicable laws and regulations in the United States and each such country. To the knowledge of the Stockholder, all of the issued patents within the Intellectual Property are currently in compliance with applicable formal legal requirements (including payment of filing, examination or maintenance fees) and are valid and enforceable. Except as set forth in SCHEDULE 3.7 and to the knowledge of the Stockholder, the Intellectual Property's use does not require the consent of or payment to any other Person. To the knowledge of the Stockholder and except as set forth in SCHEDULE 3.7, the Intellectual Property is freely transferable and owned exclusively by each Seller, free and clear of any Liens. To the knowledge of the Stockholder and except as set forth in SCHEDULE 3.7, (a) no other Person has an interest in or right or license to use, or the right to license any other Person to use, any of the Intellectual Property, (b) there are no claims or demands of any other Person pertaining thereto and no proceedings have been instituted, or are pending or, to the knowledge of the Stockholder, threatened, which challenge any Seller's rights in respect thereof, (c) none of the Intellectual Property is being infringed by another Person or is subject to any outstanding order, decree, ruling, charge, injunction, judgment or stipulation, and (d) no Claim has been made or, to the knowledge of the Stockholder, is threatened charging such Seller with infringement of any adversely held Intellectual Property. With respect to all know-how that is included as part of the Intellectual Property, to the knowledge of the Stockholder, each Seller has taken all reasonable precautions to protect the secrecy, confidentiality and value of such know-how (including the enforcement by each Seller of a policy requiring each employee or contractor to execute proprietary information and confidentiality agreements substantially in the form of such Seller's standard form, a copy of which has been provided to Buyer).

3.8 CONTRACTS. Except for contracts, commitments, leases, licenses, plans and agreements described in SCHEDULE 3.8 attached hereto, no Seller is a party to or subject to:

(a) any plan or contract regarding or providing for bonuses, pensions, options, stock purchases, deferred compensation, severance benefits retirement payments, profit sharing, stock appreciation, collective bargaining or the like, or any contract or agreement with any labor union;

(b) any employment or consulting contract or contract for personal services not terminable at will by such Seller without penalty to the Seller;

(c) any contract or agreement for the purchase of any commodity, product, material, supplies, equipment or other personal property, or for the receipt of any service, other than purchase orders entered into in the ordinary course of business for less than $5,000 each and which in the aggregate do not exceed $25,000;

(d) any contract or agreement for the purchase or lease of any fixed asset, whether or not such purchase or lease is in the ordinary course of business, for a price in excess of $5,000;

(e) any contract or agreement for the sale of any commodity, product, material, equipment, or other personal property, or the furnishing by such Seller of any service, other than contracts with customers entered into in the ordinary course of business;

(f) any contract or agreement providing for the purchase of all or substantially all of its requirements of a particular product from a supplier, or for periodic minimum purchases of a particular product from a supplier;

(g) any contract or agreement concerning a partnership or joint venture with one or more Persons;

(h) any confidentiality agreement or any non-competition agreement or other contract or agreement containing covenants limiting such Seller's freedom to compete in any line of business or in any location or with any Person;

(i) any license agreement (as licensor or licensee);

(j) any contract or agreement with the Stockholder or any present or former officer, director, consultant, agent or stockholder of such Seller or with any Affiliate of any of them;

(k) any loan agreement, indenture, note, bond, debenture or any other document or agreement evidencing a capitalized lease obligation or Indebtedness to any Person;

(l) any agreement of guaranty, indemnification, or other similar commitment with respect to the obligations or liabilities of any other Person (other than lawful indemnification provisions contained in the Charters and By-Laws of such Seller); or

(m) any other agreement or contract (or group or related agreements or contracts) under which the consequences of a default or termination could have a Material Adverse Effect or the performance of which involves consideration paid or received by the Seller in excess of $5,000.

Copies of all such contracts, commitments, plans, leases, licenses and agreements have been provided to Buyer prior to the execution of this Agreement, and all such copies are true, correct and complete and have been subject to no amendment, extension or other modification as of the date hereof, except such as are described in SCHEDULE 3.8. Except as listed and described

in SCHEDULE 3.8, none of the Sellers, or to the knowledge of the Stockholder, any other Person, is in default under any such contract, commitment, plan, lease, license or agreement and each such contact, commitment, plan, lease, license or agreement is in full force and effect and is valid and enforceable in accordance with its terms.

3.9 COMPLIANCE WITH LAWS. Each Seller has conducted and is conducting its business in compliance with applicable federal, state, local or foreign laws, statutes, ordinances, regulations, rules or orders or other requirements of any governmental, regulatory or administrative agency or authority or court or other tribunal relating to it. None of the Sellers are now charged with, and to the knowledge of the Stockholder, is not now under investigation with respect to, any possible violation of any applicable law, statute, ordinance, regulation, rule, order or requirement relating to any of the foregoing. Each Seller has all licenses, permits, franchises, orders, approvals, accreditations, written waivers and other authorizations as are necessary in order to enable it to own and conduct its business as currently conducted and as proposed to be conducted and to occupy and use its real and personal properties without incurring any material liability ("Necessary Permits"), except for such licenses, permits, franchises, orders, approvals, accreditations, written waivers and other authorizations as would not reasonably be expected to have a Material Adverse Effect. Except as set forth in SCHEDULE 3.9, no registration, filing, application, notice, transfer, consent, approval, order, qualification, waiver or other action of any kind is required by virtue of the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to effect the transfer to Buyer of such Necessary Permits. To the knowledge of the Stockholder, each Seller is in full compliance with the terms and conditions of all Necessary Permits.

3.10 LITIGATION. Except as disclosed on SCHEDULE 3.10 attached hereto, (a) there is no Claim pending or, to the knowledge of the Stockholder, threatened (or, to the knowledge of the Stockholder, any facts which could lead to such a Claim) by, against, affecting or regarding the Business or the Sellers or the Stockholder or their respective businesses, properties or assets, at law or in equity, before any federal, state, local or foreign court or any other governmental or administrative agency or tribunal or any arbitrator or arbitration panel, and (b) there are no judgments, orders, rulings, charges, decrees, injunctions, notices of violation or other mandates against or affecting the Business or the Sellers or the Stockholder with respect to the businesses, properties or assets of a Seller. Nothing listed on SCHEDULE 3.10, either individually or when aggregated with other listings on such Schedule, would reasonably be expected to have a Material Adverse Effect.

3.11 TAXES, EMPLOYEE BENEFITS AND ENVIRONMENTAL.

(a) The Stockholder is not aware of any dispute or Claim concerning any liability for Taxes of any Seller.

(b) No Seller has a profit sharing, 401(k), disability, medical, dental, severance pay, vacation pay, sick pay, deferred compensation, incentive compensation, fringe benefit, stay-with-bonus, change of control agreement, or other employee benefit plan, program, or agreement (other than stock option plans), including without limitation, any employee benefit plan as defined in section 3(3) of ERISA, which is maintained or contributed to by a Seller, or

under which such Seller has any liability or contingent liability.

(c) The use and operation by each Seller and by all past owners and operators, of all facilities and properties used in the business of each Seller have been, and will be on the Closing Date, in compliance in all material respects with all Environmental Laws, and no Environmental Action has been filed, commenced, or, to the knowledge of the Sellers and the Stockholder, threatened with or against any of them alleging any failure so to comply.

3.12 DISCLOSURE OF MATERIAL INFORMATION. This Agreement (including the Schedules and Exhibits hereto) does not contain, with respect to each Seller or the Stockholder, any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. There is no fact known to the Stockholder which has or would reasonably be expected in the future to result in a Material Adverse Effect and which has not been set forth in this Agreement or

previously disclosed in writing to the Buyer.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to each Seller and the Stockholder as follows:

4.1 ORGANIZATION AND QUALIFICATION. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware with full power and authority to own, use or lease its properties and to conduct its business as such properties are owned, used or leased and as such business is conducted.

4.2 AUTHORITY. Buyer has the requisite corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. The execution, delivery and performance of this Agreement by Buyer have been duly and validly authorized and approved by all necessary corporate action on the part of Buyer, and this Agreement constitutes the legal and binding obligation of Buyer, enforceable against Buyer in accordance with its terms. Assuming the accuracy of the representations and warranties of the Sellers and the Stockholder hereunder and to the best knowledge of Buyer, the entering into of this Agreement by Buyer does not, and the consummation by Buyer of the transactions contemplated hereby will not, violate the provisions of (a) any applicable laws of the United States or any other state or jurisdiction in which Buyer does business, (b) the Charter or By-Laws of Buyer or (c) any provision of, or result in a default or acceleration of any obligation under, or result in any change in the rights or obligations of Buyer under, any mortgage, Lien, lease, agreement, contract, instrument, order, arbitration award, judgment, or decree to which Buyer is a party or by which Buyer is bound, or to which any property of Buyer is subject.

4.3 BROKERS. Neither Buyer nor anyone acting on its behalf has engaged, retained or incurred any liability to any broker, investment banker, finder or agent or has agreed to pay any brokerage fees, commissions, finder's fees or other fees with respect to the purchase of

Purchased Assets, the issuance of the Consideration Shares, this Agreement or the transactions contemplated hereby.

4.4 BUYER FINANCIAL STATEMENTS. Attached hereto as SCHEDULE 4.4 are the following financial statements (collectively the "Buyer Financial Statements"): unaudited consolidated balance sheets and statements of income, changes in stockholders' equity and cash flow as of and for the fiscal year ended December 31, 2002 of the Buyer. The Buyer Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, present fairly the financial condition of the Buyer as of such dates and the results of operations of the Buyer for such periods, are correct and complete, and are consistent with the books and records of the Buyer, except that the Buyer Financial Statements may not contain all footnotes required by GAAP and are subject to normal year-end audit adjustments.

4.5 FINANCIAL CONDITION. Since the date of the Buyer Financial Statements, there have been no subsequent events having a material adverse effect on Buyer's business, results of operations or financial condition. Buyer represents that as of the date of this Agreement, it currently has in excess of $50 million in a combination of cash, cash equivalents and amounts committed under investor subscription agreements.

4.6 ONE CLASS OF STOCK. Buyer has one class of capital stock outstanding, and Buyer's certificate of incorporation, as amended or restated through the date hereof, authorizes no class of capital stock senior to the Buyer's Common Stock in terms of liquidation, dividend or redemption rights.

4.7 LITIGATION. Except as disclosed on SCHEDULE 4.7 attached hereto, (a) there is no Claim pending or, to the knowledge of the Buyer, threatened (or, to the knowledge of the Buyer, any facts which could lead to such a Claim) by, against, affecting or regarding the Buyer or its business, properties or assets, at law or in equity, before any federal, state, local or foreign court or any other governmental or administrative agency or tribunal or any arbitrator or arbitration panel that would reasonably be expected in the future to have a Material Adverse Effect, and (b) there are no judgments, orders, rulings, charges, decrees, injunctions, notices of violation or other mandates against or affecting the Buyer with respect to the business, properties or assets of the Buyer.

4.8 DISCLOSURE OF MATERIAL INFORMATION. This Agreement (including the Schedules and Exhibits hereto) does not contain, with respect to the Buyer, any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made.

ARTICLE V

COVENANTS

5.1 COVENANTS OF THE SELLERS AND THE STOCKHOLDER. Each Seller and the Stockholder shall keep, perform and fully discharge the following covenants and agreements:

(a) INTERIM CONDUCT OF BUSINESS. From the date hereof until the Closing, each Seller shall operate its business consistent with prior practice immediately before the date hereof and in the ordinary course of business (except as may be authorized pursuant to this Agreement or as set forth on SCHEDULE 5.1(a) hereto). Without limiting the generality of the foregoing, from the date hereof until the Closing, except for transactions contemplated by this Agreement or expressly approved in writing by Buyer, no Seller shall:

(i) enter into or amend any employment, bonus, severance, or retirement contract or arrangement, or increase any compensation payable or to become payable to any person other than in the ordinary course of business consistent with prior practice;

(ii) purchase, lease or otherwise acquire any real estate or any interest therein;

(iii) declare, set aside or pay any dividend or make any other distribution with respect to any Equity Security or authorize for issuance, issue, sell or deliver any of its own Equity Securities or split, combine or reclassify any class of Equity Security or redeem or otherwise acquire, directly or indirectly, any of its Equity Securities;

(iv) merge or consolidate with or agree to merge or consolidate with, or purchase or agree to purchase all or substantially all of the assets of, acquire securities of or otherwise acquire any Person;

(v) sell, lease or otherwise dispose of or agree to sell, lease or otherwise dispose of any of its assets, properties, rights or claims, whether tangible or intangible, except in the ordinary course of business consistent with prior practice;

(vi) incur any liability, guaranty or obligation (fixed or contingent) other than in the ordinary course of business consistent with prior practice or make any investment in excess of $5,000, whether singly or in the aggregate, in property, plant and equipment and other items of capital expenditure;

(vii) place or permit to be placed any Lien on any of its assets or properties, other than statutory Liens arising in the ordinary course of business;

(viii) make or authorize any amendments or changes to its Charter or By-Laws; or

(ix) abandon any part of its business not abandoned as of the date hereof.

(b) ACCESS. Each Seller shall, upon reasonable notice, give Buyer and its representatives full and free access to all properties, assets, books, contracts, commitments and records of such Seller during reasonable business hours and shall promptly furnish Buyer with all financial and operating data and other information as to the history, ownership, Affiliates, business, operations and properties of such Seller as Buyer may from time to time reasonably request.

(c) TRANSFER OF NECESSARY PERMITS. From and after the date hereof through to the Closing Date and following the Closing, each Seller will use reasonable commercial efforts to effect the transfer to Buyer of all of the Necessary Permits and all other permits, licenses (except the DFCI License Agreement), and leases which are associated with the Business as presently conducted, to the extent the same are by their terms transferable.

(d) RETAINED LIABILITIES. From and after the date hereof through to the Closing Date and following the Closing, each Seller agrees to pay, perform and fully discharge all of the Retained Liabilities.

(e) SATISFACTION OF CONDITIONS. Each Seller and the Stockholder shall use their best efforts to accomplish the satisfaction of the conditions precedent to Closing contained in Section 6.1 herein on or prior to the Closing Date.

(f) NO SOLICITATION, CONFIDENTIALITY, ETC. Prior to the termination of this Agreement pursuant to Article VII hereof, no Seller or the Stockholder will (i) solicit or negotiate with respect to any inquiries or proposals relating to (x) the possible direct or indirect acquisition of any Equity Security of any Seller or of all or a portion of the Purchased Assets or Business or (y) any merger, consolidation, joint venture or business combination with any Seller or (ii) discuss or disclose either this Agreement or other confidential information pertaining to any Seller with any Person (except as may be required by law or except as may be required in connection with the transactions contemplated by this Agreement to Affiliates, officers, directors, employees and agents of such Seller or any stockholder) without the prior written approval of Buyer. Buyer acknowledges that the prior distribution of material regarding the Sellers to interested parties shall not be deemed to violate this Section 5.1(g). The Sellers and the Stockholder shall advise such parties of the existence of this Agreement and shall refrain from entering into further discussions with such parties concerning the sale of any Seller to the extent otherwise prohibited by this Section 5.1(g).

(g) ACCURACY OF REPRESENTATIONS AND WARRANTIES. Without the prior written consent of Buyer, the Stockholder and each Seller will not take any action from the date hereof to the Closing Date, whether as an officer, director or stockholder of such Seller or otherwise,

that would cause any representation or warranty of such Seller or the Stockholder contained in this Agreement to become untrue or cause the breach of any agreement hereof or covenant contained herein. The Stockholder and each Seller will promptly bring to the attention of Buyer any facts which come to its attention that would cause any of the representations and warranties of such Seller or the Stockholder to be untrue or materially misleading in any respect.

(h) TAX MATTERS. The Stockholder shall be responsible for and shall cause to be prepared and duly filed all Tax Returns relating to Taxes of each Seller.

5.2 COVENANTS OF BUYER, THE SELLERS AND THE STOCKHOLDER. The parties hereto hereby agree to keep, perform and fully discharge the following covenants and agreements:

(a) WAIVER OF COMPLIANCE WITH THE BULK SALES ACT. In connection with the transactions contemplated hereby, the parties hereby waive compliance with the provisions of Article 6 of the Uniform Commercial Code - Bulk Transfers and the Bulk Sales Act and any other applicable United States, Mexican, state or provincial bulk sales act or statute ("Bulk Sales Acts"). Each Seller shall remove any and all Liens against the Purchased Assets as a result of payments made by such Seller to others. Each Seller and the Stockholder, severally but not jointly, shall indemnify and hold the Buyer harmless from and against any and all liabilities under the Bulk Sales Acts.

(b) BUY-BACK OPTION. If, within thirty (30) months following the Closing Date, Buyer has not initiated clinical trials for a Kava Product, then Kava shall have the option to repurchase the Kava IP from Buyer for the sum of Seven Hundred Fifty Thousand Dollars ($750,000) in cash (the "Buy-Back Option"). The Buyer shall deliver a written notice to Kava or any of its authorized assignees or designees within one month after the start of any such clinical trial for a product derived from the Kava IP. Kava shall be permitted to assign the Buy-Back Option to the Stockholder or any member or designee of Stockholder upon providing written notice to Buyer. The Buy-Back Option shall be exercisable by Kava or any of its authorized assignees or designees for a period of three (3) months after said thirty (30) month period ends by providing written notice of exercise to Buyer. If Kava or any of its authorized assignees or designees fails to provide such notice within such period, the Buy-Back Option shall terminate and be of no further force or effect. The Buyer agrees to notify Kava, or its assignee, when this clinical trial requirement has been satisfied.

5.3 ADDITIONAL COVENANTS.

(a) CUSTOMERS AND OTHER BUSINESS RELATIONSHIPS. After the Closing, Sellers will cooperate with Buyer in its efforts to continue and maintain for the benefit of Buyer those business relationships of Seller existing prior to the Closing and relating to the Business to be operated by Buyer after the Closing, including relationships with lessors, regulatory authorities, licensors, customers, suppliers and others, and Sellers will use reasonable commercial efforts to satisfy the Retained Liabilities in a manner that is not detrimental to any of such relationships. After the Closing, Sellers will refer to Buyer all inquiries relating to the Business. Neither Seller nor any of its officers, agents or shareholders shall take any action that would reasonably be expected to diminish the value of the Purchased Assets after the Closing or that would interfere

with the business of Buyer to be engaged in after the Closing, including disparaging the name or business of Buyer.

(b) FURTHER ASSURANCES. The parties shall cooperate reasonably with each other and with their respective representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement, and shall (i) furnish upon request to each other such further information; (ii) execute and deliver to each other such other documents; and (iii) do such other acts and things, all as the other Party may reasonably request as is necessary to carry out the intent of this Agreement and the transactions contemplated hereby.

5.4 COVENANTS OF BUYER. The Buyer hereby agrees to keep, perform and fully discharge the following covenants and agreements:

(a) PROGRESS REPORTS. Beginning twelve months after the Closing Date and annually thereafter, Buyer shall submit to Stockholder a progress report summarizing Buyer's activities related to the development and testing of products relating to the Kava IP, CG IP and the SinglePixel IP and the obtaining of governmental approvals necessary for marketing same.

(b) ROYALTY REPORT. After the first commercial sale anywhere in the world of a Kava Product or CG Product, Buyer shall make quarterly royalty reports to Stockholder for such Kava Product or CG Product (as the case may be) no later than forty-five (45) days after the end of each such quarter. Each such royalty report will cover Buyer's most recently completed calendar quarter and shall include the units sold, gross revenue and royalties payable by Buyer to the Sellers, or any of their assignees, itemized by product.

(c) RIGHT TO AUDIT. Buyer shall keep full and accurate books and records in sufficient detail so that all amounts due and payable to any Seller or the Stockholder hereunder can be properly determined. Such books and records shall be preserved for at least three years from the date of entry to which they pertain. Such books and records shall be open to inspection at any reasonable time during business hours not more often than once each calendar year by an independent certified public accountant selected by the Stockholder for the sole purpose of verifying reports and payments hereunder. Such independent certified public accountant shall report the findings of his or her inspection to the Stockholder but shall under no circumstances report any information other than information related to the accuracy of such reports and payments. All fees and expenses of such inspection shall be borne by the Stockholder; provided that, if such inspection determines that gross revenue reported to Stockholder pursuant to Section 5.4(b) of this agreement is understated in any quarter by five percent (5%) or more, then Buyer shall bear all the fees and expenses of such inspection.

ARTICLE VI

CLOSING CONDITIONS

6.1 CONDITIONS TO OBLIGATIONS OF BUYER. The obligations of Buyer to consummate this Agreement and the transactions contemplated hereby are subject to the fulfillment, prior to or at

the Closing, of the following conditions precedent, subject to a bring-down of the disclosure schedules.

(a) REPRESENTATIONS, WARRANTIES AND COVENANTS. Each of the representations and warranties of the Sellers and the Stockholder contained in this Agreement shall remain true and correct in all material respects at the Closing Date as fully as if made on the Closing Date (other than the representations and warranties that contain an express materiality qualification, which shall be true and correct in all respects); each Seller and the Stockholder shall have performed in all material respects, on or before the Closing Date, all of its respective obligations under this Agreement and the other Purchase Documents which by the terms thereof are to be performed on or before the Closing Date; and each Seller and the Stockholder shall have delivered to Buyer an Officer's Certificate dated the Closing Date of such Seller and the Stockholder to such effect.

(b) PURCHASE PERMITTED BY APPLICABLE LAWS; LEGAL INVESTMENT. Buyer's purchase of and payment for the Purchased Assets (a) shall not be prohibited by any applicable law or governmental order, rule, ruling, regulation, release or interpretation (b) shall not constitute a fraudulent or voidable conveyance under any applicable law and (c) shall be permitted by all applicable laws, statutes, ordinances, regulations and rules of the jurisdictions to which Buyer is subject.

(c) PROCEEDINGS SATISFACTORY. All proceedings taken in connection with the purchase and sale of the Purchased Assets, all of the other Purchase

Documents and all documents and papers relating thereto, shall be in form and substance reasonably satisfactory to Buyer.

(d) CONSENTS - PERMITS. Each Seller shall have received (and there shall be in full force and effect) all material consents (except with respect to the DFCI License Agreement), approvals, licenses, permits, orders and other authorizations of, and shall have made (and there shall be in full force and effect) all such filings, registrations, qualifications and declarations with, any Person pursuant to any applicable law, statute, ordinance regulation or rule or pursuant to any agreement, order or decree to which such Seller is a party or to which it is subject, in connection with the transactions contemplated by this Agreement and the sale of the Purchased Assets.

(e) CORPORATE DOCUMENTS. Each Seller shall have delivered to Buyer:

(i) an Officer's Certificate of the Secretary of each Seller and the managing member of the Stockholder certifying (x) the incumbency and genuineness of signatures of all officers of the Stockholder and the Sellers, as the case may be, executing this Agreement, any document delivered by the Stockholder and the Sellers at the Closing and any other document, instrument or agreement executed in connection herewith, (y) the truth and correctness of resolutions of the Sellers and the Stockholder authorizing the entry by the Sellers and the Stockholder into this Agreement and the transactions contemplated hereby and (z) the truth, correctness and completeness of the By-Laws of the Sellers and the Stockholder;

(ii) the certificate of formation of the Stockholder and the Charter of each Seller certified as of a recent date by the Secretary of State of the State of Delaware; and

(iii) certificates of corporate good standing and legal existence of each of the Stockholder and each Seller as of a recent date from the Secretary of State of the State of Delaware.

(f) BILLS OF SALE. Each Seller shall have executed and delivered to the Buyer a Bill of Sale in the form of EXHIBIT A attached hereto.

(g) INSTRUMENTS OF ASSUMPTION. The Buyer and each Seller shall have executed and delivered an Instrument of Assumption in the form of EXHIBIT B attached hereto.

(h) TRANSFER OF NECESSARY PERMITS. All of the Necessary Permits (except any Permit with respect to the DFCI License Agreement) shall have been transferred to or obtained by Buyer on or before the Closing Date

(i) NON-COMPETITION AGREEMENTS. Each Seller and the Stockholder shall have executed and delivered to Buyer non-competition, non-solicitation and non-disclosure agreements in substantially the form of EXHIBIT C attached hereto (the "Non-Competition Agreements").

(j) PATENT ASSIGNMENTS. Each Seller shall have executed and delivered to Buyer a patent assignment in substantially the form of EXHIBIT D attached hereto (the "Patent Assignments").

6.2 CONDITIONS TO OBLIGATIONS OF THE SELLERS AND THE STOCKHOLDER. The obligations of each Seller and the Stockholder to consummate this Agreement and the transactions contemplated hereby are subject to the fulfillment, prior to or at the Closing, of the following conditions precedent:

(a) REPRESENTATIONS AND WARRANTIES. Each of the representations and warranties of Buyer in this Agreement shall remain true and correct in all material respects at the Closing Date as fully as if made on the Closing Date (other than the representations and warranties that contain an express materiality qualification, which shall be true and correct in all respects, and Buyer shall, on or before the Closing Date, have performed, in all material

respects, all of its obligations under this Agreement and the Other Purchase Documents which by the terms thereof are to be performed by it on or before the Closing Date; and Buyer shall have delivered an Officer's Certificate to counsel for the Sellers dated the Closing Date to such effect.

(b) LICENSE GRANT BY BUYER. Buyer shall have executed and delivered to Kava an exclusive, perpetual, assignable, fully paid-up, royalty-free license to use the Kava IP solely for liquid beverages (including "shooters") in substantially the form of EXHIBIT E attached hereto (the "Kava Pharmaceutical License Agreement").

ARTICLE VII

TERMINATION

7.1 TERMINATION OF AGREEMENT. This Agreement and the transactions contemplated hereby may (at the option of the party having the right to do so) be terminated at any time on or prior to the Closing Date by:

(a) MUTUAL CONSENT. By mutual written consent of Buyer and a Seller;

(b) COURT ORDER. By Buyer, a Seller or the Stockholder if any court of competent jurisdiction shall have issued an order pursuant to the request of a third party restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement;

(c) FAILURE TO CLOSE BY JANUARY 31, 2004. By Buyer or the Stockholder if the transactions contemplated hereby shall not have been consummated on or before January 31, 2004, PROVIDED, HOWEVER, that such right to terminate this Agreement shall not be available to any party whose failure to fulfill any obligation of this Agreement has been the cause of, or resulted in, the failure of the transactions contemplated hereby to be consummated on or before such date;

(d) TERMINATION BY STOCKHOLDER. By the Stockholder upon notice to Buyer at any time prior to the Closing Date, if (i) a condition to the performance of a Seller set forth in Section 6.2 hereof shall not be fulfilled at the time specified for the fulfillment thereof, (ii) a material default under or a material breach of this Agreement shall be made by Buyer, or (iii) any representation or warranty set forth in this Agreement or in any instrument delivered by Buyer pursuant hereto shall be materially false or misleading; or

(e) TERMINATION BY BUYER. By Buyer by notice to a Seller at any time prior to the Closing Date, if (i) a condition to the performance of Buyer set forth in Section 6.1 hereof shall not be fulfilled at the time specified for the fulfillment thereof, (ii) a default under or a breach of this Agreement shall be made by such Seller or the Stockholder, or (iii) any representation set forth in this Agreement or in any instrument delivered by such Seller or the Stockholder pursuant hereto shall be false or misleading.

7.2 EFFECT OF TERMINATION AND RIGHT TO PROCEED. If this Agreement is terminated pursuant to this Article VII, then except as provided below, all further obligations of Buyer, such Seller(s) and the Stockholder under this Agreement shall terminate without further liability of Buyer or any Affiliate thereof to the Stockholder or such Seller(s) or of the Stockholder or such Seller(s) to Buyer or any Affiliate thereof, except with respect to the obligations set forth in Sections 7.1, 9.1, 9.2 and 9.12, and except, in the case of termination pursuant to Section 7.1(d) or Section 7.1(e), as to liability for misrepresentation, breach or default in connection with any warranty, representation, covenant or obligation given, occurring or arising to the date of termination. In addition, anything in this Agreement to the contrary notwithstanding, if any of the conditions to obligations specified in Sections 5.1, 5.2 or 5.3

hereof have not been satisfied, Buyer, in addition to any other rights which it may have, shall have the right to waive its rights to have such conditions satisfied and elect to proceed with the transactions contemplated hereby and, if any of the conditions to the obligations of a Seller and the Stockholder specified in Section 5.4 hereof have not been satisfied, such Seller and the Stockholders in addition to any other rights which may be available to them, shall have the right to waive their rights to have such conditions satisfied and elect to proceed with the transactions contemplated hereby.

ARTICLE VIII

INDEMNIFICATION

8.1 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. Each and every such representation and warranty set forth in this Agreement shall survive until the first anniversary of the Closing Date, except for representations and warranties relating to the Intellectual Property, which shall survive until the second anniversary of the Closing Date.

8.2 INDEMNIFICATION BY THE SELLERS AND THE STOCKHOLDER. Each Seller and the Stockholder shall indemnify, defend and hold Buyer, its officers, directors, employees, owners, agents and Affiliates, harmless from and in respect of any and all losses, damages, costs and expenses of any kind and nature whatsoever (including, without limitation, interest and penalties, reasonable expenses of investigation and court costs, reasonable attorneys' fees and disbursements and the reasonable fees and disbursements of other professionals) which may be sustained or suffered by any of them (collectively, "Losses"), arising out of, resulting from or pertaining to any breach or inaccuracy of any representation or warranty or the breach of or failure to perform any warranty, covenant, undertaking or other agreement of a Seller or the Stockholder contained in this Agreement or any other Purchase Document; PROVIDED, HOWEVER, that the maximum liability of a Seller and the Stockholder pursuant to this Section 8.2 shall be limited to the Purchase Price and all other payments received by such Seller and the Stockholder hereunder.

8.3 INDEMNIFICATION BY BUYER. Buyer shall indemnify, defend and hold each of the Sellers and the Stockholder, their respective officers, directors, employees, consultants, owners, agents and Affiliates, harmless from and in respect of any and all Losses which may be sustained or suffered by any of them arising out of or resulting from any breach or inaccuracy of any representation or warranty or the breach of or failure to perform any warranty, covenant, undertaking or other agreement of Buyer contained in this Agreement or any other Purchase Document.

8.4 MINIMUM INDEMNIFICATION; MATERIALITY. Notwithstanding anything to the contrary contained herein, no party hereto shall be entitled to recover from any other party unless and until the total of all claims for indemnity or damages with respect to any inaccuracy or breach of any such representations or warranties or breach of or default in the performance of any covenants, undertakings or other agreements, whether such claims are brought under this Article VIII or otherwise, exceeds $50,000, in which case such parties shall be entitled to recover the total amount of such claims.

8.5 NOTICE AND OPPORTUNITY TO DEFEND. If there occurs an event which a party asserts is an indemnifiable event pursuant to Section 8.2 or 8.3, the parties seeking indemnification shall promptly notify the other parties obligated to provide indemnification (collectively, the "Indemnifying Party"). If such event involves (a) any Claim or (b) the commencement of any action, suit or proceeding by a third person, the party seeking indemnification will give such Indemnifying Party prompt written notice of such Claim or the commencement of such action, suit or proceeding, PROVIDED, HOWEVER, that the failure to provide prompt notice as provided herein will relieve the Indemnifying Party of its obligations hereunder only to the extent that such failure prejudices the

Indemnifying Party hereunder. In case any such action, suit or proceeding shall be brought against any party seeking indemnification and it shall notify the Indemnifying Party of the commencement thereof, the Indemnifying Party shall be entitled to participate therein and, to the extent that it desires to do so, to assume the defense thereof, with counsel reasonably satisfactory to such party seeking indemnification and, after notice from the Indemnifying Party to such party seeking indemnification of such election so to assume the defense thereof, the Indemnifying Party shall not be liable to the party seeking indemnification hereunder for any attorneys' fees or any other expenses, in each case subsequently incurred by such party, in connection with the defense of such action, suit or proceeding. The party seeking indemnification agrees to cooperate fully with the Indemnifying Party and its counsel in the defense against any such action, suit or proceeding. In any event, the party seeking indemnification shall have the right to participate at its own expense in the defense of such action, suit or proceeding. In no event shall an Indemnifying Party be liable for any settlement or compromise effected without its prior consent. If, however, the party seeking indemnification refuses its consent to a BONA FIDE offer of settlement which the Indemnifying Party wishes to accept (which must include the unconditional release of the parties seeking indemnification from all liability with respect to the Claim at issue), the party seeking indemnification may continue to pursue such matter, free of any participation by the Indemnifying Party, at the sole expense of the party seeking indemnification. In such event, the obligation of the Indemnifying Party to the party seeking indemnification shall be equal to the lesser of (i) the amount of the offer or settlement which the party seeking indemnification refused to accept plus the costs and expenses of such party prior to the date the Indemnifying Party notifies the party seeking indemnification of the offer of settlement and (ii) the actual out-of-pocket amount the party seeking indemnification is obligated to pay as a result of such party's continuing to pursue such matter.

ARTICLE IX

MISCELLANEOUS

9.1 FEES AND EXPENSES. Each of the parties hereto will pay and discharge its own expenses and fees in connection of with the negotiation of and entry into this Agreement and the consummation of the transactions contemplated hereby.

9.2 NOTICES. All notices, requests, demands, consents and communications necessary or required under this Agreement or any other Purchase Document shall be made in the manner specified, or, if not specified, shall be delivered by hand or sent by registered or certified mail, return receipt requested, or by telecopy (receipt confirmed) to:

if to Buyer:

Synta Pharmaceuticals Corp.
45 Hartwell Ave.
Lexington, MA 02421
Attention: Chief Executive Officer
Facsimile Transmission Number: (781) 274-8228

with a copy to:

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
One Financial Center
Boston, MA 02111
Attention: Jeffrey Wiesen, Esq.
Facsimile Transmission Number: (617) 542-2241

if to CG, Kava or SinglePixel:

Peregrine Financial Corporation

84 State Street
Boston, MA 02109
Attention: Todd Klibansky
Facsimile Transmission Number: (617) 523-2289

with a copy to:

Testa, Hurwitz & Thibeault, LLP
125 High Street
Boston, MA 02105
Attention: Rufus King, Esq.
Facsimile Transmission Number: (617) 248-7282

if to Stockholder:

CMAC, LLC
84 State Street
Boston, MA 02109
Attention: Todd Klibansky
Facsimile Transmission Number: (617) 523-2289

with a copy to:

Testa, Hurwitz & Thibeault, LLP
125 High Street
Boston, MA 02105
Attention: Rufus King, Esq.
Facsimile Transmission Number: (617) 248-7282

All such notices, requests, demands, consents and other communications shall be deemed to have been duly given or sent two (2) days following the date on which mailed, or on the date on which delivered by hand or by facsimile transmission (receipt confirmed), as the case may be, and addressed as aforesaid.

9.3 SUCCESSORS AND ASSIGNS. Except as otherwise expressly set forth herein, all covenants and agreements set forth in this Agreement and made by or on behalf of any of the parties hereto shall bind and inure to the benefit of the successors and assigns of such party, whether or not so expressed, except that the Sellers and the Stockholder may not assign or transfer, other than to the Stockholder or any Affiliate of Stockholder, any of their respective rights or obligations under this Agreement without the consent in writing of Buyer.

9.4 COUNTERPARTS, ETC. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which together shall constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. The headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and shall not be deemed to be part of this Agreement. If any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason in any jurisdiction, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired or affected, it being intended that each of parties' rights and privileges shall be enforceable to the fullest extent permitted by law, and any such invalidity, illegality and unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.5 TAX MATTERS.

(a) Each Seller will timely file all federal, state, local and foreign tax reports and returns for any period which ends on or prior to the Closing Date and which are required to be filed to reflect the operations of

such Seller. All such reports and returns shall be submitted to Buyer for review at least thirty (30) days prior to filing such reports and returns. Buyer shall be entitled to participate in the preparation of such reports and returns. All such reports and returns will be prepared and filed using tax accounting methods and principles which are substantially consistent with those used in the returns and reports of taxes for such Seller for preceding tax periods unless Buyer agrees otherwise. Any item of income, deduction or credit to be included in any such tax return or report shall be based on the permanent records (including work papers) of such Seller. Buyer shall prepare and file on behalf of such Seller all federal, state, local and foreign tax reports and returns for any period which ends after the Closing Date and which are required to be filed to reflect the operations of such Seller attributable to a period prior to the Closing Date.

(b) All refunds of taxes attributable to any or all years or periods (or portions thereof) ending prior to the Closing Date or attributable to any taxable year or period which ends at or after the Closing Date, to the extent that the refund is attributable to the operations of such

Seller up to the Closing Date (as determined on the basis of the permanent records of such Seller), shall belong to and be retained by such Seller.

(c) The parties hereto shall, and shall cause such Seller to, provide such necessary information as any other party hereto may reasonably request in connection with the preparation of such parties' Tax Returns, or to respond to or contest any audit, prosecute any claim for refund or credit or otherwise satisfy any requirements relating to Taxes of such Seller.

(d) Each Seller shall pay all real property transfer Taxes, sales Taxes, stock transfer Taxes, documentary stamp Taxes, recording charges and other similar Taxes resulting from, arising under or in connection with the transfer of the Purchased Assets or any other related transaction under the Agreement.

(e) The obligations of each Seller set forth in the Agreement relating to Taxes shall, except as otherwise agreed in writing, be unconditional and absolute and shall remain in effect without limitation as to time or amount of recovery by Buyer until thirty (30) days after the expiration of the applicable statute of limitations governing the Taxes to which such obligations relate (after giving effect to any agreement extending or tolling such statute of limitations).

9.6 GOVERNING LAW. THIS AGREEMENT, INCLUDING THE VALIDITY HEREOF AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER, SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY IN SUCH STATE (WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PROVISIONS THEREOF).

9.7 ENTIRE AGREEMENT. This Agreement, including the Schedules and Exhibits referred to herein, is complete, and all promises, representations, understandings, warranties and agreements with reference to the subject matter hereof, and all inducements to the making of this Agreement relied upon by all the parties hereto, have been expressed herein or in said Schedules or Exhibits. This Agreement, including the Schedules and Exhibits referred to herein, constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter hereof. None of the provisions of this Agreement, including the Schedules and Exhibits referred to herein, is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder. This Agreement may not be amended except by an instrument in writing signed on behalf of each Seller, Buyer and the Stockholder.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF the parties hereto have executed this Asset Purchase Agreement under seal as of the date first set forth above.

ATTEST: SYNTA PHARMACEUTICALS CORP.

/s/ WENDY E. RIEDER

By: /s/ SAFI BAHCALL

Chief Executive Officer

ATTEST: CANCER GENOMICS, INC.

By: /s/ TODD KLIBANSKY

Treasurer

ATTEST: KAVA PHARMACEUTICALS, INC.

By: /s/ TODD KLIBANSKY

Treasurer

ATTEST: SINGLEPIXEL BIOMEDICAL, INC.

By: /s/ TODD KLIBANSKY

Treasurer

ATTEST: CMAC, LLC

By: /s/ TODD KLIBANSKY

Treasurer

Exhibit 10.12

SYNTApharma

April 8, 2004

Dr. Mitsunori Ono
[ADDRESS]

Dear Dr. Ono:

The purpose of this letter agreement is to set forth our mutual understanding and agreement with respect to your resignation from employment with Synta Pharmaceuticals Corp. (the "Company"). In consideration of the mutual covenants set forth herein, the receipt and sufficiency of which you acknowledge, we have agreed as follows:

1. RESIGNATION FROM EMPLOYMENT. Your resignation from employment shall be effective as of the close of business, Thursday, January 1, 2004 (your "resignation date"), and you shall have relinquished as of that date any and all positions that you have held with the Company, including but not limited to President and Chief Operating Officer of the Company. You shall not be considered an employee of the Company for any purpose after that date and shall have no authority to act on behalf of the Company.

2. TERMINAL PAY. You agree that you have received all compensation to which you are entitled in connection with your employment through your resignation date. You agree to make no claims for further compensation from the Company of any type, including bonus payments, commission payments, and vacation pay. You acknowledge that, except to the extent provided herein, the Company is under no obligation to provide you with the consideration described below, including, but not limited to, the severance payment.

3. SEVERANCE PAYMENT. The Company shall pay you a lump sum amount of $200,000.00 (less all applicable federal, state or local tax withholding, F.I.C.A., and any other applicable payroll deductions), subject to the Company's receipt of this letter agreement and General Release signed by you and the expiration of the seven (7) day revocation period contained in paragraph 16 hereof. The Company shall also pay you monthly installments totaling $250,000.00 commencing in March 2004 for eighteen (18) months consisting of seventeen (17) payments in the amount of $13,888.89 and the final payment in the amount of $13,888.87. In the event that your death shall precede the Company's full payment of any of the amounts set forth in this Section 3. then any unpaid amounts under this section shall continue to be paid upon the schedule set forth above to your surviving spouse or, if there is no surviving spouse, to your estate, unless the Company receives a written instrument signed by you designating a beneficiary and providing the beneficiary's social security number (if any) and home address.

4. STOCK OPTIONS. You acknowledge that, pursuant to Incentive Stock Option Agreement No. 004 dated December 13, 2002 ("ISOA No. 004") and Incentive Stock Option

Agreement No. 099 dated June 17, 2003 ("ISOA No. 099"), your right to exercise ISOA No. 004 for an aggregate of 812,500 shares (the "Original Vested Shares") of the Company's common stock, $.0001 par value per share (the "Common Stock"), vested as of your resignation date. You agree that as of your resignation date and subject to the approval of the Compensation Committee of the Company's Board of Directors:

(i) ISOA No. 099 shall terminate; and

(ii) the terms of ISOA No. 004 shall be amended as follows:

a. All references to "1,500,000 shares" on the face of ISOA No. 004 will be deleted and replaced with "1,000,000 shares";

b. Section 3 of ISOA No. 004 will be deleted in its entirety and replaced with the following:

"3. VESTING SCHEDULE. The Option shall be exercisable with respect to 1,000,000 of the Stock Rights Shares immediately."

c. Section 4 of the ISOA No. 004 will be deleted in its entirety and replaced with the following:

"4. TERM OF OPTION. Subject to earlier termination as provided in this Agreement or the Plan, the Option shall expire on the tenth anniversary of the Grant Date."

(iii) upon the effective date of the amendments set forth in paragraph 4(ii) above, ISOA No. 004 shall cease to be treated as an incentive stock option for purposes of the Company's 2001 Stock Option Plan and for tax purposes pursuant to Section 422 of the Internal Revenue Code of 1986, as amended.

(iv) the first aggregate of 187,500 shares you exercise in connection with ISOA No. 004, as amended, shall not consist of any Original Vested Shares.

A copy of the First Amendment To Incentive Stock Option Agreement No. 004 is attached hereto as Exhibit A.

5. MEDICAL INSURANCE CONTINUATION. At your option, you may continue to be covered under the Company's group medical insurance plan for up to eighteen (18) months after your resignation date, subject to the terms and conditions provided for in the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"). The Company shall, at your option, pay the entire cost of your group medical insurance premiums during the entire eighteen (18) months of your COBRA continuation period or until such earlier time as you become eligible for alternate medical insurance coverage from a new employer provided you have timely and properly elected COBRA coverage in accordance with the Company's COBRA election procedures, notice of which shall be

sent to you under separate cover. You agree promptly to notify the Company in writing if and when you become eligible for alternate medical coverage during this eighteen (18) month period.

6. TRANSFER OF RESPONSIBILITIES. You shall cooperate fully with the Company and its personnel to provide an orderly transfer of your duties and responsibilities. This cooperation includes but is not limited to timely compliance with all reasonable requests for information.

7. CONFIDENTIALITY. You agree, to the extent permitted by law, to keep confidential and not to disclose the existence or terms of this letter agreement or sums paid under this letter agreement to anyone or to any organization, except you may disclose such information to your spouse, attorney, and financial advisor, provided you have received in advance their promises to maintain this information in strict confidence; provided, however, that nothing in this Agreement will prevent you from cooperating with or participating in any proceeding before the EEOC, the MCAD or any other federal, state or local agency or entity. You also agree that you will not, without the Company's prior written consent, reveal or disclose to any person or entity outside of the Company or use for your own benefit or for the benefit of any other person or entity, any fact or information which was disclosed to or developed by you during the course of your employment with the Company, and is not generally available to the public,

including but not limited to information and facts concerning the business plans, customers, future customers, suppliers, licensors, licensees, partners, investors, affiliates, training methods and materials, financial information, sales prospects, client lists, Inventions (as defined in paragraph 11), or any other scientific, technical, trade or business secret or confidential or proprietary information of the Company ("Confidential Information").

8. RETURN OF PROPERTY. You acknowledge that you have returned to the Company all property of the Company that is in your possession or under your control, including, without limitation, the laptop computer, printer, other computer accessories, pager, corporate credit card, telephone card, Company keys, and any and all written or digital-based files, documents, communications with the Company's directors, officers, employees and consultants, and other information with respect to the Company's management, business operations or customers, including all files, documents, or other information containing Confidential Information. You further acknowledge and agree that payment of your final severance payment at the end of the eighteen (18) month severance period will be conditioned upon your return of the company-issued automobile to the Company, in good condition, normal wear and tear excluded, by July 1, 2005. It is understood that you may continue to use the company-issued automobile for the duration of the eighteen (18) month lease period.

9. COOPERATION IN LITIGATION. At the Company's request, you agree to assist, consult with, and cooperate with the Company in any litigation or administrative proceeding or inquiry that involves the Company, subject to reimbursement for your reasonable out of pocket expenses, such as travel, meals, or lodging.

10. NON-DISPARAGEMENT. You further agree, to the extent permitted by law, that you will not, at any time after the date hereof, make any remarks or comments, orally or in writing, to the Company's shareholders, officers, directors, employees, agents, or others, which or who have, or could reasonably be anticipated to have, business dealings with the Company, which remarks or comments reasonably could be construed to be derogatory or disparaging to the Company or any of its shareholders, officers, directors, employees, attorneys or agents, or which reasonably could be anticipated to be damaging or injurious to the Company's reputation or good will or to the reputation or good will of any person associated with the Company. The Company agrees, to the extent permitted by law, that neither the Chief Executive Officer or Scientific Founder will, at any time after the date hereof, make any remarks or comments, orally or in writing, to third parties which remarks or comments reasonably could be construed to be derogatory or disparaging to you which reasonably could be anticipated to be damaging or injurious to your reputation or good will.

11. OWNERSHIP OF INVENTIONS AND DEVELOPMENTS. You agree that all ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, algorithms, software, mask works, methods, and formulae which you worked upon, conceived, made, developed or improved, during your employment by the Company whether or not reduced to practice and whether or not patentable, copyrightable, or otherwise protectable, alone or in conjunction with any other party, and whether or not at the request or upon the suggestion of the Company (all of the foregoing being hereinafter referred to as the "Inventions"), are the sole and exclusive property of the Company. The Company is and will be the sole owner of all patents, copyrights and other proprietary rights in and with respect to such Inventions. To the fullest extent permitted by law, such Inventions will be deemed works made for hire. You hereby transfer and assign to the Company any proprietary rights which you may have or acquire in any such Inventions and you waive any moral rights or other special rights which you may have or accrue therein. You agree to execute any documents and take any actions that may be required to effect and confirm such transfer and assignment and waiver. In the event that the Company is unable for any reason to secure

your signature to any lawful and necessary document required to perfect its rights in and to any Inventions as set forth in this paragraph 12, you hereby designate the Company as your agent for, and grant to the Company a power of attorney with full power of substitution, which power of attorney shall be deemed coupled with an interest, for the purpose of effecting the foregoing assignments from you to the Company.

12. NON-SOLICITATION. You agree that you will not, while receiving severance payments from the Company, directly or indirectly, whether as owner, partner, shareholder, consultant, agent, employee, co-venturer or otherwise, engage or participate in the hiring of any Company employees or consultants or engage or participate in the solicitation of or attempt to solicit any Company employees or consultants resulting in the termination of their employment or relationship with the Company or resulting in their working for any other business, person or company. For purposes of this Paragraph 12, employees and consultants shall include those who were employed or had a relationship with the Company during the twelve month period prior to the resignation date.

13. BREACH OF AGREEMENT. You understand and agree that any material breach of your obligations under this letter agreement will immediately render the Company's obligations and agreements hereunder null and void, all payments pursuant to paragraphs 3 and 5 shall immediately cease, and, to the extent permitted by law, you shall repay to the Company all sums you have been paid or sums paid on your behalf pursuant to paragraphs 3 and 5.

14. MUTUAL GENERAL RELEASE. You, for yourself and your heirs, legal representatives, beneficiaries, assigns and successors in interest, hereby knowingly and voluntarily release, remise and forever discharge the Company and its successors, assigns, former or current shareholders, officers, directors, employees, agents, attorneys and representatives ("Company Released Parties") whether in their individual or official capacities, from any and all actions or causes of action, suits, debts, claims, complaints, contracts, controversies, agreements, promises, damages, claims for attorneys' fees, costs, interest, punitive damages or reinstatement, judgments and demands whatsoever, in law or equity, you now have, may have or ever had, known or unknown from the beginning of the world to this date, including, without limitation, any claims under the Age Discrimination in Employment Act, 29 U.S.C. Section 621 ET SEQ.; Title VII of the Civil Rights Act of 1964, 42 U.S.C. Section 2000e ET SEQ.; the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. Section 1000 ET SEQ.; Massachusetts General Laws, Chapters 149, 151B, 214; the Massachusetts Civil Rights Act; the Massachusetts Equal Rights Act; the Americans with Disabilities Act, 42 U.S.C. Section 12101 et seq.; claims for breach of contract or based on tort; and any other statutory, regulatory or common law causes of action ("the Released Claims"). The Company hereby knowingly and voluntarily releases, remises and forever discharges you from any and all actions or causes of action, suits, debts, claims, complaints, contracts, controversies, agreements, promises, damages, claims for attorneys' fees, costs, interest or punitive damages, judgments and demands whatsoever, in law or equity, the Company now has, may have or ever had, known or unknown from the beginning of the world to this date, including, without limitation, claims for breach of contract or based on tort, and any other statutory, regulatory or common law causes of action. THE PARTIES HEREBY ACKNOWLEDGE AND UNDERSTAND THAT THIS IS A GENERAL RELEASE.

15. MUTUAL COVENANT NOT TO SUE. To the extent permitted by law, you specifically agree not to commence any legal action against any of the Company Released Parties arising out of or in connection with the Released Claims. To the extent permitted by law, you expressly agree that if you commence such an action in violation of this Agreement, you shall indemnify the Company Released Parties for the full and complete costs of defending such an action and enforcing this Agreement, including reasonable attorneys' fees (whether incurred in a third party action or in an action to enforce this Agreement), court costs, and other related expenses. You

further agree that, to the extent permitted by law, if you commence such an action despite the provisions of this Agreement, you shall be obligated to return to the Company the full amount of all sums paid to you, or on your behalf, pursuant to paragraphs 3 and 5. To the extent permitted by law, the Company specifically agrees not to commence any legal action against you arising out of or in connection with the Released Claims. To the extent permitted by law, the Company

expressly agrees that if the Company commences such an action in violation of this Agreement, the Company shall indemnify you for the full and complete costs of defending such an action and enforcing this Agreement, including reasonable attorneys' fees (whether incurred in a third party action or in an action to enforce this Agreement), court costs, and other related expenses.

16. ACKNOWLEDGMENT. You acknowledge and agree that you understand the meaning of this letter agreement and that you freely and voluntarily enter into it and the General Release contained herein. You agree that no fact, evidence, event, or transaction, whether known or unknown, shall affect in any manner the final and unconditional nature of the agreements and releases set forth herein. You acknowledge that you have been advised that you have twenty-one (21) days to consider this General Release and to consult with an attorney prior to executing it. For a period of seven (7) days after executing this General Release, you may revoke this General Release by providing written notice of said revocation to Dr. Safi R. Bahcall at the address of the Company set forth above and this General Release shall not become effective or enforceable until said seven-day period has expired.

17. MISCELLANEOUS. This letter agreement shall be construed in accordance with the laws of the Commonwealth of Massachusetts without regard to choice or conflict of law principles. A waiver of any breach of or failure to comply fully with any provision of this letter agreement by either party shall not operate or be construed as a waiver of any subsequent breach thereof or failure so to comply. If any portion or provision of this letter agreement shall to any extent be deemed invalid or unenforceable, the remainder of this letter agreement shall not be affected thereby and each portion and provision of this letter agreement shall be valid and enforceable to the fullest extent permitted. To avoid any possible misunderstanding, the Company intends this letter agreement to be a comprehensive statement of the terms of your resignation. This letter agreement supersedes any prior understanding or statement made to you by the Company regarding your positions with the Company or your arrangements with the Company for the period after your resignation. For the same reason, any modifications of the terms set forth in this letter agreement must be in writing and signed by you and by me on behalf of the Company.

Please indicate your agreement to the terms of this letter agreement by signing and dating the last page of the enclosed copy of this letter agreement, and return it to me not later than the close of business on May 12, 2004, which you acknowledge to be twenty-one (21) days from the date of your receipt of this letter agreement.

Sincerely,

/s/ DR. SAFI R. BAHCALL

Dr. Safi R. Bahcall
Chief Executive Officer

AGREED TO AND EXECUTED UNDER SEAL THIS 21 day of April, 2004.

/s/ DR. MITSUNORI ONO

Dr. Mitsunori Ono

EXHIBIT A

FIRST AMENDMENT TO INCENTIVE STOCK OPTION AGREEMENT NO. 004

This First Amendment to Incentive Stock Option Agreement No. 004 (the "Amendment") is dated as of April 8. 2004 and is entered into by and between SYNTA PHARMACEUTICALS CORP., a Delaware corporation (the "Company"), and MITSUNORI ONO, an individual (the "Grantee").

Reference is made to that certain Incentive Stock Option Agreement No. 004 dated December 13, 2002, by and between the Company and the Grantee (the "Option") as issued pursuant to the 2001 Stock Plan adopted by the Company (the "Stock Plan"). Reference also is made to that certain Separation Agreement dated as of April 8, 2004 and by and between the Company and the Grantee (collectively, the "Separation Agreement"). Capitalized terms used, but not defined, herein shall have the meanings as set forth in the Option.

WHEREAS, Grantee's employment with the Company terminated upon January 1, 2004 (the "Resignation Date");

WHEREAS, pursuant to the terms of the Option, Grantee's right to exercise the Option for an aggregate of 812,500 shares (the "Original Vested Shares") vested upon the Resignation Date; and

WHEREAS, the Company and the Grantee wish to amend the Option pursuant to the terms of the Separation Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties hereby agree as follows:

1. The Option is hereby amended as follows:

a. All references to "1,500,000 shares" on the face of the Option are hereby deleted and replaced with "1,000,000 shares".

b. Section 3 of the Option is deleted in its entirety and hereby replaced with the following:

"3. VESTING SCHEDULE. The Option shall be exercisable with respect to 1,000,000 of the Stock Rights Shares immediately, provided that the first aggregate of 187,500 Stock Rights Shares that the Participant exercises shall not be Original Vested Shares."

c. Section 4 of the Option is deleted in its entirety and hereby replaced with the following:

"4. TERM OF OPTION. Subject to earlier termination as provided in this Agreement or the Plan, the Option shall expire on the tenth anniversary of the Grant Date."

2. All other terms and conditions of the Option remain in full force and effect, and are not modified in any way except as expressly set forth herein. However, in the event of a conflict between the terms and conditions of the Option and this Amendment, the terms of this Amendment shall govern.

3. The Grantee hereby acknowledges that the Option as amended by this Amendment will not be an incentive stock option that complies with Section 422 of the Internal Revenue Code of 1986, as amended.

4. The Grantee further acknowledges that the exercise of the amended Option by the Grantee could have negative tax consequences for the Grantee, and that the Grantee has had sufficient opportunity to discuss the tax consequences of the foregoing amendments to the Option with his tax advisor(s) prior to entering into this Amendment.

5. This Amendment shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of laws principles.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first set forth above.

GRANTEE	COMPANY
	SYNTA PHARMACEUTICALS CORP.
/s/ MITSUNORI ONO	/s/ SAFI R. BAHCALL
Mitsunori Ono	By: Safi R. Bahcall Its: Chief Executive Officer

Exhibit 10.13

April 30, 2004

John A. McCarthy, Jr.
[ADDRESS]

Dear John:

On behalf of Synta Pharmaceuticals, I am pleased to offer you the position of Senior Vice President Corporate Development and Chief Financial Officer reporting to Safi Bahcall, the President and Chief Executive Officer of Synta Pharmaceuticals Corp. (hereinafter "Synta Pharmaceuticals" or the "Company").

1. START DATE: Your first day of employment will be May 17, 2004.

2. BASE COMPENSATION: Your initial base salary will be $240,000 annually payable on a semimonthly basis, from which all applicable taxes and other customary employment-related deductions will be taken.

3. BONUSES: You will be eligible to receive annual performance based bonuses. Cash bonuses for fully meeting and exceeding expectations under the Company's proposed bonus program are expected to be in the 10-20% range, with a full target level of 20%. Such bonus, if any, will be granted at the discretion of the Company's Board of Directors.

4. STOCK OPTION: Subject to the approval of the Company's Board of Directors, you will be granted an incentive stock option to purchase a total of 350,000 shares of the Company's common stock. The shares will vest pursuant to the terms of the Synta Pharmaceuticals Corp. 2001 Stock Plan (the "Plan") and a formal stock option agreement that you will receive after the grant is approved. All stock option grants shall be priced at the fair market value on the grant date, which will be your first day of employment. Provided that you are still employed by the Company, the Option shall become exercisable in cumulative installments of 25% of the Stock Right Shares on the one-year anniversary of your grant date, and thereafter 6.25% of the Stock Rights Shares upon the end of each following calendar quarter.

5. BENEFITS: As an employee, you will be eligible to participate in certain Company-sponsored benefit plans to the same extent as, and subject to the same terms, conditions and limitations applicable to other employees of the Company of similar rank and tenure. All benefits may be changed or modified from time to time at the Company's sole discretion.

6. EMPLOYMENT PERIOD: Your employment with the Company will be at-will, meaning that you will not be obligated to remain employed by the Company for any specified period of time; likewise, the Company will not be obligated to continue your employment for any specific period and may terminate your employment at any time, with or without cause. No provision of this letter shall be construed to create an express or implied employment contract.

7. SEVERANCE: In the event the Company terminates your employment without cause, the Company will make a one-time severance payment to you one week after the date of termination equal to: 3 months if your employment period has been less than 6 months, 6 months of base salary if your employment period has been between 6 and 12 months, or 12 months of base salary if your employment period has been 12 or more months. In addition to the one-time severance payment, the Company will provide for a continuation of health care coverage for a 12 month period.

For purposes of this letter, termination "without cause" shall include, but not be limited to, your resignation following a significant and material diminution in your title, salary, duties or responsibilities by the Company or a

requirement that you relocate to an office more than 50 miles from Lexington, MA. The preceding sentence notwithstanding, "cause" shall include (but is not limited to): (i) any substantial malfeasance or non-feasance of duty, (ii) any material breach by you of any of the terms of the Confidential Information Agreement and Non-Competition Agreement between you and the Company, (iii) any attempt by you to secure any improper personal profit in connection with the business of the Company or any of its affiliates, (iv) your conviction, or the entry of a pleading of guilty or nolo contendre by you to, any crime involving moral turpitude or any felony, or (v) any conduct substantially injurious or prejudicial to the business of the Company or its affiliates.

Concurrently with the receipt of your severance payment, and as a condition to such receipt, you shall execute and deliver to the Company your written release of the Company from any and all claims and causes of action against the Company arising in connection with your employment with the Company.

8. CONTINGENCIES: Our employment offer to you is contingent upon (1) your execution of the standard form of Non-Competition, Confidentiality and Inventions Agreement (a copy of which is attached hereto as EXHIBIT A); (2) your ability, as required under federal law, to establish your employment eligibility as a U.S. citizen, a lawful permanent resident of the U.S. or an individual specifically authorized for employment by the Immigration and Naturalization Service; and (3) completion of a satisfactory background check. If any of the foregoing conditions are not met, this employment offer shall be null and void.

9. JURISDICTION AND WAIVER: In the case of any dispute, this offer of employment shall be interpreted under the laws of the Commonwealth of Massachusetts. By accepting this offer of employment, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company, or any separation of employment (whether voluntary or involuntary) from the Company, shall be resolved in a court of competent jurisdiction in Massachusetts by a judge alone, and you knowingly waive and forever renounce your right to a trial before a civil jury.

10. ORIENTATION: On your first day of employment, please see Human Resources for benefits orientation and enrollment at 9:30am.

We are very enthusiastic about the prospect of your joining us as a Synta Pharmaceuticals employee. Please indicate your acceptance of the foregoing by signing one enclosed copy of this letter and returning it to Human Resources by May 10, 2004. After that date, this offer will lapse.

Sincerely,

/s/ SAFI BAHCALL

Safi Bahcall
President and CEO
SYNTA PHARMACEUTICALS CORP.

Agreed to and accepted:

Name: /s/ JOHN A. MCCARTHY Date: 5/7/04

EXHIBIT A

Synta Pharmaceuticals Corp.

45 Hartwell Avenue
Lexington, MA 02421

April 30, 2004

John A. McCarthy, Jr.
[ADDRESS]

Dear John:

This letter is to confirm our understanding with respect to (i) your agreement not to compete with Synta Pharmaceuticals Corp. or its subsidiaries or affiliates (collectively, the "Company") and (ii) your agreement to protect and preserve information and property which is confidential and proprietary to the Company (the terms and conditions agreed to in this letter shall hereinafter be referred to as the "Agreement"). You hereby acknowledge and agree that you are an "at-will" employee and that no provision of this Agreement shall be construed to create an express or implied employment contract, or a promise of employment for a specific period of time, and the Company expressly reserves the right to end your employment at any time, with or without notice or cause.

In consideration of your employment by the Company, the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, we have agreed as follows:

1. PROHIBITED COMPETITION AND SOLICITATION.

(a) CERTAIN ACKNOWLEDGMENTS AND AGREEMENTS.

(i) We have discussed, and you recognize and acknowledge the competitive and proprietary aspects of the business of the Company.

(ii) You will devote your full time and efforts to the business of the Company and, during the period of your employment with the Company (the "Term") and for a period of twelve (12) months following termination of your employment (whether such termination is voluntary or involuntary), shall not participate, directly or indirectly, in any capacity, in any business which is competitive with the Company without the prior written consent of the Company. You acknowledge and agree that a business will be deemed competitive with the Company if it conducts research, performs any of the services or manufactures or sells any of the products provided or offered by the Company or if it performs any other services and/or engages in the production, manufacture, distribution or sale of any product similar to services performed or products produced, manufactured, distributed or sold by the Company within the Field of Interest (as defined below) at any time during the period of your employment with the Company.

(iii) You further acknowledge and agree that, during the course of your employment with the Company, the Company will furnish, disclose or make available to you confidential and proprietary information related to the Company's business and that the Company may provide you with unique and specialized training. You also acknowledge that such confidential information and such training have been developed and will be developed by the Company through the expenditure by the Company of substantial time, effort and money and that all such confidential information and training could be used by you to compete with the Company.

(b) NON-SOLICITATION. During the Term and for a period of twelve (12) months following termination of your employment, whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company:

(i) either individually or on behalf of or through any third party, solicit, divert or appropriate or attempt to solicit, divert or

appropriate, any customer of the Company with which you had any contact at any time during the Term, located within the Restricted Territory with the effect or intention of reducing or limiting the amount of business the customer does with the Company; or

(ii) either individually or on behalf of or through any third party, directly or indirectly, solicit, entice or persuade or attempt to solicit, entice or persuade any employees of or consultants to the Company (other than your spouse), who have been employees or consultants of the Company at any time during the Term, or who are employees at the time of the solicitation, to leave the services of the Company.

(c) FIELD OF INTEREST. As used herein, the term "Field of Interest" means the research of, and/or the development, manufacture and sale of, any therapeutic or diagnostic product that is developed, manufactured or sold by the Company at any time during the Term, as documented in the bi-weekly scientific project reports or other scientific planning documents of the company (the "Scientific Reports") prepared by the Company during the Term. You hereby acknowledge and agree that the Field of Interest shall be assessed for purposes of this Agreement as of the date on which your employment with the Company terminates, which assessment shall include, without limitation, a review of the applicable Scientific Reports.

(d) REASONABLENESS OF RESTRICTIONS. You further acknowledge and agree that (i) the activities which are prohibited by this Section 1 are narrow and reasonable in relation to the skills which represent your principal salable asset both to the Company and to your other prospective employers, and (ii) given the global nature of the Company's business, including its need to market its services and sell its products in a large geographic area in order to have a sufficient customer base to make the Company's business profitable, the geographic, length of time and substantive scope of the provisions of this Section 1 are reasonable, legitimate and fair to you.

(e) SURVIVAL OF ACKNOWLEDGMENTS AND AGREEMENTS. Except as expressly set forth hereunder, your acknowledgments and agreements set forth in this Section 1 shall survive the termination of your employment with the Company for the periods set forth above.

2. PROTECTED INFORMATION.

(a) CONFIDENTIALITY OBLIGATIONS. You shall at all times, both during the Term and thereafter, maintain in confidence and shall not, without the prior written consent of the Company, use, except in the course of performance of your duties for the Company, disclose or give to others any Confidential Information of the Company. As used herein, the term "Confidential Information" shall mean any information which is disclosed to or developed by you during the course of performing services for, or receiving training from, the Company, and is not generally available to the public, including but not limited to confidential information concerning business plans, customers, future customers, suppliers, licensors, licensees, partners, investors, affiliates or others, training methods and materials, financial information, sales prospects, client lists, Company Inventions (as defined in Section 3), or any other scientific, technical, trade or business secret or confidential or proprietary information of the Company or of any third party provided to you during the Term. In the event anyone not employed or otherwise engaged by the Company seeks information from you in regard to any such Confidential Information or any other secret or confidential work of the Company, or concerning any fact or circumstance relating thereto, you will promptly notify the chief executive officer of the Company.

(b) LIMITED EXCEPTIONS. The restrictions in Section 2(a) hereof shall not apply to information that, as can be established by competent written records: (i) was publicly known at the time of the Company's communication thereof to you; (ii) becomes publicly known through no fault of yours subsequent to the time of the Company's communication thereof to you; (iii) was in your

possession free of any obligation of confidence at the time of the Company's communication thereof to you; or (iv) is developed by you independently of and without reference to or use of any of the Company's Confidential Information. In the event that you are required by law, regulation or court order to disclose any of the Company's Confidential Information, you shall (i) first notify the Company of such disclosure requirement and (ii) furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information.

3. OWNERSHIP OF INTELLECTUAL PROPERTY IDEAS.

(a) PROPERTY OF THE COMPANY. As used in this Agreement, the term "Inventions" shall mean all ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, biological processes, cell lines, laboratory notebooks and formulae, whether patentable, copyrightable or not, including all rights to obtain, register, perfect and enforce any of the foregoing. You hereby agree that any Inventions which you may conceive, reduce to practice or develop during the Term in connection with the business activities of the Company or otherwise within the Field of Interest, alone or in conjunction with any other party, whether during or out of regular business hours, and whether at the request or upon the suggestion of the Company, or otherwise (collectively, the "Company Inventions"), shall be the sole and exclusive property of the Company. You hereby assign to the Company all of your right, title and interest in and to all such Company Inventions and hereby agree that you shall not publish any of the Company Inventions without the prior written consent of the Company.

(b) COOPERATION. During the Term, you agree that, without further compensation, you will disclose promptly to the Company in writing, all Company Inventions you conceive, reduce to practice or develop during the Term (or, if based on or related to any Confidential Information of the Company obtained by you during the Term, within one (1) year after the termination of your employment). You further agree that you will fully cooperate with the Company, its attorneys and agents in the preparation and filing of all papers and other documents as may be reasonably required to perfect the Company's rights in and to any of such Company Inventions, including, but not limited to, joining in any proceeding to obtain patents, copyrights, trademarks or other legal rights of the United States and of any and all other countries on such Company Inventions; PROVIDED, THAT, the Company will bear the expense of such proceedings (including all of your reasonable expenses). You further agree that any patent or other legal right covering any Company Invention so issued to you, personally, shall be assigned by you to the Company without charge by you. You further acknowledge that all original works of authorship made by you, whether alone or jointly with others within the scope of your employment and which are protectable by copyright are "works made for hire" within the meaning of the United States Copyright Act, 17 U.S.C. Section 101, as amended, the copyright of which shall be owned solely, completely and exclusively by the Company. If any Company Invention is considered to be work not included in the categories of work covered by the United States Copyright Act, 17 U.S.C. Section 101, as amended, such work shall be owned solely by, or hereby assigned or transferred completely and exclusively to, the Company. If the Company is unable because of your mental or physical incapacity or for any other reason, after reasonable effort, to secure your signature on any document or documents needed to obtain or enforce any patent, copyright, trademarks or any other rights covering Inventions or original works of authorship assigned by you to the Company as required above, you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney-in-fact, to act for and in your behalf and stead to execute and file any application or assignment and to do all other lawfully permitted acts to further the prosecution and issuance to the Company of patents, copyright registrations, trademark registrations or similar protections covering the Inventions with the same legal force and effect as if executed by you.

4. PROVISIONS NECESSARY AND REASONABLE/BREACH/ATTORNEYS' FEES. You agree that (i) the provisions of Sections 1, 2 and 3 of this Agreement are necessary and reasonable to protect the Company's Confidential Information, Company Inventions, and goodwill and (ii) in the event of any breach of any of the covenants set forth herein, the Company would suffer substantial irreparable harm and would not have an adequate remedy at law for such breach. In recognition of the foregoing, you agree that in the event of a breach or threatened breach of any of these covenants, in addition to such other remedies as the Company may have at law, without posting any bond or security, the Company shall be entitled to seek and obtain equitable relief, in the form of specific performance, and/or temporary, preliminary or permanent injunctive relief, or any other equitable remedy which then may be available. The seeking of such injunction or order shall not affect the Company's right to seek and obtain damages or other equitable relief on account of any such actual or threatened breach. In the event the Company takes any court action with respect to your breach or threatened breach of this Agreement, and prevails in such action, you shall be obligated to reimburse the Company for its reasonable attorneys' fees and costs incurred in such action.

5. DISCLOSURE TO FUTURE EMPLOYERS. You agree that you will provide, and that the Company may similarly provide in its discretion, a copy of the covenants contained in Sections 1, 2 and 3 of this Agreement to any business or enterprise which you may directly, or indirectly, own, manage, operate, finance, join, control or in which you participate in the ownership, management, operation, financing, or control, or with which you may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

6. REPRESENTATIONS REGARDING PRIOR WORK AND LEGAL OBLIGATIONS.

(a) You represent that you have no agreement or other legal obligation with any prior employer or any other person or entity that restricts your ability to engage in employment discussions with, employment with, or to perform any function for, the Company.

(b) You represent that you have been advised by the Company that at no time should you divulge to or use for the benefit of the Company, any trade secret or confidential or proprietary information of any previous employer. You acknowledge that you have not divulged or used any such information for the benefit of the Company.

(c) You acknowledge that the Company is basing important business decisions on these representations, and affirm that all of the statements included herein are true.

7. RECORDS. Upon termination of your employment relationship with the Company, you shall deliver to the Company any property of the Company which may be in your possession including products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same.

8. NO CONFLICTING AGREEMENTS. You hereby represent and warrant that you have no commitments or obligations inconsistent with this Agreement and you hereby agree to indemnify and hold the Company harmless against loss, damage, liability or expense arising from any claim based upon circumstances alleged to be inconsistent with such representation and warranty.

9. GENERAL.

(a) NOTICES. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission with confirmed receipt thereof (and with a copy of such telex, telecopy or facsimile, together with a copy of the confirmation sent to the recipient by regular U.S. mail on the next business

day), (iii) sent by overnight courier, or (iv) sent by registered mail, return receipt requested, postage prepaid.

If to the Company: Synta Pharmaceuticals Corp.
45 Hartwell Avenue
Lexington, MA 02421
Attn: Chief Executive Officer

If to you: To the address set forth on the signature page of this Agreement.

All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

(b) ENTIRE AGREEMENT. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

(c) MODIFICATIONS AND AMENDMENTS. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by the parties hereto.

(d) WAIVERS AND CONSENTS. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

(e) ASSIGNMENT. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which you are principally involved. Your rights and obligations under this Agreement may not be assigned by you without the prior written consent of the Company.

(f) BENEFIT. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

(g) GOVERNING LAW. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles thereof.

(h) JURISDICTION. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the Commonwealth of Massachusetts or of the United States of America. By execution and delivery of this Agreement, each of the parties

hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts.

(i) SEVERABILITY. The parties intend this Agreement to be enforced as written. However, (i) if any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law and (ii) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision or the geographic area covered thereby, the Company and you agree that the court making such determination shall have the power to reduce the duration and/or geographic area of such provision, and/or to delete specific words and phrases ("blue-penciling"), and in its reduced or blue-penciled form such provision shall then be enforceable and shall be enforced.

(j) HEADINGS AND CAPTIONS. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

(k) NO WAIVER OF RIGHTS, POWERS AND REMEDIES. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any, such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

(l) COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If the foregoing accurately sets forth our agreement, please so indicate by signing and returning to us the enclosed copy of this letter.

Very truly yours,

SYNTA PHARMACEUTICALS CORP.

By: /s/ SAFI BAHCALL

Safi Bahcall
Chief Executive Officer

Agreed to and accepted:

/s/ JOHN A. MCCARTHY, Jr.

Name: John A. McCarthy, Jr.

Address:

Date: 5/7/04

Exhibit 10.14

February 16, 2004

Dr. Matthew L. Sherman
[ADDRESS]

Dear Matt:

On behalf of Synta Pharmaceuticals, I am pleased to offer you the position of Senior Vice President and Chief Medical Officer reporting to Safi Bahcall, the Chief Executive Officer of Synta Pharmaceuticals Corp. (hereinafter "Synta Pharmaceuticals" or the "Company").

1. START DATE: Your first day of employment will be on or about March 1, 2004.

2. BASE COMPENSATION: Your initial base salary will be $270,000 annually payable on a semimonthly basis, from which all applicable taxes and other customary employment-related deductions will be taken.

3. BONUSES: You will be eligible to receive annual performance based bonuses. Cash bonuses for fully meeting and exceeding expectations under the Company's proposed bonus program are expected to be in the 10-20% range, with a full target level of 20%. Such bonus, if any, will be granted at the discretion of the Company's Board of Directors.

4. STOCK OPTION: Subject to the approval of the Company's Board of Directors, you will be granted an incentive stock option to purchase a total of 350,000 shares of the Company's common stock. The shares will vest pursuant to the terms of the Synta Pharmaceuticals Corp. 2001 Stock Plan (the "Plan") and a formal stock option agreement that you will receive after the grant is approved. All stock option grants shall be priced at the fair market value on the grant date, which will be your first day of employment. Provided that you are still employed by the Company, the Option shall become exercisable in cumulative installments of 25% of the Stock Right Shares on the one-year anniversary of your grant date, and thereafter 6.25% of the Stock Rights Shares upon the end of each following calendar quarter.

5. BENEFITS: As an employee, you will be eligible to participate in certain Company-sponsored benefit plans to the same extent as, and subject to the same terms, conditions and limitations applicable to other employees of the Company of similar rank and tenure. All benefits may be changed or modified from time to time at the Company's sole discretion.

6. EMPLOYMENT PERIOD: Your employment with the Company will be at-will, meaning that you will not be obligated to remain employed by the Company for any specified period of time; likewise, the Company will not be obligated to continue your employment for any specific period and may terminate your employment at any time, with or without cause. No provision of this letter shall be construed to create an express or implied employment contract.

7. SEVERANCE: In the event the Company terminates your employment without cause, the Company will make a one-time severance payment to you one week after the date of termination

equal to: 6 months of base salary if your employment period has been less than 12 months, or 12 months of base salary if your employment period has been 12 or more months.

For purposes of this letter, termination "without cause" shall include, but not be limited to, your resignation following a significant and material diminution in your title, salary, duties or responsibilities by the Company or a requirement that you relocate to an office more than 50 miles from Lexington,

MA. The preceding sentence notwithstanding, "cause" shall include (but is not limited to): (i) any substantial malfeasance or non-feasance of duty, (ii) any material breach by you of any of the terms of the Confidential Information Agreement and Non-Competition Agreement between you and the Company, (iii) any attempt by you to secure any improper personal profit in connection with the business of the Company or any of its affiliates, (iv) your conviction, or the entry of a pleading of guilty or nolo contendre by you to, any crime involving moral turpitude or any felony, or (v) any conduct substantially injurious or prejudicial to the business of the Company or its affiliates.

Concurrently with the receipt of your severance payment, and as a condition to such receipt, you shall execute and deliver to the Company your written release of the Company from any and all claims and causes of action against the Company arising in connection with your employment with the Company.

8. CONTINGENCIES: Our employment offer to you is contingent upon (1) your execution of the standard form of Non-Competition, Confidentiality and Inventions Agreement (a copy of which is attached hereto as EXHIBIT A); (2) your ability, as required under federal law, to establish your employment eligibility as a U.S. citizen, a lawful permanent resident of the U.S. or an individual specifically authorized for employment by the Immigration and Naturalization Service; and (3) completion of a satisfactory background check. if any of the foregoing conditions are not met, this employment offer shall be null and void.

9. JURISDICTION AND WAIVER: In the case of any dispute, this offer of employment shall be interpreted under the laws of the Commonwealth of Massachusetts. By accepting this offer of employment, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company, or any separation of employment (whether voluntary or involuntary) from the Company, shall be resolved in a court of competent jurisdiction in Massachusetts by a judge alone, and you knowingly waive and forever renounce your right to a trial before a civil jury.

10. ORIENTATION: On your first day of employment, please see Human Resources for benefits orientation and enrollment at 9:30am.

We are very enthusiastic about the prospect of your joining us as a Synta Pharmaceuticals employee. Please indicate your acceptance of the foregoing by signing one enclosed copy of this letter and returning it to Human Resources within seven days of the date of this letter. After that date, this offer will lapse.

Sincerely,

/s/ SAFI BAHCALL

Safi Bahcall
Chief Executive Officer
SYNTA PHARMACEUTICALS CORP.

Agreed to and accepted:

Name: /s/ MATTHEW SHERMAN Date: 2/18/04

EXHIBIT A

Synta Pharmaceuticals Corp.
45 Hartwell Avenue
Lexington, MA 02421

February 16, 2004

Dr. Matthew L. Sherman
[ADDRESS]

Dear Matt:

This letter is to confirm our understanding with respect to (i) your agreement not to compete with Synta Pharmaceuticals Corp. or its subsidiaries or affiliates (collectively, the "Company") and (ii) your agreement to protect and preserve information and property which is confidential and proprietary to the Company (the terms and conditions agreed to in this letter shall hereinafter be referred to as the "Agreement"). You hereby acknowledge and agree that you are an "at-will" employee and that no provision of this Agreement shall be construed to create an express or implied employment contract, or a promise of employment for a specific period of time, and the Company expressly reserves the right to end your employment at any time, with or without notice or cause.

In consideration of your employment by the Company, the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, we have agreed as follows:

1. PROHIBITED COMPETITION AND SOLICITATION.

(a) CERTAIN ACKNOWLEDGMENTS AND AGREEMENTS.

(i) We have discussed, and you recognize and acknowledge the competitive and proprietary aspects of the business of the Company.

(ii) You will devote your full time and efforts to the business of the Company and, during the period of your employment with the Company (the "Term") and for a period of twelve (12) months following termination of your employment (whether such termination is voluntary or involuntary), shall not participate, directly or indirectly, in any capacity, in any business which is competitive with the Company without the prior written consent of the Company. You acknowledge and agree that a business will be deemed competitive with the Company if it conducts research, performs any of the services or manufactures or sells any of the products provided or offered by the Company or if it performs any other services and/or engages in the production, manufacture, distribution or sale of any product similar to services performed or products produced, manufactured, distributed or sold by the Company within the Field of Interest (as defined below) at any time during the period of your employment with the Company.

(iii) You further acknowledge and agree that, during the course of your employment with the Company, the Company will furnish, disclose or make available to you confidential and proprietary information related to the Company's business and that the Company may provide you with unique and specialized training. You also acknowledge that such confidential information and such training have been developed and will be developed by the Company through the expenditure by the Company of substantial time, effort and money and that all such confidential information and training could be used by you to compete with the Company.

(b) NON-SOLICITATION. During the Term and for a period of twelve (12) months following termination of your employment, whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company:

(i) either individually or on behalf of or through any third party, solicit, divert or appropriate or attempt to solicit, divert or appropriate, any customer of the Company with which you had any contact at any time during the Term, located within the Restricted Territory with the effect or

intention of reducing or limiting the amount of business the customer does with the Company; or

(ii) either individually or on behalf of or through any third party, directly or indirectly, solicit, entice or persuade or attempt to solicit, entice or persuade any employees of or consultants to the Company (other than your spouse), who have been employees or consultants of the Company at any time during the Term, or who are employees at the time of the solicitation, to leave the services of the Company.

(c) FIELD OF INTEREST. As used herein, the term "Field of Interest" means the research of, and/or the development, manufacture and sale of, any therapeutic or diagnostic product that is developed, manufactured or sold by the Company at any time during the Term, as documented in the bi-weekly scientific project reports or other scientific planning documents of the company (the "Scientific Reports") prepared by the Company during the Term. You hereby acknowledge and agree that the Field of Interest shall be assessed for purposes of this Agreement as of the date on which your employment with the Company terminates, which assessment shall include, without limitation, a review of the applicable Scientific Reports.

(d) REASONABLENESS OF RESTRICTIONS. You further acknowledge and agree that (i) the activities which are prohibited by this Section 1 are narrow and reasonable in relation to the skills which represent your principal salable asset both to the Company and to your other prospective employers, and (ii) given the global nature of the Company's business, including its need to market its services and sell its products in a large geographic area in order to have a sufficient customer base to make the Company's business profitable, the geographic, length of time and substantive scope of the provisions of this Section 1 are reasonable, legitimate and fair to you.

(e) SURVIVAL OF ACKNOWLEDGMENTS AND AGREEMENTS. Except as expressly set forth hereunder, your acknowledgments and agreements set forth in this Section 1 shall survive the termination of your employment with the Company for the periods set forth above.

2. PROTECTED INFORMATION.

(a) CONFIDENTIALITY OBLIGATIONS. You shall at all times, both during the Term and thereafter, maintain in confidence and shall not, without the prior written consent of the Company, use, except in the course of performance of your duties for the Company, disclose or give to others any Confidential Information of the Company. As used herein, the term "Confidential Information" shall mean any information which is disclosed to or developed by you during the course of performing services for, or receiving training from, the Company, and is not generally available to the public, including but not limited to confidential information concerning business plans, customers, future customers, suppliers, licensors, licensees, partners, investors, affiliates or others, training methods and materials, financial information, sales prospects, client lists, Company Inventions (as defined in Section 3), or any other scientific, technical, trade or business secret or confidential or proprietary information of the Company or of any third party provided to you during the Term. In the event anyone not employed or otherwise engaged by the Company seeks information from you in regard to any such Confidential Information or any other secret or confidential work of the Company, or concerning any fact or circumstance relating thereto, you will promptly notify the chief executive officer of the Company.

(b) LIMITED EXCEPTIONS. The restrictions in Section 2(a) hereof shall not apply to information that, as can be established by competent written records: (i) was publicly known at the time of the Company's communication thereof to you; (ii) becomes publicly known through no fault of yours subsequent to the time of the Company's communication thereof to you; (iii) was in your possession free of any obligation of confidence at the time of the Company's communication thereof to you; or (iv) is developed by you independently of and

without reference to or use of any of the Company's Confidential Information. In the event that you are required by law, regulation or court order to disclose any of the Company's Confidential Information, you shall (i) first notify the Company of such disclosure requirement and (ii) furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information.

3. OWNERSHIP OF INTELLECTUAL PROPERTY IDEAS.

(a) PROPERTY OF THE COMPANY. As used in this Agreement, the term "Inventions" shall mean all ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, biological processes, cell lines, laboratory notebooks and formulae, whether patentable, copyrightable or not, including all rights to obtain, register, perfect and enforce any of the foregoing. You hereby agree that any Inventions which you may conceive, reduce to practice or develop during the Term in connection with the business activities of the Company or otherwise within the Field of Interest, alone or in conjunction with any other party, whether during or out of regular business hours, and whether at the request or upon the suggestion of the Company, or otherwise (collectively, the "Company Inventions"), shall be the sole and exclusive property of the Company. You hereby assign to the Company all of your right, title and interest in and to all such Company Inventions and hereby agree that you shall not publish any of the Company Inventions without the prior written consent of the Company.

(b) COOPERATION. During the Term, you agree that, without further compensation, you will disclose promptly to the Company in writing, all Company Inventions you conceive, reduce to practice or develop during the Term (or, if based on or related to any Confidential Information of the Company obtained by you during the Term, within one (1) year after the termination of your employment). You further agree that you will fully cooperate with the Company, its attorneys and agents in the preparation and filing of all papers and other documents as may be reasonably required to perfect the Company's rights in and to any of such Company Inventions, including, but not limited to, joining in any proceeding to obtain patents, copyrights, trademarks or other legal rights of the United States and of any and all other countries on such Company Inventions; PROVIDED, THAT, the Company will bear the expense of such proceedings (including all of your reasonable expenses). You further agree that any patent or other legal right covering any Company Invention so issued to you, personally, shall be assigned by you to the Company without charge by you. You further acknowledge that all original works of authorship made by you, whether alone or jointly with others within the scope of your employment and which are protectable by copyright are "works made for hire" within the meaning of the United States Copyright Act, 17 U.S.C. Section 101, as amended, the copyright of which shall be owned solely, completely and exclusively by the Company. If any Company Invention is considered to be work not included in the categories of work covered by the United States Copyright Act, 17 U.S.C. Section 101, as amended, such work shall be owned solely by, or hereby assigned or transferred completely and exclusively to, the Company. If the Company is unable because of your mental or physical incapacity or for any other reason, after reasonable effort, to secure your signature on any document or documents needed to obtain or enforce any patent, copyright, trademarks or any other rights covering Inventions or original works of authorship assigned by you to the Company as required above, you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney-in-fact, to act for and in your behalf and stead to execute and file any application or assignment and to do all other lawfully permitted acts to further the prosecution and issuance to the Company of patents, copyright registrations, trademark registrations or similar protections covering the Inventions with the same legal force and effect as if executed by you.

4. PROVISIONS NECESSARY AND REASONABLE/BREACH/ATTORNEYS' FEES. You agree that (i) the provisions of Sections 1, 2 and 3 of this Agreement are necessary

and reasonable to protect the Company's Confidential Information, Company Inventions, and goodwill and (ii) in the event of any breach of any of the covenants set forth herein, the Company would suffer substantial irreparable harm and would not have an adequate remedy at law for such breach. In recognition of the foregoing, you agree that in the event of a breach or threatened breach of any of these covenants, in addition to such other remedies as the Company may have at law, without posting any bond or security, the Company shall be entitled to seek and obtain equitable relief, in the form of specific performance, and/or temporary, preliminary or permanent injunctive relief, or any other equitable remedy which then may be available. The seeking of such injunction or order shall not affect the Company's right to seek and obtain damages or other equitable relief on account of any such actual or threatened breach. In the event the Company takes any court action with respect to your breach or threatened breach of this Agreement, and prevails in such action, you shall be obligated to reimburse the Company for its reasonable attorneys' fees and costs incurred in such action.

5. DISCLOSURE TO FUTURE EMPLOYERS. You agree that you will provide, and that the Company may similarly provide in its discretion, a copy of the covenants contained in Sections 1, 2 and 3 of this Agreement to any business or enterprise which you may directly, or indirectly, own, manage, operate, finance, join, control or in which you participate in the ownership, management, operation, financing, or control, or with which you may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

6. REPRESENTATIONS REGARDING PRIOR WORK AND LEGAL OBLIGATIONS.

(a) You represent that you have no agreement or other legal obligation with any prior employer or any other person or entity that restricts your ability to engage in employment discussions with, employment with, or to perform any function for, the Company.

(b) You represent that you have been advised by the Company that at no time should you divulge to or use for the benefit of the Company, any trade secret or confidential or proprietary information of any previous employer. You acknowledge that you have not divulged or used any such information for the benefit of the Company.

(c) You acknowledge that the Company is basing important business decisions on these representations, and affirm that all of the statements included herein are true.

7. RECORDS. Upon termination of your employment relationship with the Company, you shall deliver to the Company any property of the Company which may be in your possession including products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same.

8. NO CONFLICTING AGREEMENTS. You hereby represent and warrant that you have no commitments or obligations inconsistent with this Agreement and you hereby agree to indemnify and hold the Company harmless against loss, damage, liability or expense arising from any claim based upon circumstances alleged to be inconsistent with such representation and warranty.

9. GENERAL.

(a) NOTICES. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission with confirmed receipt thereof (and with a copy of such telex, telecopy or facsimile, together with a copy of the confirmation sent to the recipient by regular U.S. mail on the next business day), (iii) sent by overnight courier, or (iv) sent by registered mail, return receipt requested, postage prepaid.

If to the Company: Synta Pharmaceuticals Corp.
45 Hartwell Avenue
Lexington, MA 02421
Attn: Chief Executive Officer

If to you: To the address set forth on the signature page of this Agreement.

All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

(b) ENTIRE AGREEMENT. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

(c) MODIFICATIONS AND AMENDMENTS. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by the parties hereto.

(d) WAIVERS AND CONSENTS. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

(e) ASSIGNMENT. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which you are principally involved. Your rights and obligations under this Agreement may not be assigned by you without the prior written consent of the Company.

(f) BENEFIT. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

(g) GOVERNING LAW. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles thereof.

(h) JURISDICTION. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the Commonwealth of Massachusetts or of the United States of America. By execution and delivery of this Agreement, each of the parties

hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts.

(i) SEVERABILITY. The parties intend this Agreement to be enforced as written. However, (i) if any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law and (ii) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision or the geographic area covered thereby, the Company and you agree that the court making such determination shall have the power to reduce the duration and/or geographic area of such provision, and/or to delete specific words and phrases ("blue-penciling"), and in its reduced or blue-penciled form such provision shall then be enforceable and shall be enforced.

(j) HEADINGS AND CAPTIONS. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

(k) NO WAIVER OF RIGHTS, POWERS AND REMEDIES. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any, such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

(l) COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If the foregoing accurately sets forth our agreement, please so indicate by signing and returning to us the enclosed copy of this letter.

Very truly yours,

SYNTA PHARMACEUTICALS CORP.

By: /s/ SAFI BAHCALL

Safi Bahcall
Chief Executive Officer

Agreed to and accepted:

/s/ MATTHEW SHERMAN

Name:

Address:

Date: February 18, 2004

Exhibit 10.15

October 1, 2002

Dr. Keizo Koya
[ADDRESS]

Dear Keizo:

We are pleased to make the following employment offer to you at Synta Pharmaceuticals Corp. (hereinafter "Synta Pharmaceuticals" or the "Company"). We are looking forward to working with you. The terms of your employment are detailed below.

Position:	Your position will be Vice President of Drug Development, and you will work at our office located at 45 Hartwell Avenue, Lexington, Massachusetts. If you continue with the Company, your position and assignments will be subject to change. Synta Pharmaceuticals is a dynamic organization with ever-changing needs, and we will place you where we believe your talents and abilities can be best utilized. As a Synta Pharmaceuticals employee, we expect that you will perform any and all duties and responsibilities normally associated with your position in a satisfactory manner and to the best of your abilities at all times. You will be expected to devote all of your working time to the performance of your duties at the Company throughout your employment. Your employment at all times remains at-will, as discussed below.
Salary:	Your initial base pay shall be $150,000 annually, payable at a biweekly rate of $5,769.23, from which all applicable taxes and other customary employment-related deductions will be taken. Additionally, you will qualify to receive annual performance-based bonuses. Bonuses for fully meeting and exceeding expectations will be granted in the 10% -20% range. Bonuses over 20% will only be granted for the demonstration of exceptional performance. Any such bonus will be granted at the discretion of the Company's Board of Directors.
Stock Option:	Subject to the approval of the Company's Board of Directors, you will be granted an incentive stock option to purchase 500,000 shares of the Company's common stock pursuant to the terms of the Synta Pharmaceuticals Corp. 2001 Stock Plan (the "Plan") and formal stock option agreement. All stock option grants shall be priced at the fair market value on the grant date and are subject to a vesting schedule. Vesting shall occur as follows: 150,000 at the signing of this offer letter with the remainder to follow the standard Company vesting schedule. Please refer to the Plan and to your stock option agreement for further information concerning this aspect of your compensation.
Benefit Plans:	As a full-time employee, you will be eligible to participate in certain Company-sponsored benefit

plans to the same extent as, and subject to the same terms, conditions and limitations applicable to, other employees of the Company of similar rank and tenure. The Company will provide you with detailed information on its current benefits, holiday schedule, and vacation and sick leave policies on your start date. All benefits, of course, may be changed or modified from time to time and the provision of any benefits to you in no way changes or impacts your status as an at-will employee.

Starting Date: Your first day of employment under this offer of employment will be October 1, 2002.

Nature of Relationship: No provision of this letter shall be construed to create an express or implied employment contract, or a promise of employment for any specific period of time. Your employment with Synta Pharmaceuticals is at-will employment which may be terminated by you or the Company at any time for any reason with or without advance notice.

Our employment offer to you is contingent upon (i) your execution of the standard form of Non-Competition, Confidentiality and Inventions Agreement (a copy of which is attached hereto as Exhibit A), and (ii) your ability, as required under federal law, to establish your employment eligibility as a U.S. citizen, a lawful permanent resident of the U.S. or an individual specifically authorized for employment by the Immigration and Naturalization Service.

This letter constitutes our entire offer regarding the terms and conditions of your prospective employment with Synta Pharmaceuticals. It supersedes any prior agreements, or other promises or statements (whether oral or written) regarding the offered terms of employment. The terms of your employment shall be governed by the laws of the Commonwealth of Massachusetts. By accepting this offer of employment, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company, or any separation of employment (whether voluntary or involuntary) from the Company, shall be resolved in a court of competent jurisdiction in Massachusetts by a judge alone, and you knowingly waive and forever renounce your right to a trial before a civil jury.

[Remainder of page intentionally left blank]

If you accept the above-described offer, please sign and return the original copy of this letter; the second copy is for your records. We look forward to you joining Synta Pharmaceuticals. If you have any questions, please feel free to call me.

Sincerely,

SYNTA PHARMACEUTICALS CORP.

/s/ SAFI BAHCALL

Safi Bahcall, Ph.D.
Chief Executive Officer

Agreed to a d accepted

Name: /s/ KEIZO KOYA

Date: October 12, 2002

EXHIBIT A

Synta Pharmaceuticals Corp.
45 Hartwell Avenue
Lexington, MA 02421

October 1, 2002

Dr. Keizo Koya
[ADDRESS]

Dear Keizo:

This letter is to confirm our understanding with respect to (i) your agreement not to compete with Synta Pharmaceuticals Corp. or its subsidiaries or affiliates (collectively, the "Company") and (ii) your agreement to protect and preserve information and property which is confidential and proprietary to the Company (the terms and conditions agreed to in this letter shall hereinafter be referred to as the "Agreement"). You hereby acknowledge and agree that you are an "at-will" employee and that no provision of this Agreement shall be construed to create an express or implied employment contract, or a promise of employment for a specific period of time, and the Company expressly reserves the right to end your employment at any time, with or without notice or cause.

In consideration of your employment by the Company, the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, we have agreed as follows:

1. PROHIBITED COMPETITION AND SOLICITATION.

(a) CERTAIN ACKNOWLEDGMENTS AND AGREEMENTS.

(i) We have discussed, and you recognize and acknowledge the competitive and proprietary aspects of the business of the Company.

(ii) You acknowledge and agree that a business will be deemed competitive with the Company (a "Competitive Business") if it conducts research, performs any of the services or manufactures or sells any of the products provided or offered by the Company or if it performs any other services and/or engages in the production, manufacture, distribution or sale of any product similar to services performed or products produced, manufactured, distributed or sold by the Company within the Field of Interest (as defined below) at any time during the Term of your employment with the Company.

(iii) You further acknowledge and agree that, during the course of your employment with the Company, the Company will furnish, disclose or make available to you confidential and proprietary information related to the Company's business and that the Company may provide you with unique and specialized training. You also acknowledge that such confidential information and such training have been developed and will be developed by the Company through the expenditure by the Company of substantial time, effort and money and

that all such confidential information and training could be used by you to compete with the Company.

(b) COVENANTS NOT TO COMPETE. During the period in which you are employed by the Company (the "Term") and for a period of twelve (12) months following termination of your employment, whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company, for yourself or on behalf of any other person or entity, directly or indirectly,

either as principal, agent, stockholder, employee, consultant, representative or in any other capacity, own, manage, operate or control, or be concerned, connected or employed by, or otherwise associate in any manner with, engage in or have a financial interest in any Competitive Business (as defined above) anywhere in the world (the "Restricted Territory"), except that nothing contained herein shall preclude you from purchasing or owning securities of any such business if such securities are publicly traded, and provided that your holdings do not exceed three (3%) percent of the issued and outstanding securities of any class of securities of such business.

(c) NON-SOLICITATION. During the Term and for a period of twelve (12) months following termination of your employment, whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company:

(i) either individually or on behalf of or through any third party, solicit, divert or appropriate or attempt to solicit, divert or appropriate, any customer of the Company with which you had any contact at any time during the Term, located within the Restricted Territory with the effect or intention of reducing or limiting the amount of business the customer does with the Company; or

(ii) either individually or on behalf of or through any third party, directly or indirectly, solicit, entice or persuade or attempt to solicit, entice or persuade any employees of or consultants to the Company (other than your spouse), who have been employees or consultants of the Company at any time during the Term, or who are employees at the time of the solicitation, to leave the services of the Company.

(d) FIELD OF INTEREST. As used herein, the term "Field of Interest" means the research of, and/or the development, manufacture and sale of, any therapeutic or diagnostic product that is developed, manufactured or sold by the Company at any time during the Term, as documented in the bi-weekly scientific project reports or other scientific planning documents of the company (the "Scientific Reports") prepared by the Company during the Term. You hereby acknowledge and agree that the Field of Interest shall be assessed for purposes of this Agreement as of the date on which your employment with the Company terminates, which assessment shall include, without limitation, a review of the applicable Scientific Reports.

(e) REASONABLENESS OF RESTRICTIONS. You further acknowledge and agree that (i) the activities which are prohibited by this Section 1 are narrow and reasonable in relation to the skills which represent your principal salable asset both to the Company and to your other prospective employers, and (ii) given the global nature of the Company's business, including its need to market its services and sell its products in a large geographic area in order to have a sufficient customer base to make the Company's business profitable, the geographic, length of

time and substantive scope of the provisions of this Section 1 are reasonable, legitimate and fair to you.

(f) SURVIVAL OF ACKNOWLEDGMENTS AND AGREEMENTS. Except as expressly set forth hereunder, your acknowledgments and agreements set forth in this Section 1 shall survive the termination of your employment with the Company for the periods set forth above.

2. PROTECTED INFORMATION.

(a) Confidentiality Obligations. You shall at all times, both during the Term and thereafter, maintain in confidence and shall not, without the prior written consent of the Company, use, except in the course of performance of your duties for the Company, disclose or give to others any Confidential Information of the Company. As used herein, the term "Confidential Information" shall mean any information which is disclosed to or developed by you during the course of

performing services for, or receiving training from, the Company, and is not generally available to the public, including but not limited to confidential information concerning business plans, customers, future customers, suppliers, licensors, licensees, partners, investors, affiliates or others, training methods and materials, financial information, sales prospects, client lists, Company Inventions (as defined in Section 3), or any other scientific, technical, trade or business secret or confidential or proprietary information of the Company or of any third party provided to you during the Term. In the event anyone not employed or otherwise engaged by the Company seeks information from you in regard to any such Confidential Information or any other secret or confidential work of the Company, or concerning any fact or circumstance relating thereto, you will promptly notify the chief executive officer of the Company.

(b) LIMITED EXCEPTIONS. The restrictions in Section 2(a) hereof shall not apply to information that, as can be established by competent written records: (i) was publicly known at the time of the Company's communication thereof to you; (ii) becomes publicly known through no fault of yours subsequent to the time of the Company's communication thereof to you; (iii) was in your possession free of any obligation of confidence at the time of the Company's communication thereof to you; or (iv) is developed by you independently of and without reference to or use of any of the Company's Confidential Information. In the event that you are required by law, regulation or court order to disclose any of the Company's Confidential Information, you shall (i) first notify the Company of such disclosure requirement and (ii) furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information.

3. OWNERSHIP OF INTELLECTUAL PROPERTY IDEAS.

(a) PROPERTY OF THE COMPANY. As used in this Agreement, the term "Inventions" shall mean all ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, biological processes, cell lines, laboratory notebooks and formulae, whether patentable, copyrightable or not, including all rights to obtain, register, perfect and enforce any of the foregoing. You hereby agree that any Inventions which you may conceive,

reduce to practice or develop during the Term in connection with the business activities of the Company or otherwise within the Field of Interest, alone or in conjunction with any other party, whether during or out of regular business hours, and whether at the request or upon the suggestion of the Company, or otherwise (collectively, the "Company Inventions"), shall be the sole and exclusive property of the Company. You hereby assign to the Company all of your right, title and interest in and to all such Company Inventions and hereby agree that you shall not publish any of the Company Inventions without the prior written consent of the Company.

(b) COOPERATION. During the Term, you agree that, without further compensation, you will disclose promptly to the Company in writing, all Company Inventions you conceive, reduce to practice or develop during the Term (or, if based on or related to any Confidential Information of the Company obtained by you during the Term, within one (1) year after the termination of your employment). You further agree that you will fully cooperate with the Company, its attorneys and agents in the preparation and filing of all papers and other documents as may be reasonably required to perfect the Company's rights in and to any of such Company Inventions, including, but not limited to, joining in any proceeding to obtain patents, copyrights, trademarks or other legal rights of the United States and of any and all other countries on such Company Inventions; PROVIDED, THAT, the Company will bear the expense of such proceedings (including all of your reasonable expenses). You further agree that any patent or other legal right covering any Company Invention so issued to you, personally, shall be assigned by you to the Company without charge by you. You further acknowledge that all original works of authorship made by you, whether alone or jointly with

others within the scope of your employment and which are protectable by copyright are "works made for hire" within the meaning of the United States Copyright Act, 17 U.S.C. Section 101, as amended, the copyright of which shall be owned solely, completely and exclusively by the Company. If any Company Invention is considered to be work not included in the categories of work covered by the United States Copyright Act, 17 U.S.C. Section 101, as amended, such work shall be owned solely by, or hereby assigned or transferred completely and exclusively to, the Company. If the Company is unable because of your mental or physical incapacity or for any other reason, after reasonable effort, to secure your signature on any document or documents needed to obtain or enforce any patent, copyright, trademarks or any other rights covering Inventions or original works of authorship assigned by you to the Company as required above, you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney-in-fact, to act for and in your behalf and stead to execute and file any application or assignment and to do all other lawfully permitted acts to further the prosecution and issuance to the Company of patents, copyright registrations, trademark registrations or similar protections covering the Inventions with the same legal force and effect as if executed by you.

4. PROVISIONS NECESSARY AND REASONABLE/BREACH/ATTORNEYS' FEES. You agree that (i) the provisions of Sections 1, 2 and 3 of this Agreement are necessary and reasonable to protect the Company's Confidential Information, Company Inventions, and goodwill and (ii) in the event of any breach of any of the covenants set forth herein, the Company would suffer substantial irreparable harm and would not have an adequate remedy at law for such breach. In recognition of the foregoing, you agree that in the event of a breach or threatened breach of any of these covenants, in addition to such other remedies as the Company may have at law, without posting any bond or security, the Company shall be entitled to seek and obtain equitable relief, in the form of specific performance, and/or temporary, preliminary or permanent injunctive relief,

or any other equitable remedy which then may be available. The seeking of such injunction or order shall not affect the Company's right to seek and obtain damages or other equitable relief on account of any such actual or threatened breach. In the event the Company takes any court action with respect to your breach or threatened breach of this Agreement, and prevails in such action, you shall be obligated to reimburse the Company for its reasonable attorneys' fees and costs incurred in such action.

5. DISCLOSURE TO FUTURE EMPLOYERS. You agree that you will provide, and that the Company may similarly provide in its discretion, a copy of the covenants contained in Sections 1, 2 and 3 of this Agreement to any business or enterprise which you may directly, or indirectly, own, manage, operate, finance, join, control or in which you participate in the ownership, management, operation, financing, or control, or with which you may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

6. REPRESENTATIONS REGARDING PRIOR WORK AND LEGAL OBLIGATIONS.

(a) You represent that you have no agreement or other legal obligation with any prior employer or any other person or entity that restricts your ability to engage in employment discussions with, employment with, or to perform any function for, the Company.

(b) You represent that you have been advised by the Company that at no time should you divulge to or use for the benefit of the Company, any trade secret or confidential or proprietary information of any previous employer. You acknowledge that you have not divulged or used any such information for the benefit of the Company.

(c) You acknowledge that the Company is basing important business decisions on these representations, and affirm that all of the statements

included herein are true.

7. RECORDS. Upon termination of your employment relationship with the Company, you shall deliver to the Company any property of the Company which may be in your possession including products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same.

8. NO CONFLICTING AGREEMENTS. You hereby represent and warrant that you have no commitments or obligations inconsistent with this Agreement and you hereby agree to indemnify and hold the Company harmless against loss, damage, liability or expense arising from any claim based upon circumstances alleged to be inconsistent with such representation and warranty.

9. GENERAL.

(a) NOTICES. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission with confirmed receipt thereof (and with a copy of such telex, telecopy or facsimile, together with a copy of the confirmation sent to the recipient by regular U.S. mail on the next business day), (iii) sent by overnight courier, or (iv) sent by registered mail, return receipt requested, postage prepaid.

If to the Company: Synta Pharmaceuticals Corp.
45 Hartwell Avenue
Lexington, MA 02421
Attn: Chief Executive Officer

If to you: To the address set forth on the signature page of this Agreement.

All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

(b) ENTIRE AGREEMENT. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

(c) MODIFICATIONS AND AMENDMENTS. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by the parties hereto.

(d) WAIVERS AND CONSENTS. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

(e) ASSIGNMENT. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of

the Company's business or that aspect of the Company's business in which you are principally involved. Your rights and obligations under this Agreement may not be assigned by you without the prior written consent of the Company.

(f) BENEFIT. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

(g) GOVERNING LAW. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles thereof.

(h) JURISDICTION. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the Commonwealth of Massachusetts or of the United States of America. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts.

(i) SEVERABILITY. The parties intend this Agreement to be enforced as written. However, (i) if any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law and (ii) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision or the geographic area covered thereby, the Company and you agree that the court making such determination shall have the power to reduce the duration and/or geographic area of such provision, and/or to delete specific words and phrases ("blue-penciling"), and in its reduced or blue-penciled form such provision shall then be enforceable and shall be enforced.

(j) HEADINGS AND CAPTIONS. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

(k) NO WAIVER OF RIGHTS. Powers and Remedies. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

(l) COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If the foregoing accurately sets forth our agreement, please so indicate by signing and returning to us the enclosed copy of this letter.

Very truly yours,

SYNTA PHARMACEUTICALS CORP.

By: /s/ SAFI BAHCALL

Safi Bahcall, Ph.D.
Chief Executive Officer

Agreed to and accepted:

/s/ KEIZO KOYA

Name:

Address

Date: October 12, 2002

Exhibit 10.16

January 10, 2003

James Barsoum, Ph.D.
[ADDRESS]

Dear James:

We are pleased to make the following employment offer to you at Synta Pharmaceuticals Corp. (hereinafter "Synta Pharmaceuticals" or the "Company"). We are excited at the prospect of your joining our team and are looking forward to working with you. The terms of your employment with the Company are detailed below.

Position:	Your position will be Vice President of Biology, and you will work at our office located at 45 Hartwell Avenue, Lexington, Massachusetts. If you continue with the Company, your position and assignments will be subject to change. Synta Pharmaceuticals is a dynamic organization with ever-changing needs, and we will place you where we believe your talents and abilities can be best utilized. As a Synta Pharmaceuticals employee, we expect that you will perform any and all duties and responsibilities normally associated with your position in a satisfactory manner and to the best of your abilities at all times. You will be expected to devote all of your working time to the performance of your duties at the Company throughout your employment. Your employment at all times remains at-will, as discussed below.
Salary:	Your initial base pay shall be $200,000 annually; payable at a bimonthly rate of $8,333.33, from which all applicable taxes and other customary employment-related deductions will be taken. Additionally, you will qualify to receive annual performance-based bonuses. Bonuses for filly meeting and exceeding expectations will be granted in the 10%-20% range. Any such bonus will be granted at the discretion of the Company's Board of Directors.
Stock Option:	Subject to the approval of the Company's Board of Directors, you will be granted an incentive stock option to purchase 300,000 shares of the Company's common stock pursuant to the terms of the Synta Pharmaceuticals Corp. 2001 Stock Plan (the "Plan") and formal stock option agreement. All stock option grants shall be priced at the fair market value on the grant date and are subject to a vesting schedule. Please refer to the Plan and to your stock option agreement for further information concerning this aspect of your compensation.
Benefit Plans:	As a fill-time employee, you will be eligible to participate in certain Company-sponsored benefit plans to the same extent as,

and subject to the same terms, conditions and

	limitations applicable to, other employees of the Company of similar rank and tenure. The Company will provide you with detailed information on its current benefits, holiday schedule, and vacation and sick leave policies on your start date. All benefits, of course, may be changed or modified from time to time and the provision of any benefits to you in no way changes or impacts your status as an at-will employee.
Severance:	In the event the Company terminates your employment without cause after the first year of your employment, the Company will make a onetime severance payment to you on the date of termination equal to 3 months base pay. If such termination occurs during the first year of employment, the severance payment will be appropriately prorated. For the purposes of this section, "cause" means (i) an act of dishonesty demonstrating lack of integrity or moral turpitude, (ii) willful or persistent inattention to the services and duties required in connection with your employment, including failure to comply with all applicable laws and regulations after notice and failure to cure within 30 days or (iii) conviction of any felonious criminal act.
Starting Date:	Your first day of employment under this offer of employment will be February 26, 2003.
Nature of Relationship:	No provision of this letter shall be construed to create an express or implied employment contract, or a promise of employment for any specific period of time. Your employment with Synta Pharmaceuticals is at-will employment which may be terminated by you or the Company at any time for any reason with or without advance notice.

Our employment offer to you is contingent upon (i) your execution of the standard form of Non-Competition, Confidentiality and Inventions Agreement (a copy of which is attached hereto as EXHIBIT A), and (ii) your ability, as required under federal law, to establish your employment eligibility as a U.S. citizen, a lawful permanent resident of the U.S. or an individual specifically authorized for employment by the Immigration and Naturalization Service.

This letter constitutes our entire offer regarding the terms and conditions of your prospective employment with Synta Pharmaceuticals, It supersedes any prior agreements, or other promises or statements (whether oral or written) regarding the offered terms of employment. The terms of your employment shall be governed by the laws of the Commonwealth of Massachusetts. By accepting this offer of employment, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company, or any separation of employment (whether voluntary or involuntary) from the Company, shall be resolved in a court of competent jurisdiction in Massachusetts by a judge alone, and you knowingly waive and forever renounce your right to a trial before a civil jury.

If you accept the above-described offer, please sign and return the original copy of this letter; the second copy is for your records. We look forward to you joining Synta Pharmaceuticals. If you have any questions, please feel free to call me.

Sincerely,

SYNTA PHARMACEUTICALS CORP.

/s/ SAFI BAHCALL

Safi Bahcall, Ph.D.
Chief Executive Officer

Agreed to and accepted:

Name: /s/ JAMES BARSOUM Date: 1/22/03

EXHIBIT A

Synta Pharmaceuticals Corp.
45 Hartwell Avenue
Lexington, MA 02421

January 11, 2003

James Barsoum, Ph.D.
[ADDRESS]

Dear James:

This letter is to confirm our understanding with respect to (i) your agreement not to compete with Synta Pharmaceuticals Corp. or its subsidiaries or affiliates (collectively, the "Company") and (ii) your agreement to protect and preserve information and property which is confidential and proprietary to the Company (the terms and conditions agreed to in this letter shall hereinafter be referred to as the "Agreement"). You hereby acknowledge and agree that you are an "at-will" employee and that no provision of this Agreement shall be construed to create an express or implied employment contract, or a promise of employment for a specific period of time, and the Company expressly reserves the right to end your employment at any time, with or without notice or cause.

In consideration of your employment by the Company, the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, we have agreed as follows:

1. PROHIBITED COMPETITION AND SOLICITATION.

(a) CERTAIN ACKNOWLEDGMENTS AND AGREEMENTS.

(i) We have discussed, and you recognize and acknowledge the competitive and proprietary aspects of the business of the Company.

(ii) You acknowledge and agree that a business will be deemed competitive with the Company (a "Competitive Business") if it conducts research, performs any of the services or manufactures or sells any of the products provided or offered by the Company or if it performs any other services and/or engages in the production, manufacture, distribution or sale of any product similar to services performed or products produced, manufactured, distributed or sold by the Company within the Field of Interest (as defined below) at any time during the Term of your employment with the Company.

(iii) You further acknowledge and agree that, during the course of your employment with the Company, the Company will furnish, disclose or make available to you confidential and proprietary information related to the Company's business and that the Company may provide you with unique and specialized training. You also acknowledge that such confidential information

and such training have been developed and will be developed by the Company through the expenditure by the Company of substantial time, effort and money and

that all such confidential information and training could be used by you to compete with the Company.

(b) COVENANTS NOT TO COMPETE. During the period in which you are employed by the Company (the "Term") and for a period of twelve (12) months following termination of your employment, whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company, for yourself or on behalf of any other person or entity, directly or indirectly, either as principal, agent, stockholder, employee, consultant, representative or in any other capacity, own, manage, operate or control, or be concerned, connected or employed by, or otherwise associate in any manner with, engage in or have a financial interest in any Competitive Business (as defined above) anywhere in the world (the "Restricted Territory"), except that nothing contained herein shall preclude you from purchasing or owning securities of any such business if such securities are publicly traded, and provided that your holdings do not exceed three (3%) percent of the issued and outstanding securities of any class of securities of such business.

(c) NON-SOLICITATION. During the Term and for a period of twelve (12) months following termination of your employment, whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company:

(i) either individually or on behalf of or through any third party, solicit, divert or appropriate or attempt to solicit, divert or appropriate, any customer of the Company with which you had any contact at any time during the Term, located within the Restricted Territory with the effect or intention of reducing or limiting the amount of business the customer does with the Company; or

(ii) either individually or on behalf of or through any third party, directly or indirectly, solicit, entice or persuade or attempt to solicit, entice or persuade any employees of or consultants to the Company (other than your spouse), who have been employees or consultants of the Company at any time during the Term, or who are employees at the time of the solicitation, to leave the services of the Company.

(d) FIELD OF INTEREST. As used herein, the term "Field of Interest" means the research of, and/or the development, manufacture and sale of, any therapeutic or diagnostic product that is developed, manufactured or sold by the Company at any time during the Term, as documented in the bi-weekly scientific project reports or other scientific planning documents of the company (the "Scientific Reports") prepared by the Company during the Term. You hereby acknowledge and agree that the Field of Interest shall be assessed for purposes of this Agreement as of the date on which your employment with the Company terminates, which assessment shall include, without limitation, a review of the applicable Scientific Reports.

(e) REASONABLENESS OF RESTRICTIONS. You further acknowledge and agree that (i) the activities which are prohibited by this Section 1 are narrow and reasonable in relation to the skills which represent your principal salable asset both to the Company and to your other prospective employers, and (ii) given the global nature of the Company's business, including its need to market its services and sell its products in a large geographic area in order to have a sufficient customer base to make the Company's business profitable, the geographic, length of

time and substantive scope of the provisions of this Section 1 are reasonable, legitimate and fair to you.

(f) SURVIVAL OF ACKNOWLEDGMENTS AND AGREEMENTS. Except as expressly set forth hereunder, your acknowledgments and agreements set forth in this Section 1 shall survive the termination of your employment with the Company for the periods set forth above.

2. PROTECTED INFORMATION.

(a) Confidentiality Obligations. You shall at all times, both during the Term and thereafter, maintain in confidence and shall not, without the prior written consent of the Company, use, except in the course of performance of your duties for the Company, disclose or give to others any Confidential Information of the Company. As used herein, the term "Confidential Information" shall mean any information which is disclosed to or developed by you during the course of performing services for, or receiving training from, the Company, and is not generally available to the public, including but not limited to confidential information concerning business plans, customers, future customers, suppliers, licensors, licensees, partners, investors, affiliates or others, training methods and materials, financial information, sales prospects, client lists, Company Inventions (as defined in Section 3), or any other scientific, technical, trade or business secret or confidential or proprietary information of the Company or of any third party provided to you during the Term. In the event anyone not employed or otherwise engaged by the Company seeks information from you in regard to any such Confidential Information or any other secret or confidential work of the Company, or concerning any fact or circumstance relating thereto, you will promptly notify the chief executive officer of the Company.

(b) LIMITED EXCEPTIONS. The restrictions in Section 2(a) hereof shall not apply to information that, as can be established by competent written records: (i) was publicly known at the time of the Company's communication thereof to you; (ii) becomes publicly known through no fault of yours subsequent to the time of the Company's communication thereof to you; (iii) was in your possession free of any obligation of confidence at the time of the Company's communication thereof to you; or (iv) is developed by you independently of and without reference to or use of any of the Company's Confidential Information. In the event that you are required by law, regulation or court order to disclose any of the Company's Confidential Information, you shall (i) first notify the Company of such disclosure requirement and (ii) furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information.

3. OWNERSHIP OF INTELLECTUAL PROPERTY IDEAS.

(a) PROPERTY OF THE COMPANY. As used in this Agreement, the term "Inventions" shall mean all ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, biological processes, cell lines, laboratory notebooks and formulae, whether patentable, copyrightable or not, including all rights to obtain, register, perfect and enforce any of the foregoing. You hereby agree that any Inventions which you may conceive,

reduce to practice or develop during the Term in connection with the business activities of the Company or otherwise within the Field of Interest, alone or in conjunction with any other party, whether during or out of regular business hours, and whether at the request or upon the suggestion of the Company, or otherwise (collectively, the "Company Inventions"), shall be the sole and exclusive property of the Company. You hereby assign to the Company all of your right, title and interest in and to all such Company Inventions and hereby agree that you shall not publish any of the Company Inventions without the prior written consent of the Company.

(b) COOPERATION. During the Term, you agree that, without further compensation, you will disclose promptly to the Company in writing, all Company

Inventions you conceive, reduce to practice or develop during the Term (or, if based on or related to any Confidential Information of the Company obtained by you during the Term, within one (1) year after the termination of your employment). You further agree that you will fully cooperate with the Company, its attorneys and agents in the preparation and filing of all papers and other documents as may be reasonably required to perfect the Company's rights in and to any of such Company Inventions, including, but not limited to, joining in any proceeding to obtain patents, copyrights, trademarks or other legal rights of the United States and of any and all other countries on such Company Inventions; PROVIDED, THAT, the Company will bear the expense of such proceedings (including all of your reasonable expenses). You further agree that any patent or other legal right covering any Company Invention so issued to you, personally, shall be assigned by you to the Company without charge by you. You further acknowledge that all original works of authorship made by you, whether alone or jointly with others within the scope of your employment and which are protectable by copyright are "works made for hire" within the meaning of the United States Copyright Act, 17 U.S.C. Section 101, as amended, the copyright of which shall be owned solely, completely and exclusively by the Company. If any Company Invention is considered to be work not included in the categories of work covered by the United States Copyright Act, 17 U.S.C. Section 101, as amended, such work shall be owned solely by, or hereby assigned or transferred completely and exclusively to, the Company. If the Company is unable because of your mental or physical incapacity or for any other reason, after reasonable effort, to secure your signature on any document or documents needed to obtain or enforce any patent, copyright, trademarks or any other rights covering Inventions or original works of authorship assigned by you to the Company as required above, you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney-in-fact, to act for and in your behalf and stead to execute and file any application or assignment and to do all other lawfully permitted acts to further the prosecution and issuance to the Company of patents, copyright registrations, trademark registrations or similar protections covering the Inventions with the same legal force and effect as if executed by you.

4. PROVISIONS NECESSARY AND REASONABLE/BREACH/ATTORNEYS' FEES. You agree that (i) the provisions of Sections 1, 2 and 3 of this Agreement are necessary and reasonable to protect the Company's Confidential Information, Company Inventions, and goodwill and (ii) in the event of any breach of any of the covenants set forth herein, the Company would suffer substantial irreparable harm and would not have an adequate remedy at law for such breach. In recognition of the foregoing, you agree that in the event of a breach or threatened breach of any of these covenants, in addition to such other remedies as the Company may have at law, without posting any bond or security, the Company shall be entitled to seek and obtain equitable relief, in the form of specific performance, and/or temporary, preliminary or permanent injunctive relief,

or any other equitable remedy which then may be available. The seeking of such injunction or order shall not affect the Company's right to seek and obtain damages or other equitable relief on account of any such actual or threatened breach. In the event the Company takes any court action with respect to your breach or threatened breach of this Agreement, and prevails in such action, you shall be obligated to reimburse the Company for its reasonable attorneys' fees and costs incurred in such action.

5. DISCLOSURE TO FUTURE EMPLOYERS. You agree that you will provide, and that the Company may similarly provide in its discretion, a copy of the covenants contained in Sections 1, 2 and 3 of this Agreement to any business or enterprise which you may directly, or indirectly, own, manage, operate, finance, join, control or in which you participate in the ownership, management, operation, financing, or control, or with which you may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

6. REPRESENTATIONS REGARDING PRIOR WORK AND LEGAL OBLIGATIONS.

(a) You represent that you have no agreement or other legal obligation with any prior employer or any other person or entity that restricts your ability to engage in employment discussions with, employment with, or to perform any function for, the Company.

(b) You represent that you have been advised by the Company that at no time should you divulge to or use for the benefit of the Company, any trade secret or confidential or proprietary information of any previous employer. You acknowledge that you have not divulged or used any such information for the benefit of the Company.

(c) You acknowledge that the Company is basing important business decisions on these representations, and affirm that all of the statements included herein are true.

7. RECORDS. Upon termination of your employment relationship with the Company, you shall deliver to the Company any property of the Company which may be in your possession including products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same.

8. NO CONFLICTING AGREEMENTS. You hereby represent and warrant that you have no commitments or obligations inconsistent with this Agreement and you hereby agree to indemnify and hold the Company harmless against loss, damage, liability or expense arising from any claim based upon circumstances alleged to be inconsistent with such representation and warranty.

9. GENERAL.

(a) NOTICES. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission with confirmed receipt thereof (and with a copy of such telex, telecopy or facsimile, together with a copy of the confirmation sent to the recipient by regular U.S. mail on the next business day), (iii) sent by overnight courier, or (iv) sent by registered mail, return receipt requested, postage prepaid.

If to the Company: Synta Pharmaceuticals Corp.
45 Hartwell Avenue
Lexington, MA 02421
Attn: Chief Executive Officer

If to you: To the address set forth on the signature page of this Agreement.

All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

(b) ENTIRE AGREEMENT. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

(c) MODIFICATIONS AND AMENDMENTS. The terms and provisions of this

Agreement may be modified or amended only by written agreement executed by the parties hereto.

(d) WAIVERS AND CONSENTS. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

(e) ASSIGNMENT. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which you are principally involved. Your rights and obligations under this Agreement may not be assigned by you without the prior written consent of the Company.

(f) BENEFIT. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

(g) GOVERNING LAW. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles thereof.

(h) JURISDICTION. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the Commonwealth of Massachusetts or of the United States of America. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts.

(i) SEVERABILITY. The parties intend this Agreement to be enforced as written. However, (i) if any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law and (ii) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision or the geographic area covered thereby, the Company and you agree that the court making such determination shall have the power to reduce the duration and/or geographic area of such provision, and/or to delete specific words and phrases ("blue-penciling"), and in its reduced or blue-penciled form such provision shall then be enforceable and shall be enforced.

(j) HEADINGS AND CAPTIONS. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

(k) NO WAIVER OF RIGHTS. Powers and Remedies. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such

party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

(l) COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If the foregoing accurately sets forth our agreement, please so indicate by signing and returning to us the enclosed copy of this letter.

Very truly yours,

SYNTA PHARMACEUTICALS CORP.

By: /s/ SAFI BAHCALL

Safi Bahcall, Ph.D.
Chief Executive Officer

Agreed to and accepted:

/s/ JAMES BARSOUM

Name:

Address

Date: 1/22/03

Exhibit 10.17

February 16, 2004

Keith Ehrlich
[ADDRESS]

Dear Keith:

On behalf of Synta Pharmaceuticals, I am pleased to offer you the position of Vice President of Finance & Administration reporting to Safi Bahcall, the Chief Executive Officer of Synta Pharmaceuticals Corp. (hereinafter "Synta Pharmaceuticals" or the "Company").

1. START DATE: Your first day of employment will be on March 1, 2004.

2. COMPENSATION: Your initial base salary will be $175,000 annually payable on a semi-monthly basis, from which all applicable taxes and other customary employment-related deductions will be taken.

3. BONUSES: You will be eligible to receive annual performance based bonuses. Cash bonuses for fully meeting and exceeding expectations under the Company's proposed bonus program are expected to be in the 10-20% range, with a full target level of 20%. Such bonus, if any, will be at the discretion of the Company's Board of Directors.

4. STOCK OPTION: Subject to the approval of the Company's Board of Directors, you will be granted a non-qualified stock option to purchase a total of 150,000 shares of the Company's common stock. The shares will vest pursuant to the terms of the Synta Pharmaceuticals Corp. 2001 Stock Plan (the "Plan") and a formal stock option agreement that you will receive after the grant is approved. All stock option grants shall be priced at the fair market value on the grant date, which will be your first day of employment. Provided that you are still employed by the Company, the Option shall become exercisable in cumulative installments of 43,752 of the Stock Right Shares on the one-year anniversary of your grant date, and thereafter 8,854 of the Stock Rights Shares upon the end of each following calendar quarter.

In the event the Company terminates your employment without cause, the Company will vest your options on an accelerated schedule of monthly vesting over four years, with the grant date of January 1, 2004 and vesting up to your last day of employment. Concurrently with the receipt of these accelerated-vested stock options, and as a condition to such receipt, you shall execute and deliver to the Company your written release of the Company from any and all claims and causes of action against the Company arising in connection with your employment with the Company.

For purposes of this letter, termination "without cause" shall include, but not be limited to, your resignation following a significant and material diminution in your title, salary, duties or responsibilities by the Company or a requirement that you relocate to an office more than 50 miles from Lexington, MA, The preceding sentence notwithstanding, "cause" shall include (but is not limited to): (i) any substantial malfeasance or non-feasance of duty, (ii) any material

breach by you of any of the terms of the Confidential Information Agreement and Non-Competition Agreement between you and the Company, (iii) any attempt by you to secure any improper personal profit In connection with the business of the Company or any of its affiliates, (iv) your conviction, or the entry of a pleading of guilty or nolo contendre by you to, any crime involving moral turpitude or any felony, or (v) any conduct substantially injurious or prejudicial to the business of the Company or its affiliates.

5. BENEFITS: As an employee, you will be eligible to participate in certain Company-sponsored benefit plans to the same extent as, and subject to the same terms, conditions and limitations applicable to other employees of the Company of similar rank and tenure. All benefits may be changed or modified from time to time at the Company's sole discretion.

6. EMPLOYMENT PERIOD: Your employment with the Company will be at-will, meaning that you will not be obligated to remain employed by the Company for any specified period of time; likewise, the Company will not be obligated to continue your employment for any specific period and may terminate your employment at any time, with or without cause. No provision of this letter shall be construed to create an express or implied employment contract.

7. CONTINGENCIES: Our employment offer to you is contingent upon (1) your execution of the standard form of Non-Competition, Confidentiality and Inventions Agreement (a copy of which is attached hereto as EXHIBIT A); (2) your ability, as required under federal law, to establish your employment eligibility as a U.S. citizen, a lawful permanent resident of the U.S. or an individual specifically authorized for employment by the Immigration and Naturalization Service; and (3) completion of a satisfactory background check. If any of the foregoing conditions are not met, this employment offer shall be null and void.

8. JURISDICTION AND WAIVER: In the case of any dispute, this offer of employment shall be interpreted under the laws of the Commonwealth of Massachusetts, By accepting this offer of employment, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company, or any separation of employment (whether voluntary or involuntary) from the Company, shall be resolved in a court of competent jurisdiction in Massachusetts by a judge alone, and you knowingly waive and forever renounce your right to a trial before a civil jury.

9. ORIENTATION: On your first day of employment, please see Human Resources for benefits orientation and enrollment at 9:30am.

We are very enthusiastic about the prospect of your joining us as a Synta Pharmaceuticals employee. Please indicate your acceptance of the foregoing by signing one enclosed copy of this letter and returning it to Human Resources within seven days of the date of this letter. After that date, this offer will lapse. Please contact us immediately if you need additional time to decide.

Sincerely,

/s/ SAFI BAHCALL

Safi Bahcall
Chief Executive Officer
SYNTA PHARMACEUTICALS CORP.

Agreed to and accepted:

Name: /s/ KEITH EHRLICH Date: 2/19/04

EXHIBIT A

Synta Pharmaceuticals Corp.
45 Hartwell Avenue
Lexington, MA 02421

February 16, 2004

Keith Ehrlich
[ADDRESS]

Dear Keith:

This letter is to confirm our understanding with respect to (i) your agreement not to compete with Synta Pharmaceuticals Corp. or its subsidiaries or affiliates (collectively, the "Company") and (ii) your agreement to protect and preserve information and property which is confidential and proprietary to the Company (the terms and conditions agreed to in this letter shall hereinafter be referred to as the "Agreement"). You hereby acknowledge and agree that you are an "at-will" employee and that no provision of this Agreement shall be construed to create an express or implied employment contract, or a promise of employment for a specific period of time, and the Company expressly reserves the right to end your employment at any time, with or without notice or cause.

In consideration of your employment by the Company, the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, we have agreed as follows:

1. PROHIBITED COMPETITION AND SOLICITATION.

(a) CERTAIN ACKNOWLEDGMENTS AND AGREEMENTS.

(i) We have discussed, and you recognize and acknowledge the competitive and proprietary aspects of the business of the Company.

(ii) You will devote your full time and efforts to the business of the Company and, during the period of your employment with the Company (the "Term") and for a period of twelve (12) months following termination of your employment (whether such termination is voluntary or involuntary), shall not participate, directly or indirectly, in any capacity, in any business which is competitive with the Company without the prior written consent of the Company. You acknowledge and agree that a business will be deemed competitive with the Company if it conducts research, performs any of the services or manufactures or sells any of the products provided or offered by the Company or if it performs any other services and/or engages in the production, manufacture, distribution or sale of any product similar to services performed or products produced, manufactured, distributed or sold by the Company within the Field of Interest (as defined below) at any time during the period of your employment with the Company.

(iii) You further acknowledge and agree that, during the course of your employment with the Company, the Company will furnish, disclose or make available to you confidential and proprietary information related to the Company's business and that the Company may provide you with unique and specialized training. You also acknowledge that such confidential information and such training have been developed and will be developed by the Company through the expenditure by the Company of substantial time, effort and money and that all such confidential information and training could be used by you to compete with the Company.

(b) NON-SOLICITATION. During the Term and for a period of twelve (12) months following termination of your employment, whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company:

(i) either individually or on behalf of or through any third party, solicit, divert or appropriate or attempt to solicit, divert or appropriate, any customer of the Company with which you had any contact at any time during the Term, located within the Restricted Territory with the effect or

intention of reducing or limiting the amount of business the customer does with the Company; or

(ii) either individually or on behalf of or through any third party, directly or indirectly, solicit, entice or persuade or attempt to solicit, entice or persuade any employees of or consultants to the Company (other than your spouse), who have been employees or consultants of the Company at any time during the Term, or who are employees at the time of the solicitation, to leave the services of the Company.

(c) FIELD OF INTEREST. As used herein, the term "Field of Interest" means the research of, and/or the development, manufacture and sale of, any therapeutic or diagnostic product that is developed, manufactured or sold by the Company at any time during the Term, as documented in the bi-weekly scientific project reports or other scientific planning documents of the company (the "Scientific Reports") prepared by the Company during the Term. You hereby acknowledge and agree that the Field of Interest shall be assessed for purposes of this Agreement as of the date on which your employment with the Company terminates, which assessment shall include, without limitation, a review of the applicable Scientific Reports.

(d) REASONABLENESS OF RESTRICTIONS. You further acknowledge and agree that (i) the activities which are prohibited by this Section 1 are narrow and reasonable in relation to the skills which represent your principal salable asset both to the Company and to your other prospective employers, and (ii) given the global nature of the Company's business, including its need to market its services and sell its products in a large geographic area in order to have a sufficient customer base to make the Company's business profitable, the geographic, length of time and substantive scope of the provisions of this Section 1 are reasonable, legitimate and fair to you.

(e) SURVIVAL OF ACKNOWLEDGMENTS AND AGREEMENTS. Except as expressly set forth hereunder, your acknowledgments and agreements set forth in this Section 1 shall survive the termination of your employment with the Company for the periods set forth above.

2. PROTECTED INFORMATION.

(a) CONFIDENTIALITY OBLIGATIONS. You shall at all times, both during the Term and thereafter, maintain in confidence and shall not, without the prior written consent of the Company, use, except in the course of performance of your duties for the Company, disclose or give to others any Confidential Information of the Company. As used herein, the term "Confidential Information" shall mean any information which is disclosed to or developed by you during the course of performing services for, or receiving training from, the Company, and is not generally available to the public, including but not limited to confidential information concerning business plans, customers, future customers, suppliers, licensors, licensees, partners, investors, affiliates or others, training methods and materials, financial information, sales prospects, client lists, Company Inventions (as defined in Section 3), or any other scientific, technical, trade or business secret or confidential or proprietary information of the Company or of any third party provided to you during the Term. In the event anyone not employed or otherwise engaged by the Company seeks information from you in regard to any such Confidential Information or any other secret or confidential work of the Company, or concerning any fact or circumstance relating thereto, you will promptly notify the chief executive officer of the Company.

(b) LIMITED EXCEPTIONS. The restrictions in Section 2(a) hereof shall not apply to information that, as can be established by competent written records: (i) was publicly known at the time of the Company's communication thereof to you; (ii) becomes publicly known through no fault of yours subsequent to the time of the Company's communication thereof to you; (iii) was in your possession free of any obligation of confidence at the time of the Company's communication thereof to you; or (iv) is developed by you independently of and

without reference to or use of any of the Company's Confidential Information. In the event that you are required by law, regulation or court order to disclose any of the Company's Confidential Information, you shall (i) first notify the Company of such disclosure requirement and (ii) furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information.

3. OWNERSHIP OF INTELLECTUAL PROPERTY IDEAS.

(a) PROPERTY OF THE COMPANY. As used in this Agreement, the term "Inventions" shall mean all ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, biological processes, cell lines, laboratory notebooks and formulae, whether patentable, copyrightable or not, including all rights to obtain, register, perfect and enforce any of the foregoing. You hereby agree that any Inventions which you may conceive, reduce to practice or develop during the Term in connection with the business activities of the Company or otherwise within the Field of Interest, alone or in conjunction with any other party, whether during or out of regular business hours, and whether at the request or upon the suggestion of the Company, or otherwise (collectively, the "Company Inventions"), shall be the sole and exclusive property of the Company. You hereby assign to the Company all of your right, title and interest in and to all such Company Inventions and hereby agree that you shall not publish any of the Company Inventions without the prior written consent of the Company.

(b) COOPERATION. During the Term, you agree that, without further compensation, you will disclose promptly to the Company in writing, all Company Inventions you conceive, reduce to practice or develop during the Term (or, if based on or related to any Confidential Information of the Company obtained by you during the Term, within one (1) year after the termination of your employment). You further agree that you will fully cooperate with the Company, its attorneys and agents in the preparation and filing of all papers and other documents as may be reasonably required to perfect the Company's rights in and to any of such Company Inventions, including, but not limited to, joining in any proceeding to obtain patents, copyrights, trademarks or other legal rights of the United States and of any and all other countries on such Company Inventions; PROVIDED, THAT, the Company will bear the expense of such proceedings (including all of your reasonable expenses). You further agree that any patent or other legal right covering any Company Invention so issued to you, personally, shall be assigned by you to the Company without charge by you. You further acknowledge that all original works of authorship made by you, whether alone or jointly with others within the scope of your employment and which are protectable by copyright are "works made for hire" within the meaning of the United States Copyright Act, 17 U.S.C. Section 101, as amended, the copyright of which shall be owned solely, completely and exclusively by the Company. If any Company Invention is considered to be work not included in the categories of work covered by the United States Copyright Act, 17 U.S.C. Section 101, as amended, such work shall be owned solely by, or hereby assigned or transferred completely and exclusively to, the Company. If the Company is unable because of your mental or physical incapacity or for any other reason, after reasonable effort, to secure your signature on any document or documents needed to obtain or enforce any patent, copyright, trademarks or any other rights covering Inventions or original works of authorship assigned by you to the Company as required above, you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney-in-fact, to act for and in your behalf and stead to execute and file any application or assignment and to do all other lawfully permitted acts to further the prosecution and issuance to the Company of patents, copyright registrations, trademark registrations or similar protections covering the Inventions with the same legal force and effect as if executed by you.

4. PROVISIONS NECESSARY AND REASONABLE/BREACH/ATTORNEYS' FEES. You agree that (i) the provisions of Sections 1, 2 and 3 of this Agreement are necessary

and reasonable to protect the Company's Confidential Information, Company Inventions, and goodwill and (ii) in the event of any breach of any of the covenants set forth herein, the Company would suffer substantial irreparable harm and would not have an adequate remedy at law for such breach. In recognition of the foregoing, you agree that in the event of a breach or threatened breach of any of these covenants, in addition to such other remedies as the Company may have at law, without posting any bond or security, the Company shall be entitled to seek and obtain equitable relief, in the form of specific performance, and/or temporary, preliminary or permanent injunctive relief, or any other equitable remedy which then may be available. The seeking of such injunction or order shall not affect the Company's right to seek and obtain damages or other equitable relief on account of any such actual or threatened breach. In the event the Company takes any court action with respect to your breach or threatened breach of this Agreement, and prevails in such action, you shall be obligated to reimburse the Company for its reasonable attorneys' fees and costs incurred in such action.

5. DISCLOSURE TO FUTURE EMPLOYERS. You agree that you will provide, and that the Company may similarly provide in its discretion, a copy of the covenants contained in Sections 1, 2 and 3 of this Agreement to any business or enterprise which you may directly, or indirectly, own, manage, operate, finance, join, control or in which you participate in the ownership, management, operation, financing, or control, or with which you may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

6. REPRESENTATIONS REGARDING PRIOR WORK AND LEGAL OBLIGATIONS.

(a) You represent that you have no agreement or other legal obligation with any prior employer or any other person or entity that restricts your ability to engage in employment discussions with, employment with, or to perform any function for, the Company.

(b) You represent that you have been advised by the Company that at no time should you divulge to or use for the benefit of the Company, any trade secret or confidential or proprietary information of any previous employer. You acknowledge that you have not divulged or used any such information for the benefit of the Company.

(c) You acknowledge that the Company is basing important business decisions on these representations, and affirm that all of the statements included herein are true.

7. RECORDS. Upon termination of your employment relationship with the Company, you shall deliver to the Company any property of the Company which may be in your possession including products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same.

8. NO CONFLICTING AGREEMENTS. You hereby represent and warrant that you have no commitments or obligations inconsistent with this Agreement and you hereby agree to indemnify and hold the Company harmless against loss, damage, liability or expense arising from any claim based upon circumstances alleged to be inconsistent with such representation and warranty.

9. GENERAL.

(a) NOTICES. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission with confirmed receipt thereof (and with a copy of such telex, telecopy or facsimile, together with a copy of the confirmation sent to the recipient by regular U.S. mail on the next business day), (iii) sent by overnight courier, or (iv) sent by registered mail, return receipt requested, postage prepaid.

If to the Company: Synta Pharmaceuticals Corp.
45 Hartwell Avenue
Lexington, MA 02421
Attn: Chief Executive Officer

If to you: To the address set forth on the signature page of this Agreement.

All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

(b) ENTIRE AGREEMENT. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

(c) MODIFICATIONS AND AMENDMENTS. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by the parties hereto.

(d) WAIVERS AND CONSENTS. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

(e) ASSIGNMENT. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which you are principally involved. Your rights and obligations under this Agreement may not be assigned by you without the prior written consent of the Company.

(f) BENEFIT. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

(g) GOVERNING LAW. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles thereof.

(h) JURISDICTION. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the Commonwealth of Massachusetts or of the United States of America. By execution and delivery of this Agreement, each of the parties

hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts.

(i) SEVERABILITY. The parties intend this Agreement to be enforced as written. However, (i) if any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law and (ii) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision or the geographic area covered thereby, the Company and you agree that the court making such determination shall have the power to reduce the duration and/or geographic area of such provision, and/or to delete specific words and phrases ("blue-penciling"), and in its reduced or blue-penciled form such provision shall then be enforceable and shall be enforced.

(j) HEADINGS AND CAPTIONS. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

(k) NO WAIVER OF RIGHTS, POWERS AND REMEDIES. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any, such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

(l) COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If the foregoing accurately sets forth our agreement, please so indicate by signing and returning to us the enclosed copy of this letter.

Very truly yours,

SYNTA PHARMACEUTICALS CORP.

By: /s/ SAFI BAHCALL

Safi Bahcall
Chief Executive Officer

Agreed to and accepted:

/s/ KEITH EHRLICH

Name:

Keith S. Ehrlich

Address:

Date: February 19, 2004

Exhibit 10.18

November 29, 2002

Wendy E. Rieder, Esq.
[ADDRESS]

Dear Wendy:

We are pleased to make the following employment offer to you at Synta Pharmaceuticals Corp. (hereinafter "Synta Pharmaceuticals" or the "Company"). We are looking forward to working with you. The terms of your employment are detailed below.

Position:	Your position will be Vice President of Intellectual Property and Legal Affairs, and you will work at our office located at 45 Hartwell Avenue, Lexington, Massachusetts. If you continue with the Company, your position and assignments will be subject to change. Synta Pharmaceuticals is a dynamic organization with ever-changing needs, and we will place you where we believe your talents and abilities can be best utilized. As a Synta Pharmaceuticals employee, we expect that you will perform any and all duties and responsibilities normally associated with your position in a satisfactory manner and to the best of your abilities at all times. You will be expected to devote all of your working time to the performance of your duties at the Company throughout your employment. Notwithstanding the above, you shall be permitted to continue as a member of the Board of Directors of Microbiotix, Inc. Your employment at all times remains at-will, as discussed below.
Salary:	Your initial base pay shall be $150,000 annually; payable at a semimonthly rate of $6,250.00, from which all applicable taxes and other customary employment-related deductions will be taken. Additionally, you will qualify to receive annual performance-based bonuses. Bonuses for fully meeting and exceeding expectations will be granted in the 10%-20% range. Any such bonus will be granted at the discretion of the Company's Board of Directors.
Stock Option:	Subject to the approval of the Company's Board of Directors, you will be granted an incentive stock option to purchase 300,000 shares of the Company's common stock pursuant to the terms of the Synta Pharmaceuticals Corp. 2001 Stock Plan (the "Plan") and formal stock option agreement. All stock option grants shall be priced at the fair market value on the grant date and are subject to a vesting schedule. Please refer to the Plan and to your stock option agreement for further information concerning this aspect of your compensation.
Benefit Plans:	As a full-time employee, you will be eligible to participate in certain Company-sponsored benefit plans to the same extent as, and subject to the

	same terms, conditions and limitations applicable to, other employees of the Company of similar rank and tenure. The Company will provide you with detailed information on its current benefits, holiday schedule, and vacation and sick leave policies on your start date. All benefits, of course, may be changed or modified from time to time and the provision of any benefits to you in no way changes or impacts your status as an at-will employee. Company agrees to award you short term disability benefits for maternity leave, notwithstanding the length of employment requirement stated in the Company's employee handbook.
Severance:	In the event that the Company terminates your employment without cause after the first year of employment following the Transition Period, the Company will make a one-time severance payment to you on the date of termination equal to 3 months base pay. If such termination occurs during the first year of employment following the Transition Period, the severance payment will be appropriately prorated. For the purposes of this section, "cause" means (i) an act of dishonesty demonstrating lack of integrity or moral turpitude, (ii) willful or persistent inattention to the services and duties required in connection with your employment, including failure to comply with all applicable laws and regulations after notice and failure to cure within 30 days or (iii) conviction of any felonious criminal act.
Starting Date:	Your first day of employment under this offer of employment will be December 15, 2002.
Transition Period:	During the time between the Starting Date until January 15, 2003 (the "Transition Period"), you will receive a reduced salary equal to 50% of your base pay in recognition of the fact that you will be completing work undertaken for your previous employer. However, you will be considered a full time employee of Synta Pharmaceuticals during this Transition Period.
Nature of Relationship:	No provision of this letter shall be construed to create an express or implied employment contract, or a promise of employment for any specific period of time. Your employment with Synta Pharmaceuticals is at-will employment which may be terminated by you or the Company at any time for any reason with or without advance notice.

Our employment offer to you is contingent upon (i) your execution of the form of Non-Competition, Confidentiality and Inventions Agreement which is attached hereto as EXHIBIT A, and (ii) your ability, as required under federal law, to establish your employment eligibility as a U.S. citizen, a lawful permanent resident of the U.S. or an individual specifically authorized for employment by the Immigration and Naturalization Service.

This letter constitutes our entire offer regarding the terms and conditions of your prospective employment with Synta Pharmaceuticals. It supersedes any prior agreements, or other promises or statements (whether oral or written) regarding the offered terms of employment. The terms of your employment shall be governed by the laws of the Commonwealth of Massachusetts. By accepting this

offer of employment, you agree that any action, demand, claim or counterclaim in connection with any aspect of your employment with the Company, or any separation of employment (whether voluntary or involuntary) from the Company, shall be resolved in a court of competent jurisdiction in Massachusetts by a judge alone, and you knowingly waive and forever renounce your right to a trial before a civil jury.

[Remainder of page intentionally left blank]

If you accept the above-described offer, please sign and return the original copy of this letter; the second copy is for your records. We look forward to you joining Synta Pharmaceuticals. If you have any questions, please feel free to call me.

Sincerely,

SYNTA PHARMACEUTICALS CORP.

/s/ SAFI BAHCALL

Safi Bahcall, Ph.D.
Chief Executive Officer

Agreed to and accepted:

Name: /s/ WENDY E. RIEDER

Date:1/14/03

EXHIBIT A

Synta Pharmaceuticals Corp.
45 Hartwell Avenue
Lexington, MA 02421

November 29, 2002

Wendy E. Rieder, Esq.
[ADDRESS]

Dear Wendy:

This letter is to confirm our understanding with respect to (i) your agreement not to solicit customers or employees of Synta Pharmaceuticals Corp. or its subsidiaries or affiliates (collectively, the "Company") and (ii) your agreement to protect and preserve information and property which is confidential and proprietary to the Company (the terms and conditions agreed to in this letter shall hereinafter be referred to as the "Agreement"). You hereby acknowledge and agree that you are an "at-will" employee and that no provision of this Agreement shall be construed to create an express or implied employment contract, or a promise of employment for a specific period of time, and the Company expressly reserves the right to end your employment at any time, with or without notice or cause.

In consideration of your employment by the Company, the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, we have agreed as follows:

1. PROHIBITED SOLICITATION.

(a) CERTAIN ACKNOWLEDGMENTS AND AGREEMENTS.

(i) We have discussed, and you recognize and acknowledge the competitive and proprietary aspects of the business of the Company.

(ii) You further acknowledge and agree that, during the course of your employment with the Company, the Company will furnish, disclose or make available to you confidential and proprietary information related to the Company's business and that the Company may provide you with unique and specialized training. You also acknowledge that such confidential information and such training have been developed and will be developed by the Company through the expenditure by the Company of substantial time, effort and money and that all such confidential information and training could be used by you to compete with the Company.

(b) NON-SOLICITATION. During the period in which you are employed by the Company ("Term") and for a period of twelve (12) months following termination of your employment,

whether such termination is voluntary or involuntary, you shall not, without the prior written consent of the Company:

(i) either individually or on behalf of or through any third party, solicit, divert or appropriate or attempt to solicit, divert or appropriate, any customer of the Company with which you had any contact at any time during the Term, located anywhere in the world (the "Restricted Territory") with the effect or intention of reducing or limiting the amount of business the customer does with the Company; or

(ii) either individually or on behalf of or through any third party, directly or indirectly, solicit, entice or persuade or attempt to solicit, entice or persuade any employees of or consultants to the Company (other than your spouse), who have been employees or consultants of the Company at any time during the Term, or who are employees at the time of the solicitation, to leave the services of the Company.

(c) REASONABLENESS OF RESTRICTIONS. You further acknowledge and agree that (i) the activities which are prohibited b y this Section I are n arrow and reasonable in relation to the skills which represent your principal salable asset both to the Company and to your other prospective employers, and (ii) given the global nature of the Company's business, including its need to market its services and sell its products in a large geographic area in order to have a sufficient customer base to make the Company's business profitable, the geographic, length of time and substantive scope of the provisions of this Section 1 are reasonable, legitimate and fair to you.

(d) SURVIVAL OF ACKNOWLEDGMENTS AND AGREEMENTS. Except as expressly set forth hereunder, your acknowledgments and agreements set forth in this Section 1 shall survive the termination of your employment with the Company for the periods set forth above.

2. PROTECTED INFORMATION.

(a) CONFIDENTIALITY OBLIGATIONS. You shall at all times, both during the Term and thereafter, maintain in confidence and shall not, without the prior written consent of the Company, use, except in the course of performance of your duties for the Company, disclose or give to others any Confidential Information of the Company. As used herein, the term "Confidential Information" shall mean any information which is disclosed to or developed by you during the course of performing services for, or receiving training from, the Company, and is not generally available to the public, including but not limited to confidential information concerning business plans, customers, future customers, suppliers, licensors, licensees, partners, investors, affiliates or others, training methods and materials, financial information, sales prospects, client lists,

Company Inventions (as defined in Section 3), or any other scientific, technical, trade or business secret or confidential or proprietary information of the Company or of any third party provided to you during the Term. In the event anyone not employed or otherwise engaged by the Company seeks information from you in regard to any such Confidential Information or any other secret or confidential work of the Company, or concerning any fact or circumstance relating thereto, you will promptly notify the chief executive officer of the Company.

(b) LIMITED EXCEPTIONS. The restrictions in Section 2(a) hereof shall not apply to information that, as can be established by competent written records: (i) was publicly known at the time of the Company's communication thereof to you; (ii) becomes publicly known through no fault of yours subsequent to the time of the Company's communication thereof to you; (iii) was in your possession free of any obligation of confidence at the time of the Company's communication thereof to you; or (iv) is developed by you independently of and without reference to or use of any of the Company's Confidential Information. In the event that you are required by law, regulation or court order to disclose any of the Company's Confidential Information, you shall (i) first notify the Company of such disclosure requirement and (ii) furnish only that portion of the Confidential Information that is legally required and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information.

3. OWNERSHIP OF INTELLECTUAL PROPERTY IDEAS.

(a) PROPERTY OF THE COMPANY. As used in this Agreement, the term "Inventions" shall mean all ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, biological processes, cell lines, laboratory notebooks and formulae, whether patentable, copyrightable or not, including all rights to obtain, register; perfect and enforce any of the foregoing. You hereby agree that any Inventions which you may conceive, reduce to practice or develop during the Term in connection with the business activities of the Company or otherwise within the Field of Interest, alone or in conjunction with any other party, whether during or out of regular business hours, and whether at the request or upon the suggestion of the Company, or otherwise (collectively, the "Company Inventions"), shall be the sole and exclusive property of the Company. You hereby assign to the Company all of your right, title and interest in and to all such Company Inventions and hereby agree that you shall not publish any of the Company Inventions without the prior written consent of the Company.

(b) COOPERATION. During the Term, you agree that, without further compensation, you will disclose promptly to the Company in writing, all Company Inventions you conceive, reduce to practice or develop during the Term (or, if based on or related to any Confidential Information of the Company obtained by you during the Term, within one (1) year after the termination of your employment). You further agree that you will fully cooperate with the Company, its attorneys and agents in the preparation and filing of all papers and other documents as may be reasonably required to perfect the Company's rights in and to any of such Company Inventions, including, but not limited to, joining in any proceeding to obtain patents, copyrights, trademarks or other legal rights of the United States and of any and all other countries on such Company Inventions; PROVIDED, THAT, the Company will bear the expense of such proceedings (including all of your reasonable expenses). You further agree that any patent or other legal right covering any Company Invention so issued to you, personally, shall be assigned by you to the Company without charge by you. You further acknowledge that all original works of authorship made by you, whether alone or jointly with others within the scope of your employment and which are protectable by copyright are "works made for hire" within the meaning of the United States Copyright Act, 17 U.S.C. Section 101, as amended, the copyright of which shall be owned solely, completely and exclusively by the Company. If any Company Invention is considered to be work not included in the categories of work covered by the United States Copyright Act, 17 U.S.C. Section

101, as amended, such work shall be owned solely by, or hereby assigned or transferred completely and exclusively to, the Company. If the Company is unable because of your mental or physical incapacity or for any other reason, after reasonable effort, to secure your signature on any document or documents needed to obtain or enforce any patent, copyright, trademarks or any other rights covering Inventions or original works of authorship assigned by you to the Company as required above, you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney-in-fact, to act for and in your behalf and stead to execute and file any application or assignment and to do all other lawfully permitted acts to further the prosecution and issuance to the Company of patents, copyright registrations, trademark registrations or similar protections covering the Inventions with the same legal force and effect as if executed by you.

4. PROVISIONS NECESSARY AND REASONABLE/BREACH/ATTORNEYS' FEES. You agree that (i) the provisions of Sections 1, 2 and 3 of this Agreement are necessary and reasonable to protect the Company's Confidential Information, Company Inventions, and goodwill and (ii) in the event of any breach of any of the covenants set forth herein, the Company would suffer substantial irreparable harm and would not have an adequate remedy at law for such breach. In recognition of the foregoing, you agree that in the event of a breach or threatened breach of any of these covenants, in addition to such other remedies as the Company may have at law, without posting any bond or security, the Company shall be entitled to seek and obtain equitable relief, in the form of specific performance, and/or temporary, preliminary or permanent injunctive relief, or any other equitable remedy which then may be available. The seeking o f such injunction o r order shall not affect the Company's right to seek and obtain damages or other equitable relief on account of any such actual or threatened breach. In the event the Company takes any court action with respect to your breach or threatened breach of this Agreement, and prevails in such action, you shall be obligated to reimburse the Company for its reasonable attorneys' fees and costs incurred in such action.

5. DISCLOSURE TO FUTURE EMPLOYERS. You agree that you will provide, and that the Company may similarly provide in its discretion, a copy of the covenants contained in Sections 1, 2 and 3 of this. Agreement to any business or enterprise which you may directly, or indirectly, own, manage, operate, finance, join, control or in which you participate in the ownership, management, operation, financing, or control, or with which you may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

6. REPRESENTATIONS REGARDING PRIOR WORK AND LEGAL OBLIGATIONS.

(a) You represent that you have no agreement or other legal obligation with any prior employer or any other person or entity that restricts your ability to engage in employment discussions with, employment with, or to perform any function for, the Company.

(b) You represent that you have been advised by the Company that at no time should you divulge to or use for the benefit of the Company, any trade secret or confidential or proprietary information of any previous employer. You acknowledge that you have not divulged or used any such information for the benefit of the Company.

(c) You acknowledge that the Company is basing important business decisions on these representations, and affirm that all of the statements included herein are true.

7. RECORDS. Upon termination of your employment relationship with the Company, you shall deliver to the Company any property of the Company which may

be in your possession including products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same.

8. NO CONFLICTING AGREEMENTS. You hereby represent and warrant that you have no commitments or obligations inconsistent with this Agreement and you hereby agree to indemnify and hold the Company harmless against loss, damage, liability or expense arising from any claim based upon circumstances alleged to be inconsistent with such representation and warranty.

9. GENERAL.

(a) NOTICES. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission with confirmed receipt thereof (and with a copy of such telex, telecopy or facsimile, together with a copy of the confirmation sent to the recipient by regular U.S. mail on the next business day), (iii) sent by overnight courier, or (iv) sent by registered mail, return receipt requested, postage prepaid.

If to the Company:

Synta Pharmaceuticals Corp.
45 Hartwell Avenue
Lexington, MA 02421
Attn: Chief Executive Officer

If to you: To the address set forth on the signature page of this Agreement.

All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

(b) ENTIRE AGREEMENT. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

(c) MODIFICATIONS AND AMENDMENTS. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by the parties hereto.

(d) WAIVERS AND CONSENTS. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

(e) ASSIGNMENT. The Company m ay assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which you are principally involved. Your rights and obligations under this Agreement may not be assigned by you without the prior written consent of the Company.

(f) BENEFIT. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefit of the respective successors and permitted assigns of each p arty hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

(g) GOVERNING LAW. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles thereof.

(h) JURISDICTION. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the Commonwealth of Massachusetts or of the United States of America. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts.

(i) SEVERABILITY. The parties intend this Agreement to be enforced as written. However, (i) if any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law and (ii) if any provision, or part thereof, is held to be unenforceable because of the duration of such provision or the geographic area covered thereby, the Company and you agree that the court making such determination shall have the power to reduce the duration and/or geographic area of such provision, and/or to delete specific words and phrases ("blue-penciling"), and in its reduced or blue-penciled form such provision shall then be enforceable and shall be enforced.

(j) HEADINGS AND CAPTIONS. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

(k) NO WAIVER OF RIGHTS. Powers and Remedies. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

(l) COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

If the foregoing accurately sets forth our agreement, please so indicate by signing and returning to us the enclosed copy of this letter.

Very truly yours,

SYNTA PHARMACEUTICALS CORP.

By: /s/ SAFI BAHCALL

Safi Bahcall, Ph.D.
Chief Executive Officer

Agreed to and accepted:

/s/ WENDY E. RIEDER

Name:

Address:

Date: 1/14/03

Exhibit 10.19

MASTER LEASE AGREEMENT
(QUASI)
DATED AS OF NOVEMBER 10, 2004 ("AGREEMENT")

THIS AGREEMENT is between General Electric Capital Corporation (together with its successors and assigns, if any, "Lessor") and Synta Pharmaceuticals Corp. ("Lessee"). Lessor has an office at 83 WOOSTER HEIGHTS ROAD, DANBURY, CT 06810. Lessee is a corporation organized and existing under the laws of state of Delaware. Lessee's mailing address and chief place of business is 45 HARTWELL AVENUE, LEXINGTON, MA 02421. This Agreement contains the general terms that apply to the leasing of Equipment from Lessor to Lessee. Additional terms that apply the Equipment (term, rent, options, etc.) shall be contained on a schedule ("Schedule").

1. LEASING:

(a) Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the equipment and other property ("EQUIPMENT") described in any Schedule signed by both parties.

(b) Lessor shall purchase Equipment from the manufacturer or supplier ("SUPPLIER") and lease it to Lessee if on or before the Last Delivery Date (specified in the Schedule) Lessor receives (i) a Schedule for the Equipment, (ii) evidence of insurance which complies with the requirements of Section 8, and (iii) such other documents as Lessor may reasonably request. Each of the documents required above must be in form and substance satisfactory to Lessor. Lessor hereby appoints Lessee its agent for inspection and acceptance of the Equipment from the Supplier. Once the Schedule is signed, the Lessee may not cancel the Schedule.

2. TERM, RENT AND PAYMENT:

(a) The rent payable for the Equipment and Lessee's right to use the Equipment shall begin on the earlier of (i) the date when the Lessee signs the Schedule and accepts the Equipment or (ii) when Lessee has accepted the Equipment under a Certificate of Acceptance ("LEASE COMMENCEMENT DATE"). The term of this Agreement shall be the period specified in the applicable Schedule. The word "term" shall include all basic and any renewal terms.

(b) Lessee shall pay rent to Lessor at its address stated above, except as otherwise directed by Lessor. Rent payments shall be in the amount set forth in, and due as stated in the applicable Schedule. If any Advance Rent (as stated in the Schedule) is payable, it shall be due when the Lessee signs the Schedule. Advance Rent shall be applied to the first rent payment. In no event shall any Advance Rent or any other rent payments be refunded to Lessee. If rent is not paid within ten (10) days of its due date, Lessee agrees to pay a late charge of five cents ($.05) per dollar on, and in addition to, the amount of such rent but not exceeding the lawful maximum, if any.

3. TAXES:

(a) If permitted by law, Lessee shall report and pay promptly all taxes, fees and assessments due, imposed, assessed or levied against Lessor or Lessee on account of any Equipment (or purchase, ownership, delivery, leasing, possession, use or operation thereof) by any

governmental entity or taxing authority during or related to the term of this Agreement, including, without limitation, all license and registration fees, and all sales, use, personal property, excise, franchise, stamp or other taxes, imposts, duties and charges, together with any penalties, fines or interest thereon(collectively "TAXES"). Lessee shall have no liability for Taxes imposed by the United States of America or any State or political subdivision thereof or

any foreign jurisdiction which are on or measured by the net income of Lessor, and any such Taxes are excluded from "Taxes" as such term is used throughout this Agreement. Lessee shall promptly reimburse Lessor (on an after tax basis) for any Taxes charged to or assessed against Lessor. Lessee shall send Lessor a copy of each report or return and evidence of Lessees payment of Taxes upon request.

(b) Lessee's obligations, and Lessor's rights and privileges, contained in this Section 3 shall survive the expiration or other termination of this Agreement.

4. REPORTS:

(a) If any tax or other lien shall attach to any Equipment, Lessee will notify Lessor in writing, within ten (10) days after Lessee becomes aware of the tax or lien. The notice shall include the full particulars of the tax or lien and the location of such Equipment on the date of the notice.

(b) Lessee will deliver to Lessor financial statements as follows: If Lessee is a privately held company, then Lessee agrees to provide quarterly financial statements, certified by Lessee's president or chief financial officer including a balance sheet, statement of operations and cash flow statement within 30 days of each quarter end and its complete audited annual financial statements, certified by a reorganized firm of certified public accountants, within 120 days of fiscal year end or at such time as Lessee's Board of Directors receives the audit. If Lessee is a publicly held company, then Lessee agrees to provide quarterly unaudited statements and annual audited statements, certified by a recognized firm of certified public accountants, within 10 days after the statements are provided to the Securities and Exchange Commission ("SEC") or make such statements available on its website. All such statements are to be prepared using generally accepted accounting principles ("GAAP") and, if Lessee is a publicly held company, are to be in compliance with SEC requirements.

(c) Lessor may inspect any Equipment during normal business hours after giving Lessee reasonable prior notice.

(d) Lessee will keep the Equipment at the Equipment Location (specified in the applicable Schedule) and will give Lessor prior written notice of any relocation of Equipment. If Lessor requests, Lessee will promptly notify Lessor in writing of the location of any Equipment.

(e) If any Equipment is lost or damaged (where the estimated repair costs would exceed the greater of ten percent (10%) of the original Equipment cost or ten thousand and 00/100 dollars ($10,000), or is otherwise involved in an accident causing personal injury or property damage, Lessee will promptly and fully report the event to Lessor in writing.

(f) If Lessor requests, Lessee will furnish a certificate of an authorized officer of Lessee stating that he has reviewed the activities of Lessees and that, to the best of his knowledge, there

exists no default or event which with notice or lapse of time (or both) would become such a default within thirty (30) days after any request by Lessor.

(g) Lessee will promptly notify Lessor of any change in Lessee's state of incorporation or organization.

5. DELIVERY, USE AND OPERATION:

(a) All Equipment shall be shipped directly from the Supplier to Lessee.

(b) Lessee agrees that the Equipment will be used by Lessee solely in the conduct of its business and in a manner complying with all applicable laws, regulations and insurance policies.

(c) Lessee will not move any equipment from its leased or owned locations

("LOCATION"), except for purposes of repair, refurbishment or maintenance, and Lessee will not move any piece of Equipment with an original equipment value of $25,000 or more from one Location to another Location without written notification to Lessor.

(d) Lessee will keep the Equipment free and clear of all liens and encumbrances other than those which result from acts of Lessor.

(e) Lessor shall not disturb Lessees quiet enjoyment of the Equipment during the term of the Agreement unless a default has occurred and is continuing under this Agreement.

6. MAINTENANCE:

(a) Lessee will, at its sole expense, maintain each unit of Equipment in good operating order and repair, normal wear and tear excepted. The Lessee shall also maintain the Equipment in accordance with manufacturers recommendations. Lessee shall make all alterations or modifications required to comply with any applicable law, rule or regulation during the term of this Agreement. If Lessor requests, Lessee shall affix plates, tags or other identifying labels showing ownership thereof by Lessee and Lessor's security interest therein. The tags or labels shall be placed in a prominent position on each unit of Equipment.

(b) Lessee will not attach or install anything on the Equipment that will impair the originally intended function or use of such Equipment without the prior written consent of Lessor, which consent may not be withheld, conditioned or delayed unreasonably. All additions, parts, supplies, accessories, and equipment ("ADDITIONS") furnished or attached to any Equipment that are not readily removable shall become subject to the lien or Lessor. All Additions shall be made only in compliance with applicable law. Lessee will not attach or install any Equipment to or in any other personal or real property without the prior written consent of Lessor, which consent may not be withheld, conditioned or delayed unreasonably.

7. STIPULATED LOSS VALUE: If for any reason any unit of Equipment becomes lost, stolen, destroyed, irreparably damages or unusable ("CASUALTY OCCURRENCES") Lessee shall promptly and fully notify Lessor in writing. Lessee shall pay Lessor the sum of (i) the Stipulated Loss Value (see Schedule) of the affected unit determined as of the rent payment date prior to the casualty Occurrence; and (ii) all rent and other amounts which are then due under this

Agreement on the Payment Date (defined below) for the affected unit. The Payment Date shall be the next rent payment after the Casualty Occurrence. Upon payment of all sums due hereunder, the term of this lease as to such unit shall terminate.

8. INSURANCE:

(a) Lessee shall bear the entire risk of any loss, theft, damage to, or destruction of, any unit of Equipment from any cause whatsoever from the time the Equipment is delivered to Lessee and installed (if applicable).

(b) Lessee agrees, at its own expense, to keep all Equipment insured for such amounts and against such hazards as Lessor may reasonably require. All such policies shall be with companies, and on terms, reasonably satisfactory to Lessor. The insurance shall include coverage for damage to or loss of Equipment, liability for personal injuries, death or property damage. Lessor shall be named as additional insured with a loss payable clause in favor of Lessor, as its interest may appear, irrespective of any breach of warranty or other act or omission of Lessee. The insurance shall provide for liability coverage in any amount equal to at least ONE MILLION U.S. DOLLARS ($1,000,000.00) total liability per occurrence, unless otherwise stated in any Schedule. The casualty/property damage coverage shall be in an amount equal to the higher of the Stipulated Loss Value or the full replacement cost of the Equipment. No insurance shall be subject to any co-insurance clause. The insurance policies

shall provide that the insurance may not be altered or canceled by the insurer until after thirty (30) days written notice to Lessor. Lessee agrees to deliver to Lessor evidence of insurance reasonable satisfactory to Lessor.

(c) Lessee hereby appoints to Lessor as Lessee's attorney-in-fact to make proof of loss and claim for insurance, and to make adjustments with insurers and to receive payment of an execute or endorse all documents, checks or drafts in connection with insurance payments. Lessor shall not act a Lessees attorney-in-fact unless Lessee is in default. Lessee shall pay any reasonable expenses if Lessor in adjusting or collecting insurance. Lessee will not make adjustments with insurers except with respect to claims for damage to any unit of Equipment where the repair costs are less than the lesser of ten percent (10%) of the original Equipment cost or ten thousand and 00/100 dollars ($10,000). Lessor may, at its option, apply proceeds of insurance, in whole or in part, to (i) repair or replace Equipment or any portion thereof, or (ii) satisfy any obligation of Lessee to Lessor under this Agreement.

9. RETURN OF EQUIPMENT:

(a) At the expiration or termination of this Agreement or any Schedule, Lessee shall perform any testing and repairs required to place the units of Equipment in the same condition and appearance as when received by Lessee (reasonable wear and tear excepted) and in good working order for the original intended purpose of the Equipment. If required the units of Equipment shall be deinstalled, disassembled and crated by an authorized manufacturer's representative or such other service person as is reasonably satisfactory to Lessor. Lessee shall remove installed markings that are not necessary for the operation, maintenance or repair of the Equipment. All Equipment will be cleaned, cosmetically acceptable, and in such condition as to be immediately installed into use in a similar environment for which the Equipment was

originally intended to be used. All waste material and fluid must be removed from the Equipment and disposed of in accordance with then current waste disposal laws. Lessee shall return the units of Equipment to a location within the continental United States as Lessor shall direct. Lessee shall obtain and pay for a policy of transit insurance for the redelivery period in an amount equal to the replacement value of the Equipment. The transit insurance must name Lessor as the loss payee. The Lessee shall pay for all costs to comply with this section (a).

(b) Until Lessee has fully complied with the requirements of Section 9(a) above, Lessee's rent payment obligation and all other obligations under this Agreement shall continue from month to month notwithstanding any expiration or termination of the lease term. Lessor may not terminate the Lessee's right to use Equipment, unless Lessee is in default.

(c) Lessee shall provide to Lessor a detailed inventory of all components of the Equipment including model and serial numbers. Lessee shall also provide an up-to-date copy of all other documentation pertaining to the Equipment. All service manuals, blueprints, process flow diagrams, operating manuals, inventory and maintenance records shall be given to Lessor at least ninety (90) days and not more than one hundred twenty (120) days prior to lease termination.

(d) Lessee shall make the Equipment available for on-site operational inspections by potential purchasers at least one hundred twenty (120) days prior to and continuing up to lease termination. Lessor shall provide Lessee with reasonable notice prior to any inspection. Lessee shall provide personnel, power and other requirements necessary to demonstrate electrical, hydraulic and mechanical systems for each item of Equipment.

10. DEFAULT AND REMEDIES:

(a) Lessor may in writing declare this Agreement in default if: (i) Lessee breaches its obligation to pay rent or any other sum when due and fails to cure the breach within ten (10) days; (ii) Lessee breaches any of its insurance

obligations under Section 9; (iii) Lessee breaches any of its other obligations and fails to cure that breach within thirty (30) days after written notice from Lessor; (iv) any representation or warranty made by Lessee in connection with this Agreement shall be false or misleading in any material respect; (v) Lessee or any guarantor or other obligor for the Lessee's obligations hereunder ("GUARANTOR") becomes insolvent or ceases to do business as a going concern; (vi) any Equipment is illegally used; (vii) if Lessee or any Guarantor is a natural person, any death or incompetency of Lessee or such Guarantor; (viii) a petition is filed by or against Lessee or any Guarantor under any bankruptcy or insolvency laws and in the event of an involuntary petition, the petition is not dismissed, within forty-five (45) days of the filing date; (ix) Lessee default under any other material obligation for (A) borrowed money, (B) the deferred purchase price of property, or (C) payments due under the lease agreement; (x) there is any dissolution, termination or existence, merger, consolidation or change in controlling ownership or Lessee or any Guarantor, but not to include an initial public offering, or any other stock offering, preferred to common, in which the primary purpose is to raise cash equity; or (xi) there is a material adverse change in the Lessee's financial condition. The default declaration shall apply to all Schedules unless specifically excepted by Lessor.

(b) After a default, at the request of Lessor, Lessee shall comply with the provisions of Section 9(a) and the following provisions shall apply also. Lessee hereby authorizes Lessor to

peacefully enter any premises where any Equipment may be and take possession of the Equipment. Lessee shall immediately pay to Lessor without further demand as liquidated damages for loss of a bargain and not as a penalty, the Stipulated Loss Value of the Equipment (calculated as of the rent payment date prior to the declaration of default), and all rents and other sums then due under this Agreement and all Schedules. Lessor may terminate this Agreement as to any or all of the Equipment. A termination shall occur only upon written notice by Lessor to Lessee and only as to the units of Equipment specified in any such notice. Lessor may, but shall not be required to, sell Equipment at private or public sale, in bulk or in parcels, with or without notice, and without having the Equipment present at the place of sale. Lessor may also, but shall not be required to, lease, otherwise dispose of or keep idle all or part of the Equipment. Lessor may use Lessee's premises for a reasonable period of time for any or all of the purposes stated above without liability for rent, costs, damages or otherwise. The proceeds of sale, lease or other disposition, if any, shall be applied in the following order of priorities: (i) to pay all of Lessor's costs, charges and expenses incurred in taking, removing, holding, repairing and selling, leasing or otherwise disposing of Equipment; then (ii) to the extent not previously paid by Lessee, to pay Lessor all sums due from Lessee under this Agreement; then (iii) to reimburse to Lessee any sums previously paid by Lessee as liquidated damages; and then (iv) to Lessee, if there exists any surplus. Lessee shall immediately pay any deficiency in (i) and (ii) above.

(c) The foregoing remedies are cumulative, and any or all thereof may be exercised instead of or in addition to each other or any remedies at law, in equity, or under statute. Lessee waives notice of sale or other disposition (and the time and place thereof), and the manner and place of any advertising. Lessee shall pay Lessor's actual attorney's fees incurred in connection with the enforcement, assertion, defense or preservation of Lessor's rights and remedies under this Agreement, or if prohibited by law, such lesser sum as may be permitted. Waiver of any default shall not be a waiver of any other or subsequent default.

(d) Any default under the terms of this or any other agreement between Lessor and Lessee may be declared by Lessor a default under this and any such other agreement.

11. ASSIGNMENT: LESSEE SHALL NOT SELL, TRANSFER, ASSIGN, ENCUMBER OR SUBLET ANY EQUIPMENT OR THE INTEREST OF LESSEE IN THE EQUIPMENT WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR. Lessor may, without the consent of Lessee, assign this Agreement, any Schedule or the right to enter into a Schedule. Lessee agrees

that is Lessee receives written notice of an assignment from Lessor, Lessee will pay all rent and all other amounts payable under any assigned Schedule to such assignee or as instructed by Lessor. Lessee also agrees to confirm in writing receipt of the notice of assignment as may be reasonably requested by assignee. Lessee hereby waives and agrees not to assert against any such assignee any defense, set-off, recoupment claim or counterclaim which Lessee has or may at any time have against Lessor for any reason whatsoever.

12. NET LEASE: Lessee is unconditionally obligated to pay all rent and other amounts due for the entire lease term no matter what happens, even if the Equipment is damaged or destroyed, if it is defective or if Lessee no longer can use it. Lessee is not entitled to reduce or set-off against rent or other amounts due to Lessor or to anyone to whom Lessor assigns this Agreement or any Schedule whether Lessees claim arises out of this Agreement, any Schedule, any

statement by Lessor, Lessor's liability of any manufacturers liability, strict liability, negligence or otherwise.

13. INDEMNIFICATION:

(a) Lessee hereby agrees to indemnify Lessor, its agents, employees, successors and assigns (on an after tax basis) from and against any and all losses, damages, penalties, injuries, claims, actions and suits, including legal expenses, of whatsoever kind and nature arising out of or relating to the Equipment or this Agreement, except to the extent the losses, damages, penalties, injuries, claims, actions, suits or expenses result from Lessor's gross negligence or willful misconduct ("CLAIMS"). This indemnity shall include, but is not limited to, Lessor's strict liability in tort and Claims, arising out of (i) the selection, manufacture, purchase, acceptance or rejection of Equipment, the ownership of Equipment during the term of this Agreement, and the delivery, lease, possession, maintenance, uses, condition, return or operation of Equipment (including, without limitation, latent and other defects, whether or not discoverable by Lessor or Lessee and any claim for patent, trademark or copyright infringement or environmental damage) or (ii) the condition of Equipment sold or disposed of after use by Lessee, any sublessee or employees of Lessee. Lessee shall, upon request, defend any actions based on, or arising out of, any of the foregoing.

(b) All of Lessor's rights, privileges and indemnities contained in this Section 13 shall survive the expiration or other termination of this Agreement. The rights, privileges and indemnities contained herein are expressly made for the benefit of, and shall be enforceable by Lessor, its successors and assigns.

14. DISCLAIMER: LESSEE ACKNOWLEDGES THAT IT HAS SELECTED THE EQUIPMENT WITHOUT ANY ASSISTANCE FROM LESSOR, ITS AGENTS OR EMPLOYEES. LESSOR DOES NOT MAKE, HAS NOT MADE, NOR SHALL BE DEEMED TO MAKE OR HAVE MADE, ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, WRITTEN OR ORAL, WITH RESPECT TO THE EQUIPMENT LEASED UNDER THIS AGREEMENT OR ANY COMPONENT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY AS TO DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY OF MATERIALS OR WORKMANSHIP, MERCHANTABILITY, FITNESS FOR ANY PURPOSE, USE OR OPERATION, SAFETY, PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT, OR TITLE. All such risks, as between Lessor and Lessee, are to be borne by Lessee. Without limiting the foregoing, Lessor shall have no responsibility or liability to Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Equipment, any inadequacy thereof, any deficiency or defect (latent or otherwise) of the Equipment, or any other circumstance in connection with the Equipment; (ii) the use, operation or performance of any Equipment or any risks relating to it, (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Equipment. If, and so long as, no default exists under this Agreement, Lessee shall be, and hereby is, authorized during the term of this Agreement to assert and enforce, whatever claims and rights Lessor may have against any Supplier of the Equipment at Lessee's sole cost and

expense, in the name of and for the account of Lessor and/or Lessee, as their interests may appear.

15. REPRESENTATIONS AND WARRANTIES OF LESSEE: Lessee makes each of the following representations and warranties to Lessor on the date hereof and on the date of execution of each Schedule:

(a) Lessee has adequate power and capacity to enter into, and perform under, this Agreement and all related documents (together, the "DOCUMENTS"). Lessee is duly qualified to do business wherever necessary to carry on its present business and operations, including the jurisdiction(s) where the Equipment is or is to be located.

(b) The Documents have been duly authorized, executed and delivered by Lessee and constitute valid, legal and binding agreements, enforceable in accordance with their terms, except to the extent that the enforcement of remedies may be limited under applicable bankruptcy and insolvency laws.

(c) No approval, consent or withholding of objections is required from any governmental authority or entity with respect to the entry into or performance by Lessee of the Documents except such as have already been obtained.

(d) The entry into and performance by Lessee of the Documents will not: (i) violate any judgment, order, law or regulation applicable to Lessee or any provision of Lessee's Certificate of Incorporation or bylaws; or (ii) result in any breach of, constitute a default under or result in the creation of any lien, charge, security interest or other encumbrance upon any Equipment pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument (other than this Agreement) to which Lessee is a party,

(e) There are no suits or proceedings pending or threatened in court or before any commission, board or other administrative agency against or affecting Lessee, which if decided against Lessee will have a material adverse effect on the ability of Lessee to fulfill its obligations under this Agreement.

(f) The Equipment accepted under any Certificate of Acceptance is and will remain tangible personal property.

(g) Each financial statement delivered to Lessor has been prepared in accordance with generally accepted accounting principles consistently applied. Since the date of the most recent financial statement, there has been no material adverse change.

(h) Lessee's exact legal name is as set forth in the first sentence of this Agreement and Lessee is and will be at all times validly existing and in good standing under the laws of the State of its incorporation (specified in the first sentence of this Agreement).

(i) The Equipment will at all times be used for commercial or business purposes.

(j) Lessee is and will remain in full compliance with all laws and regulations applicable to it including, without limitation,' (i) ensuring that no person who owns a controlling interest in or

otherwise controls Lessee is or shall be (Y) listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, and/or any other similar lists maintained by OFAC pursuant to any authorizing statute, Executive Order or regulation or (Z) a person designated under Section 1(b), (c) or (d) of

Executive Order No. 13224 (September 23, 2001), any related enabling legislation or any other similar Executive Orders, and (ii) compliance with all applicable Bank Secrecy Act ("BSA") laws, regulations and government guidance on BSA compliance and on the prevention and detection of money laundering violations.

16. OWNERSHIP FOR TAX PURPOSES, GRANT OF SECURITY INTEREST; USURY SAVINGS:

(a) For income tax purposes, the parties hereto agree that it is their mutual intention that Lessee shall be considered the owner of the Equipment. Accordingly, Lessor agrees (i) to treat Lessee as the owner of the Equipment on Its federal income tax return, (ii) not to take actions or positions inconsistent with such treatment on or with respect to its federal income tax return, and (iii) not to claim any tax benefits available to an owner of the Equipment on or with respect to its federal income tax return. The foregoing undertakings by Lessor shall not be violated by Lessor's taking a tax position inconsistent with the foregoing sentence to the extent such a position is required by law or is taken through inadvertence so long as such inadvertent tax position is reversed by Lessor promptly upon its discovery, Lessor shall in no event be liable to Lessee if Lessee fails to secure any of the tax benefits available to the owner of the Equipment.

(b) Lessee hereby grants to Lessor a first security interest in the Equipment, together with all additions, attachments, accessions, accessories and accessions thereto whether or not furnished by the Supplier of the Equipment and any and all substitutions, replacements or exchanges therefor, and any and all insurance and/or other proceeds of the property in and against which a security interest is granted hereunder. This security interest is given to secure the payment and performance of all debts, obligations and liabilities of any kind whatsoever of Lessee to Lessor, now existing or arising in the future under this Agreement or any Schedules attached hereto, and any renewals, extensions and modifications of such debts, obligations and liabilities.

(c) It is the intention of the parties hereto to comply with any applicable usury laws to the extent that any Schedule is determined to be subject to such laws; accordingly, it is agreed that, notwithstanding any provision to the contrary in any Schedule or this Agreement, in no event shall any Schedule require the payment or permit the collection of interest in excess of the maximum amount permitted by applicable law. If any such excess interest is contracted for, charged or received under any Schedule or this Agreement, or in the event that all of the principal balance shall be prepaid, so that under any of such circumstances the amount of interest contracted for, charged or received under any Schedule or this Agreement shall exceed the maximum amount of interest permitted by applicable law, then in such event (i) the provisions of this paragraph shall govern and control, (ii) neither Lessee nor any other person or entity now or hereafter liable for the payment hereof shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest permitted by applicable law, (iii) any such excess which may have been collected shall be either applied as a credit against the then unpaid principal balance or refunded to Lessee, at the option of' the Lessor, and (iv) the effective rate of interest shall be automatically reduced to the maximum lawful contract rate

allowed under applicable law as now or hereafter construed by the courts having jurisdiction thereof. It is further agreed that without limitation of the foregoing, all calculations of the rate of interest contracted for, charged or received under any Schedule or this Agreement which are made for the purpose of determining whether such rate exceeds the maximum lawful contract rate, shall be made, to the extent permitted by applicable law, by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the indebtedness evidenced hereby, all interest at any time contracted for, charged or received from Lessee or otherwise by Lessor in connection with such indebtedness; provided, however, that if any applicable state law is amended or the law of the United States of America preempts any applicable state law, so that it becomes lawful for Lessor to receive a greater interest per annum rate than is presently allowed, the Lessee agrees that, on the effective

date of such amendment or preemption, as the case may be, the lawful maximum hereunder shall be increased to the maximum interest per annum rate allowed by the amended state law or the law of the United States of America.

17. EARLY TERMINATION:

(a) On or after the First Termination Date (specified in the applicable Schedule), Lessee may, so long as no default exists hereunder, terminate this Agreement as to all (but not less than alt) of the Equipment on such Schedule as of a rent payment date ("TERMINATION DATE"). Lessee must give Lessor at least ninety (90) days prior written notice of the termination.

(b) Lessee shall, and Lessor may, solicit cash bids for the Equipment on an AS IS, WHERE IS BASIS without recourse to or warranty from Lessor, express or implied ("AS IS BASIS"). Prior to the Termination Date, Lessee shall (i) certify to Lessor any bids received by Lessee and (ii) pay to Lessor (A) the Termination Value (calculated as of the rent due on the Termination Date) for the Equipment, and (8) all rent and other sums due and unpaid as of the Termination Date.

(c) If all amounts due hereunder have been paid on the Termination Date, Lessor shall (i) sell the Equipment on an AS IS BASIS for cash to the highest bidder and (ii) refund the proceeds of such sale (net of any related expenses) to Lessee up to the amount of the Termination Value. If such sale is not consummated, no termination shall occur and Lessor shall refund the Termination Value (less any expenses incurred by Lessor) to Lessee.

(d) Notwithstanding the foregoing, Lessor may elect by written notice, at any time prior to the Termination Date, not to sell the Equipment. In that event, on the Termination Date Lessee shall (i) return the Equipment (in accordance with Section 9) and (ii) pay to Lessor all amounts required under Section 17(b) less the amount of the highest bid certified by Lessee to Lessor.

18. EARLY PURCHASE OPTION:

(a) Lessee may purchase on an AS IS BASIS all (but not less than all) of the Equipment on any Schedule on any Rent Payment Date after the First Termination Date specified in the applicable Schedule but prior to the last Rent Payment Date of such Schedule (the "EARLY PURCHASE DATE"), for a price equal to (i) the Termination Value (calculated as of the Early Purchase Date) for the Equipment, and (ii) all rent and other sums due and unpaid as of the Early

Purchase Date (the "EARLY OPTION PRICE"), plus all applicable sales taxes. Lessee must notify Lessor of its intent to purchase the Equipment in writing at least thirty (30) days, but not more than two hundred seventy (270) days, prior to the Early Purchase Date. If Lessee is in default or if the Schedule or this Agreement has already been terminated, Lessee may not purchase the Equipment. (The purchase option granted by this subsection shall be referred to herein as the "EARLY PURCHASE OPTION").

(b) If Lessee exercises its Early Purchase Option, then on the Early Purchase Date, Lessee shall pay to Lessor any rent and other sums due and unpaid on the Early Purchase Date and Lessee shall pay the Early Option Price, plus all applicable sales taxes, to Lessor in cash.

19. END OF LEASE PURCHASE OPTION: Lessee may, at lease expiration, purchase all (but not less than all) of the Equipment on any Schedule on an AS IS BASIS for cash equal to the amount indicated on such Schedule (the "OPTION PAYMENT"), plus all applicable sales taxes. The Option Payment, plus all applicable sales taxes, shall be due and payable in immediately available funds on the expiration date of such Schedule. Lessee must notify Lessor of its intent to purchase the Equipment in writing at least one hundred eighty (180) days prior to the expiration date of the Schedule. If Lessee is in default, or if the Schedule or this Agreement has already been terminated, Lessee may not purchase the Equipment.

20. MISCELLANEOUS:

(a) LESSEE AND LESSOR UNCONDITIONALLY WAIVE THEIR RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, ANY OF THE RELATED DOCUMENTS, ANY DEALINGS BETWEEN LESSEE AND LESSOR RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN LESSEE AND LESSOR. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. THIS WAIVER IS IRREVOCABLE. THIS WAIVER MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING. THE WAIVER ALSO SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, ANY RELATED DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THIS TRANSACTION OR ANY RELATED TRANSACTION. THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(b) Any cancellation or termination by Lessor of this Agreement, any Schedule, supplement or amendment hereto, or the lease of any Equipment hereunder shall not release Lessee from any then outstanding obligations to Lessor hereunder. All Equipment shall at all times remain personal property even though it may be attached to real property. The Equipment shall not become part of any other property by reason of any installation in, or attachment to, other real or personal property.

(c) Time is of the essence of this Agreement. Lessor's failure at any time to require strict performance by Lessee of any of the provisions hereof shall not waive or diminish Lessor's right at any other time to demand strict compliance with this Agreement Lessee agrees, upon Lessor's

request, to execute, or otherwise authenticate, any document, record or instrument necessary or expedient for filing, recording or perfecting the interest of Lessor or to carry out the intent of this Agreement. In addition, Lessee hereby authorizes Lessor to file a financing statement and amendments thereto describing the Equipment described in any and all Schedules now and hereafter executed pursuant hereto and adding any other collateral described therein and containing any other information required by the applicable Uniform Commercial Code. Lessee irrevocably grants to Lessor the power to sign Lessee's name and generally to act on behalf of Lessee to execute and file financing statements and other documents pertaining to any or all of the Equipment. Lessee hereby ratifies its prior authorization for Lessor to file financing statements and amendments thereto describing the Equipment and containing any other information required by any applicable law (including without limitation the Uniform Commercial Code) if filed prior to the date hereof. All notices required to be given hereunder shall be deemed adequately given if sent by registered or certified mail to the addressee at its address stated herein, or at such other place as such addressee may have specified in writing. This Agreement and any Schedule and Annexes thereto constitute the entire agreement of the parties with respect to the subject matter hereof. NO VARIATION OR MODIFICATION OF THIS AGREEMENT OR ANY WAIVER OF ANY OF ITS PROVISIONS OR CONDITIONS, SHALL BE VALID UNLESS IN WRITING AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE PARTIES HERETO.

(d) If Lessee does not comply with any provision of this Agreement, Lessor shall have the right, but shall not be obligated, to effect such compliance, in whole or in part. All reasonable amounts spent and obligations incurred or assumed by Lessor in effecting such compliance shall constitute additional rent due to Lessor. Lessee shall pay the additional rent within ten (10) days after the date Lessor sends notice to Lessee requesting payment Lessor's effecting such compliance shall not be a waiver of Lessee's default.

(e) Any rent or other amount not paid to Lessor when due shall bear interest, from the due date until paid, at the lesser of eighteen percent (18%) per annum or the maximum rate allowed by law. Any provisions in this Agreement and any Schedule that are in conflict with any statute, law or applicable rule shall be deemed omitted, modified or altered to conform thereto. Notwithstanding anything to the contrary contained in this Agreement or any Schedule, in no event shall

this Agreement or any Schedule require the payment or permit the collection of amounts in excess of the maximum permitted by applicable law.

(f) Lessee hereby irrevocably authorizes Lessor to adjust the Capitalized Lessor's Cost up or down by no more than ten percent [10%] within each Schedule to account for equipment change orders, equipment returns, invoicing errors, and similar matters. Lessee acknowledges and agrees that the rent shall be adjusted as a result of the change in the Capitalized Lessor's Cost. Lessor shall send Lessee a written notice stating the final Capitalized Lessor's Cost, if it has changed.

(g) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CONNECTICUT (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH STATE), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE EQUIPMENT.

(h) Any cancellation or termination by Lessor, pursuant to the provisions of this Agreement, any Schedule, supplement or amendment hereto, of the lease of any Equipment hereunder, shall not release Lessee from any then outstanding obligations to Lessor hereunder.

(i) To the extent that any Schedule would constitute chattel paper, as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction, no security interest therein may be created through the transfer or possession of this Agreement in and of itself without the transfer or possession of the original of a Schedule executed pursuant to this Agreement and incorporating this Agreement by reference; and no security interest in this Agreement and a Schedule may be created by the transfer or possession of any counterpart of the Schedule other than the original thereof, which shall be identified as the document marked Original and all other counterparts shall be marked Duplicate.

(j) Each party hereto agrees to keep confidential, the terms and provisions of the Documents and the transactions contemplated hereby and thereby (collectively, the "TRANSACTIONS"), except that each party may make disclosure to the extent required by law and Lessee may make confidential disclosure to its significant investors, potential business partners and/or potential investors. Notwithstanding the foregoing, the obligations of confidentiality contained herein, as they relate to the Transactions, shall not apply to the federal tax structure or federal tax treatment of the Transactions, and each party hereto (and any employee, representative, or agent of any party hereto) may disclose to any and all persons, without limitation of any kind, the federal tax structure and federal tax treatment of the Transactions. The preceding sentence is intended to cause each Transaction to be treated as not having been offered under conditions of confidentiality for purposes of Section I.6011-4(b)(3) (or any successor provision) of the Treasury Regulations promulgated under Section 6011 of the Internal Revenue Code of 1986, as amended, and shall be construed in a manner consistent with such purpose. In addition, each party hereto acknowledges that it has no proprietary or exclusive rights to the federal tax structure of the Transactions or any federal tax matter or federal tax idea related to the Transactions.

IN WITNESS WHEREOF, Lessee and Lessor have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

LESSOR:	LESSEE:
GENERAL ELECTRIC CAPITAL CORPORATION	SYNTA PHARMACEUTICALS CORP.
By: /s/ JOHN EDEL	By: /s/ KEITH EHRLICH
Name: John Edel	Name: Keith Ehrlich

Title: SVP

Title: VP of Finance and Administration

EQUIPMENT CONCENTRATION RIDER

SYNTA PHARMACEUTICALS CORP. ("Customer"), on or before October 19, 2005, shall cause the composition and mix of Equipment financed after November 10, 2004 under the Master Lease Agreement dated as of November 10, 2004 between Customer and General Electric Capital Corporation to conform to and meet the following concentration requirements (hereinafter "Concentration Requirements") for each class of Equipment (hereinafter "Equipment Class") as identified and set forth below. Customer herein represents and warrants that it shall maintain each such Equipment Class and its respective Concentration Requirement from and after such above referenced date and continuing thereafter to the end of the term:

EQUIPMENT CLASS	CONCENTRATION REQUIREMENT
Laboratory & scientific equipment:	Minimum of 60%
General Office equipment, Computers & similar:	Maximum of 15%
Soft costs (leaseholds, software, & similar):	Maximum of 25%

Accepted and Agreed:

SYNTA PHARMACEUTICALS CORP.

By: /s/ KEITH EHRLICH

Title: VP of Finance and Administration

Date: 11/11/04

EQUIPMENT SCHEDULE
(QUASI LEASE - FIXED RATE)
SCHEDULE NO. 001
DATED THIS 11/23/04
TO MASTER LEASE AGREEMENT
DATED AS OF NOVEMBER 10, 2004

LESSOR & MAILING ADDRESS:	LESSEE & MAILING ADDRESS:
GENERAL ELECTRIC CAPITAL CORPORATION	SYNTA PHARMACEUTICALS CORP.
83 WOOSTER HEIGHTS RD. 5TH FLOOR	45 HARTWELL AVENUE
DANBURY, CT 06810	LEXINGTON, MA 02421

This Schedule is executed pursuant to, and incorporates by reference the terms and conditions of, and capitalized terms not defined herein shall have the meanings assigned to them in, the Master Lease Agreement identified above ("Agreement", said Agreement and this Schedule being collectively referred to as "Lease"). This Schedule, incorporating by reference the Agreement, constitutes a separate instrument of lease.

A. EQUIPMENT: Subject to the terms and conditions of the Lease. Lessor agrees to lease to Lessee the Equipment described below (the "Equipment").

NUMBER LESSOR'S COST	CAPITALIZED MANUFACTURER	SERIAL NUMBERS	YEAR/MODEL AND TYNE OF EQUIPMENT

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF.

B. FINANCIAL TERMS

1. Advance Rent (if any): $32,496.60.
2. Capitalized Lessor's Cost: $1,025,044.09.
3. Basic Term (No. of Months): THIRTY SIX (36) Months.
4. Basic Term Lease Rate Factor: 3.170264.
5. Basic Term Commencement Date: 12/01/04
6. Lessee Federal Tax ID No.: 04-3508648.
7. Last Delivery Date: 11/23/04
8. Daily Lease Rate Factor: .1057.
9. Interest Rate: 9.32% per annum.
10. Option Payment: $1.00

11. First Termination Date: N/A (-) months after the Basic Term Commencement Date.

12. Interim Rent: For the period from and including the Lease Commencement Date to the Basic Term Commencement Date ("INTERIM PERIOD"), Lessee shall pay as rent (" INTERIM RENT") for each unit of Equipment, the product of the Daily Lease Rate Factor times the Capitalized Lessor's Cost of such unit times the number of days in the Interim Period. Interim Rent shall be due on Basic Term Commencement Date.

13. Basic Term Rent. Commencing on 12/01/04 and on the same day of each month thereafter (each, a "RENT PAYMENT DATE") during the Basic Term, Lessee shall pay as rent ("BASIC TERM RENT") the product of the Basic Term Lease Rate Factor times the Capitalized Lessor's Cost of all Equipment on this Schedule.

14. Lessee agrees and acknowledges that the Capitalized Lessor's Cost of the Equipment as stated on the Schedule is equal to the fair market value of the Equipment on the date hereof.

C. INTEREST RATE: Interest shall accrue from the Lease Commencement Date through and including the date of termination of the Lease.

D. PROPERTY TAX

PROPERTY TAX NOT APPLICABLE ON EQUIPMENT LOCATED IN MASSACHUSETTS.

Lessor may notify Lessee (and Lessee agrees to follow such notification) regarding any changes in property tax reporting and payment responsibilities.

E. ARTICLE 2A NOTICE

IN ACCORDANCE WITH THE REQUIREMENTS OF ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE AS ADOPTED IN THE APPLICABLE STATE, LESSOR HEREBY MAKES THE FOLLOWING DISCLOSURES TO LESSEE PRIOR TO EXECUTION OF THE LEASE, (A) THE PERSON(S) SUPPLYING THE EQUIPMENT IS VARIOUS (THE "SUPPLIER(S)"), (B) LESSEE IS ENTITLED TO THE PROMISES AND WARRANTIES, INCLUDING THOSE OF ANY THIRD PARTY, PROVIDED TO THE LESSOR BY SUPPLIER(S), WHICH IS SUPPLYING THE EQUIPMENT IN CONNECTION WITH

OR AS PART OF THE CONTRACT BY WHICH LESSOR ACQUIRED THE EQUIPMENT AND (C) WITH RESPECT TO SUCH EQUIPMENT, LESSEE MAY COMMUNICATE WITH SUPPLIER(S) AND RECEIVE AN ACCURATE AND COMPLETE STATEMENT OF SUCH PROMISES AND WARRANTIES, INCLUDING ANY DISCLAIMERS AND LIMITATIONS OF THEM OR OF REMEDIES. TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSEE HEREBY WAIVES ANY AND ALL RIGHT'S AND REMEDIES CONFERRED UPON A LESSEE IN ARTICLE 2A AND ANY RIGHTS NOW OR HEREAFTER CONFERRED BY STATUTE OR OTHERWISE WHICH MAY LIMIT OR MODIFY ANY OF LESSOR'S RIGHTS OR REMEDIES UNDER THE DEFAULT AND REMEDIES SECTION OF THE AGREEMENT.

F. STIPULATED LOSS AND TERMINATION VALUE TABLE*

Rental Basic	Termination Value Percentage	Stipulated Loss Value Percentage	Rental	Termination Value Percentage	Stipulated Loss Value Percentage
1	99.830	103.748	19	53.306	55.803
2	97.412	101.251	20	50.526	52.945
3	94.975	98.735	21	47.725	50.064
4	92.519	96.200	22	44.902	47.163
5	90.044	93.646	23	42.057	44.239
6	87.549	91.073	24	39.190	41.293
7	85.036	88.481	25	36.301	38.325
8	82.503	85.868	26	33.390	35.334
9	79.950	83.237	27	30.455	32.321
10	77.377	80.585	28	27.498	29.285
11	74.785	77.914	29	24.518	26.226
12	72.172	75.222	30	21.515	23.144
13	69.539	72.510	31	18.489	20.039
14	66.885	69.778	32	15.439	16.910
15	64.211	67.024	33	12.365	13.757
16	61.516	64.251	34	9.268	10.581
17	58.801	61.456	35	6.146	7.380
18	56.064	58.640	36	3.000	4.155

*The Stipulated Loss Value or Termination Value for any unit of Equipment shall be the Capitalized Lessor's Cost of such unit multiplied by the appropriate percentage derived from the above table. In the event that the Lease is for any reason extended, then the last percentage figure shown above shall control throughout any such extended term.

G. PAYMENT AUTHORIZATION

You are hereby irrevocably authorized and directed to deliver and apply the proceeds due under this Schedule as follows:

COMPANY NAME	ADDRESS	AMOUNT
Synta Pharmaceuticals Corp.	45 Hartwell Ave. Lexington. MA	$ 1,002,924.52
GE (Advance Rental)	83 Wooster Heights Rd, Danbury, CT	$ 22,119.57*

*$12,500 from your Good Faith Deposit will be applied as follows:
$2,122.97 (Interim Interest)
$10,377.03 (Balance of Advance Rental)

This authorization and direction is given pursuant to the same authority authorizing the above-mentioned financing.

PURSUANT TO THE PROVISIONS OF THE LEASE, AS IT RELATES TO THIS SCHEDULE, LESSEE HEREBY CERTIFIES AND WARRANTS THAT (i) ALL EQUIPMENT LISTED ABOVE IS IN GOOD CONDITION AND APPEARANCE, HAS BEEN DELIVERED AND INSTALLED (IF APPLICABLE) AS OF THE DATE STATED ABOVE AND IN WORKING ORDER, AND COPIES OF THE BILL(S) OF LADING OR OTHER DOCUMENTATION ACCEPTABLE TO LESSOR WHICH SHOW THE DATE OF DELIVERY ARE ATTACHED HERETO; (ii) LESSEE HAS INSPECTED THE EQUIPMENT, AND ALL SUCH TESTING AS IT DEEMS NECESSARY HAS BEEN PERFORMED BY LESSEE, SUPPLIER OR THE MANUFACTURER; AND (iii) LESSEE ACCEPTS THE EQUIPMENT FOR ALL PURPOSES OF THE LEASE AND ALL ATTENDANT DOCUMENTS.

LESSEE DOES FURTHER CERTIFY THAT AS OF THE DATE HEREOF (i) LESSEE IS NOT IN DEFAULT UNDER THE LEASE; AND (ii) THE REPRESENTATIONS AND WARRANTIES MADE BY LESSEE PURSUANT TO OR UNDER THE LEASE ARE TRUE AND CORRECT ON THE DATE HEREOF.

Except as expressly modified hereby, all terms and provisions of the Agreement shall remain in full force and effect. This Schedule is not binding or effective with respect to the Agreement or Equipment until executed on behalf of Lessor and Lessee by authorized representatives of Lessor and Lessee, respectively.

IN WITNESS WHEREOF, Lessee and Lessor have caused this Schedule to be executed by their duly authorized representatives as of the date first above written.

LESSOR:	LESSEE:
GENERAL ELECTRIC CAPITAL CORPORATION	SYNTA PHARMACEUTICALS CORP.
By: /s/ JOHN EDEL	By: /s/ KEITH EHRLICH
Name: John Edel	Name: Keith Ehrlich
Title: SVP	Title: VP of Finance and Administration

Exhibit 10.20

AGREEMENT AND RELEASE

AGREEMENT AND RELEASE dated this 14th day of January, 2005, by and between Dr. Lan Bo Chen ("DR. CHEN") and Synta Pharmaceutical Corp. (the "COMPANY"). Dr. Chen and the Company may be referred to jointly as "THE PARTIES."

WHEREAS, Dr. Chen is a founder of the Company, serves as a member of the Company's board of directors, and is chair of the Company's scientific advisory board;

WHEREAS, during the course of their relationship, the parties (including, in certain cases, various predecessor entities of the Company) have had, or may have had, various oral understandings and arrangements which, because they were not memorialized clearly in writing, have led to lack of clarity about the nature and extent of the parties' obligations to each other under these arrangements; and

WHEREAS, Dr. Chen and the Company wish to resolve, for their mutual benefit, all matters regarding such arrangements, including arrangements relating to (i) the release by Dr. Chen of any and all claims that Dr. Chen and his Affiliates (as defined below) and Associates (as defined below) may have against the Company, its Predecessors (as defined below) and other related parties, (ii) the assignment by Dr. Chen of the benefit of his interests in certain entities to the Company and (iii) Dr. Chen's assignment of inventions, non-competition, non-solicitation and confidentiality agreements with the Company.

NOW, THEREFORE, for good and valuable consideration, as more fully described below, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. AGREEMENT AND RELEASE CONSIDERATION.

As full, complete, and unconditional satisfaction, settlement and accord of all Claims (as defined below) and in consideration of the agreements and releases set forth herein, the Company agrees to pay to Dr. Chen a total sum of Five Hundred Thousand Dollars ($500,000). Such amount will be paid in twenty (20) equal payments of Twenty-Five Thousand Dollars ($25,000), the first being made on the date of execution of this Agreement and Release, and the remaining nineteen payments to be made every three months from the date hereof.

2. DEFINITIONS.

For purposes of this Agreement and Release, the following terms shall have the meanings set forth below:

(i) "AFFILIATE" shall mean a person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or under common control with another person or entity, and shall include without limitation, both current and former directors and officers of an entity;

(ii) "ASSOCIATE" shall mean (a) any corporation or organization (other than the Company or any of its subsidiaries) of which an individual, as of the date hereof, is a director, executive officer or partner or of which the individual is, directly or indirectly, the beneficial owner of 10% or more of any class of equity securities, (b) any trust or other estate in which an individual has a substantial beneficial interest or as to which the individual serves as

trustee or in a similar fiduciary capacity, and (c) an individual's spouse and, either by blood or adoption, the individual's parents, children, siblings,

mothers and fathers-in-law, sons and daughters-in-law, and brothers and sisters-in-law; and

(iii) "PREDECESSOR" shall mean an entity, the major portion of the business and assets of which was acquired by another entity in a single transaction or in a series of related transactions.

3. RELEASES.

(a) Dr. Chen on behalf of himself his Affiliates and Associates, and his and their fiduciaries, representatives, agents, estates, trusts, attorneys, executors, administrators, beneficiaries, successors and assigns (hereinafter, the "RELEASORS"), absolutely and unconditionally releases and forever discharges the Company, its Predecessors, Affiliates, Associates, and its and their successors and assigns, as well as all of their past and present attorneys, employees, insurers, representatives and agents, both individually and in any of their official capacities (collectively, the "RELEASEES"), from any and all actions or causes of action, disputes, suits, claims, complaints, contracts, liabilities, agreements, promises, oral or written, debts, judgments and damages, in law or equity, whether existing or contingent, known or unknown, matured or not matured since the Beginning of the World thorough the Date of this Agreement and Release (collectively, "CLAIMS"), including, without limitation: Claims arising out of Dr. Chen's ownership interest in or relationship with any Predecessor of the Company or any entity related to the Company in any manner whatsoever; Claims arising out of Dr. Chen's role as a founder, stockholder and/or director of the Company, as a consultant to the Company, or as an individual who has provided equipment and/or services to the Company; Claims arising from or as a consequence of any actions or omissions to act of the Company's Board of Directors or individual directors of the Company; Claims arising from or as a consequence of any actions or omissions to act of any other Releasee; Claims of breach of fiduciary duty; Claims arising from or concerning Dr. Chen's status as an owner or inventor of any assets, including equipment, intellectual property, biological or chemical materials, processes or know-how, compounds used by the Company, its Predecessors, Affiliates or Associates in their businesses; Claims for compensation, reimbursement or remuneration of any sort (such as, but without limitation, severance payments, license payments, bonus payments, benefits, accrued vacation pay, sick pay, reimbursable expenses, loans to the Company, expense vouchers, obligations or commitments to grant stock options or to issue stock and all other rights to acquire stock, if any such obligations, commitments and/or rights are claimed to exist, and all other payments, commissions, compensations or reimbursements of every kind and description and for whatever reason); Claims involving any federal or state securities laws; Claims involving any federal or state law or regulation relating to employment or employment discrimination (such as those laws or regulations concerning discrimination on the basis of age, alienage, race, color, creed, sex, sexual orientation, religion, national origin, handicap status or veteran status or any military service or application for military service); Claims involving any contract, arrangement or understanding, whether oral or written, express or implied; or common law Claims. This release is intended to be all-encompassing and to act as a full and total release of any and all Claims that any of the Releasors has, may have in the future, or has had against any or all of the Releasees resulting or arising from, relative to, or based on facts, events or occurrences since the Beginning of the World through the date of this Agreement and Release; however, notwithstanding the foregoing, nothing herein is intended to or shall impair, negate or otherwise affect (i) Dr. Chen's ownership in, or title or rights in or to, any equity interest, whether capital stock or options or other rights to acquire capital stock, he, his Affiliates or Associates has or have in the Company; or (ii) any vested interest of Dr. Chen in any retirement plan or pension.

(b) Dr. Chen, on his own behalf and on behalf of the other Releasors, further agrees to release and discharge the Company and all other Releasees from any and all Claims that might be made by any other person or organization on behalf of the Releasors, and specifically waives any right to

become, and promises not to become, a member of any class in a case in which any Claim against the Company, or any claim in the name of the Company, is made involving any matters subject to release pursuant to Section 3(a) (or, except as required by law or rule of court, to assist or cooperate in the bringing of any such claim against the Company or any other Releasee).

(c) These releases may be pleaded by any Releasee as a full and complete defense to any released Claim and may be used as the basis for an injunction against any action, suit or proceeding that may be prosecuted, instituted, or attempted in breach hereof. Nothing herein shall be deemed to waive the right of the Company or Dr. Chen to bring an action to enforce the terms of, or recover damages for breach of, any of the terms of this Agreement and Release.

(d) If the parties bring an action barred by, or in order to enforce, these releases, the losing party shall be obligated to reimburse the prevailing party for reasonable attorneys' fees and costs in such action.

(e) Nothing herein is intended to or shall impair, negate or otherwise affect any right to insurance or to indemnification either party may have under applicable law, under the Company's Certificate of Incorporation, as amended, or the Company's By-laws, as amended, or under any future contract specifically with respect to indemnification entered into by the Company and Dr. Chen.

4. ASSIGNMENT AND TRANSFER.

To the extent that Dr. Chen, or any Affiliate or Associate retains any remaining interest, directly or indirectly, in Kava Pharmaceuticals, Inc., Cancer Genomics, Inc., SinglePixel Biomedical, Inc., Three L Enterprises, and CMAC, LLC that could result in or give rise to a distribution or payment to him of anything of value, Dr. Chen hereby irrevocably assigns and transfers to the Company the net benefits received by Dr. Chen or any such Affiliate or Associate in connection with such interests, whenever they are received.

5. CONFIDENTIALITY AND INVENTION ASSIGNMENT.

(a) The parties acknowledge that the Company and the Predecessors have engaged Dr. Chen on an "at-will" basis as a consultant and service provider, and that the Company is currently compensating him for consulting services rendered on a month-to-month schedule (all of the foregoing services being hereinafter referred to as "CONSULTING SERVICES"). In consideration of the payments set forth in Section 1 hereof and the payments received and to be received pursuant to the Consulting Services, Dr. Chen hereby agrees to the confidentiality, non-disclosure and invention assignment provisions set forth below.

(b) CERTAIN ACKNOWLEDGEMENTS AND AGREEMENTS.

(i) The parties have discussed, and Dr. Chen hereby recognizes and acknowledges the competitive and proprietary aspects of the business of the Company, its Affiliates and Associates.

(ii) Dr. Chen acknowledges that a business will be deemed "competitive" with the Company if, at the time Dr. Chen enters into a relationship with such business or, at any time

within two years thereafter while Dr. Chen has a relationship with such business it engages in, or is actively planning or developing any service and/or the research, development or commercialization of any product that is the functional equivalent of, or that has or will likely have the effect of materially displacing sales of

services or products which (A) are performed, produced, manufactured, distributed, sold, under research or active development or in active planning by the Company at any time while Dr. Chen is providing Consulting Services or (B) are expressly identified in writing as the subject of Dr. Chen's Consulting Services hereunder. If the Company requests that Dr. Chen provide Consulting Services that he advises the Company may be competitive with the activities of another business with which he then has a relationship, the Company may at its option (x) terminate the Consulting Services and in connection therewith pay to Dr. Chen any fees and reimburseable expenses due for all Consulting Services rendered through the date of termination, or (y) require Dr. Chen to terminate his services with the competitive business or entity.

(iii) Dr. Chen further acknowledges that, while performing Consulting Services to the Company, the Company, its Affiliates and Associates have furnished and will furnish, disclose or make available to him Confidential Information (as defined below) related to the business of the Company and, its Affiliates. Dr. Chen also acknowledges that such Confidential Information has been developed and will be developed by the Company, its Affiliates and Associates through the expenditure by the Company, its Affiliates and Associates of substantial time, effort and money and that all such Confidential Information could be used by him to compete with the Company, its Affiliates and Associates. Further, while Dr. Chen has performed or in the future performs Consulting Services to the Company, he has been or will be introduced to customers and others with important relationships to the Company, its Affiliates and Associates. Dr. Chen acknowledges that any and all "goodwill" created through such introductions belongs exclusively to the Company, its Affiliates and Associates, including, without limitation, any goodwill created as a result of direct or indirect contacts or relationships between himself and any customers or other third parties doing business with the Company, its Affiliates and Associates.

(iv) For purposes of this Agreement and Release, "CONFIDENTIAL INFORMATION" means confidential and proprietary information of the Company, its Predecessors, Affiliates and Associates, whether in written, oral, electronic or other form, including but not limited to, information and facts concerning business plans; current or potential customers, suppliers, licensors, licensees, partners, investors, affiliates or others; training methods and materials; financial information; sales prospects; client lists; inventions; or any other scientific, technical or trade secrets of the Company, its Predecessors Affiliates and Associates or of any third party provided to Dr. Chen or the Company, its Predecessors Affiliates and Associates under a condition of confidentiality; provided that Confidential

Information will not include information that is in the public domain other than through any fault or act by Dr. Chen, his, Affiliates and Associates. The term "TRADE SECRETS," as used in this Agreement and Release, will be given its broadest possible interpretation under the law of the Commonwealth of Massachusetts and will include, without limitation, anything tangible or intangible or electronically kept or stored, which constitutes, represents, evidences or records secret, scientific, technical, merchandising, production or management information, or any design, process, procedure, formula, invention, improvement or other confidential or proprietary information or documents.

(c) NON-COMPETITION; NON-SOLICITATION. While Dr. Chen performs Consulting Services to the Company and for a period of one year following the termination of his service to the Company for any reason or for no reason, he will not, without the prior written consent of the Company:

(i) For himself or on behalf of any other person or entity, directly or indirectly, either as principal, partner, stockholder, officer, director, member, employee, consultant, agent, representative or in any other capacity, own, manage, operate or control, or be concerned, connected or employed by, or otherwise associate in any manner with, engage in or have a financial interest in, any business which is competitive with the business of the Company (each, a "RESTRICTED ACTIVITY") anywhere in the world, except that (A) nothing contained herein will preclude Dr. Chen from purchasing or owning securities of any such business if such securities are publicly traded, and provided that his holdings do not exceed one percent of the issued and outstanding securities of any class of securities of such business and (B) nothing contained herein will prohibit Dr. Chen from engaging in a Restricted Activity for or with respect to any subsidiary, division or affiliate or unit (each, a "UNIT") of an entity if that Unit is not engaged in any business which is competitive with the business of the Company, its Affiliates and Associates, irrespective of whether some other Unit of such entity engages in such competition (as long as Dr. Chen does not engage in a Restricted Activity for such other Unit); or

(ii) Either individually or on behalf of or through any third party, directly or indirectly, solicit, divert or appropriate or attempt to solicit, divert or appropriate, for the purpose of competing with the Company, any customers, licensors, licensees, collaborative partners, or other patrons of the Company, or any such person or entity with respect to which the Company has developed or made a presentation (or similar communication) with a view to developing a business relationship; or

(iii) Either individually or on behalf of or through any third party, directly or indirectly, (A) solicit, entice or persuade or attempt to solicit, entice or persuade any employee of or consultant to the Company to leave the service of the Company for any reason, or (B) employ, cause to be employed, or solicit the employment of, any employee of or consultant to the Company while any such person is providing services to the Company or within six months after any such person has ceased providing services to the Company.

(d) REASONABLENESS OF RESTRICTIONS. Dr. Chen further recognizes and acknowledges that (i) the types of employment which are prohibited by this Section 5 are narrow and reasonable in relation to the skills which represent his principal salable asset both to the Company and to others and (ii) the time period and the geographical scope of the provisions of this Section 5 are reasonable, legitimate and fair to Dr. Chen in light of the Company's need to effectively pursue its business plan and objectives and in light of the limited restrictions on the type of activities prohibited herein compared to the types of activities for which Dr. Chen is qualified to earn his livelihood.

(e) SURVIVAL OF ACKNOWLEDGEMENTS AND AGREEMENTS. Dr. Chen's acknowledgements and agreements set forth in this Section 5 will survive the termination of this Agreement and Release and the termination of Dr. Chen's service to the Company for any reason or for no reason.

(f) PROTECTED INFORMATION. Dr. Chen will at all times, both during the period while he performs Consulting Services to the Company and after the termination of this Agreement and Release and the termination of his service to the Company, for any reason or for no reason, maintain in confidence and will not, without the prior written consent of the Company, use, except as required in the course of performance of his duties for the Company or by court order, disclose or give to others any Confidential Information. In the event Dr. Chen is questioned by anyone not employed by the Company or by an employee of or a consultant to the Company not authorized to receive Confidential Information, in regard

to any Confidential Information, or concerning any fact or circumstance relating thereto, Dr. Chen will promptly notify the Company. Upon the termination of Dr. Chen's service to the Company for any reason or for no reason, or if the Company otherwise requests, he will return to the Company all tangible Confidential Information and copies thereof (regardless how such Confidential Information or copies are maintained). The terms of this sub-section are in addition to, and not in lieu of, any statutory or other contractual or legal obligation that he may have relating to the protection of the Company's Confidential Information. The terms of this sub-section will survive indefinitely any termination of this Agreement and Release and/or any termination of Dr. Chen's service to the Company for any reason or for no reason.

(g) PROPERTY OF THE COMPANY.

(i) All ideas, discoveries, creations, manuscripts and properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, biological processes, cell lines, laboratory notebooks and formulae in any form known or not yet known throughout the world (collectively, the "INVENTIONS") which may be used or useful in the current or planned business of the Company, whether patentable, copyrightable or not, which Dr. Chen has conceived, reduced to practice or developed, or may conceive, reduce to practice or develop arising out of or in connection with his performance of Consulting Services, employment-related services or other services for the Company or its Predecessors in any capacity (and, if based on or related to any Confidential Information, within one years after termination of such service to the Company for any reason or for no reason), alone or in conjunction with another or others, whether during or out of regular business hours, whether or not on the Company's premises or with the use of its equipment, and whether at the request or upon the suggestion of the Company or otherwise, will be and hereby are the sole and exclusive property of the Company, and Dr. Chen will not publish any of the Inventions without the prior written

consent of the Company. Without limiting the foregoing, Dr. Chen also acknowledges that all original works of authorship which are made by Dr. Chen (solely or jointly with others) within the scope of Dr. Chen's service to the Company and its Predecessors and which are protectable by copyright are "works made for hire" pursuant to the United States Copyright Act (17 U.S.C. Section 101). Dr. Chen hereby assigns to the Company all of his right, title and interest in and to all of the foregoing. Dr. Chen further represents that, to the best of his knowledge and belief, none of the Inventions will violate or infringe upon any right, patent, copyright, trademark or right of privacy, or constitute libel or slander against or violate any other rights of any person, firm or corporation, and that Dr. Chen will not knowingly create any Invention which causes any such violation.

(ii) To the extent that Dr. Chen has any ownership interest in any chemical compounds contained in the Company's compound library, used in any of the Company's past, current or planned research or development activities or which may be used or useful in the current or planned business of the Company, or otherwise located or stored at any of the Company's facilities, he assigns and irrevocably transfers to the Company all right title and interest therein.

(iii) To the extent that Dr. Chen has clear title to equipment located at the Company it will remain his personal equipment, all other ownership interests Dr. Chen may assert in any laboratory or equipment or materials, used in any of the Company's past, current or planned research or development activities or which may be used or useful in the current or planned business of the Company, or otherwise located or stored at any of the Company's

facilities, he assigns and irrevocably transfers to the Company all right title and interest therein.

(h) COOPERATION. At any time during Dr. Chen's service to the Company or after the termination of Dr. Chen's service to the Company for any reason or for no reason, Dr. Chen will cooperate fully with the Company and its attorneys and agents in the preparation and filing of all papers and other documents as may be required to perfect the Company's rights in and to any of such Inventions, including, but not limited to, joining in any proceeding to obtain letters patent, copyrights, trademarks or other legal rights with respect to any such Inventions in the United States and in any and all other countries, provided that the Company will bear the expense of such proceedings, and, if after the termination of Dr. Chen's service to the Company, shall compensate Dr. Chen at his then current per diem rate for his time spent providing such cooperation and assistance, as evidenced by time records in reasonable detail submitted to the Company. Any patent or other legal right so issued to Dr. Chen personally will be assigned by Dr. Chen to the Company without charge by Dr. Chen, his Affiliates and Associates.

(i) LICENSING AND USE OF INVENTIONS. With respect to any Inventions, whenever created, which Dr. Chen has not prepared or originated in the performance of his services to the Company or its Predecessors, but which Dr. Chen provides to the Company or which is incorporated in any Company product or system, Dr. Chen hereby grants to the Company a royalty-free, fully paid-up, non-exclusive, perpetual and irrevocable license throughout the world to use, modify, create derivative works from, disclose, publish, translate, reproduce, deliver, perform, dispose of, and to authorize others so to do, all such Inventions. Dr. Chen will not include in any Inventions he delivers to the Company or uses on its behalf, without the prior written approval of the

Company, any material which is or will be patented, copyrighted or trademarked by him or others unless he provides the Company with the written permission of the holder of any patent, copyright or trademark owner for the Company to use such material in a manner consistent with then-current Company policy.

(j) DISCLOSURE TO FUTURE EMPLOYERS. Dr. Chen will provide, and the Company, in its discretion, may similarly provide, a copy of the covenants contained in Section 5 of this Agreement and Release to any business or enterprise which he may, directly or indirectly, own, manage, operate, finance, join, control or in which he may participate in the ownership, management, operation, financing, or control, or with which he may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

(k) COMPANY ACKNOWLEDGEMENT. The Company acknowledges that Dr. Chen is affiliated with Caxton Health Holdings ("Caxton") and that Dr. Chen's affiliation with Caxton is not in violation of this Agreement, provided that Dr. Chen maintains the confidentiality of the Company's Confidential Information and trade secrets and may not engage in a competitive Restricted Activity, individually or in concert with others, in connection with his affiliation with Caxton.

6. NO ADMISSION.

The parties agree and acknowledge that while this Agreement and Release resolves the issues between the parties, it does not constitute an admission by either party of any liability whatsoever. Neither this Agreement and Release nor any of its terms shall be construed to be, or shall be admissible in any proceeding as, evidence of liability by either party. However, this Agreement and Release may be introduced in any proceeding to enforce its terms.

7. SEVERABILITY.

The parties agree that each provision herein shall be treated as a separate and independent clause, and the unenforceability of any one clause shall in no way impair the enforceability of any of the other clauses. Moreover, if one or more of the provisions or subparts contained in this Agreement and Release shall for any reason be held to be excessively broad as to scope or subject matter so as to be unenforceable at law or equity, such provision, provisions or subparts shall be construed by limiting and reducing it or them so as to be enforceable, to the fullest extent compatible with applicable law, in a manner consistent with the parties' intentions.

8. NOTICES AND PAYMENTS.

All payments to Dr. Chen shall be made at the address set forth below, or such other address as he shall inform the Company of in writing or, at the Company's option, shall be made by electronic deposit to a bank account designated by Dr. Chen. All notices and communications shall be given to the parties at the following addresses, or such other addresses as the parties shall provide to each other in writing:

If to Dr. Chen:

Lan Bo Chen, Ph.D.
184 East Emerson Road
Lexington, MA 02421

If to the Company:

Synta Pharmaceuticals Corp.

45 Hartwell Avenue
Lexington, MA 02421
Attention: Chief Executive Officer

9. REPRESENTATIONS AND GOVERNING LAW.

(a) This Agreement and Release, represents the complete understanding between the parties, supersedes any and all agreements and understandings, whether oral or written, and may not be modified, altered, changed or waived, in whole or in part, except upon written consent of both parties. The parties agree that the Company will not have an adequate remedy if Dr. Chen or any other Releasor fails to comply with the provisions hereof, and that damages will not be readily ascertainable for such breach, and that a decree of specific performance or an injunction enjoining a breach of this Agreement and Release is an appropriate remedy for such breach.

(b) Dr. Chen represents that he has carefully read this Agreement and Release, fully understands its terms, and is voluntarily executing same. In entering into this Agreement and Release, Dr. Chen does not rely on any representation, promise or inducement made by the Company, or any of its representatives, agents or attorneys, with the exception of the consideration described in this document.

(c) This Agreement and Release shall in all respects be interpreted, enforced and governed under the internal and domestic laws of the Commonwealth of Massachusetts without giving effect to the principles of conflicts of law thereof. Any dispute hereunder will be adjudicated only in the courts located in Massachusetts. Dr. Chen hereby submits to the jurisdiction of such courts.

(d) The parties agree to cooperate fully in the execution of any and all documents, and the taking of any additional action, which may be necessary or appropriate to give full force and effect to the terms and intent of this Agreement and Release.

(e) The language of all parts of this Agreement and Release shall in all cases be construed as a whole according to its fair meaning and not strictly for or against either of the parties.

(f) This Agreement and Release shall not be assigned by either party but shall be binding on the parties hereto and their respective heirs, legal representatives, successors and assigns, and shall inure to the benefit of the Company's successors and assigns by merger or consolidation with another company, by the sale of all or substantially all of the assets or capital stock of the Company, or by any similar transaction in which all or substantially all of the business of the Company is acquired. The parties acknowledge and warrant that they have not assigned to any third party any rights, or claims of any nature against either party or any of the Releasees specified in Section 3.

10. COUNTERPARTS.

This Agreement and Release may be executed in two counterparts, either one of which need not contain the signatures of all parties, but both counterparts when taken together will constitute one and the same agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement and Release to be executed as of the date set forth above.

Lan Bo Chen, Ph.D.

By: /S/ Lan Bo Chen

Synta Pharmaceuticals Corp.

By: /S/ Safi R. Bahcall

Safi R. Bahcall, Ph.D.

Exhibit 21.1

SUBSIDIARY	JURISDICTION OF INCORPORATION
Synta Securities Corp.	Massachusetts

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Synta Pharmaceuticals Corp.:

We consent to the use of our report dated September 13, 2004, with respect to the consolidated balance sheets of Synta Pharmaceuticals Corp. as of December 31, 2003 and 2002, and the related consolidated statements of operations, stockholders' equity (deficit) and comprehensive loss, and cash flows for each of the years in the three-year period ended December 31, 2003 and the period from inception (March 10, 2000) through December 31, 2003, included herein and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

Boston, Massachusetts
January 18, 2005

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Synta Pharmaceuticals Corp.:

We consent to the use of our report dated December 1, 2004, with respect to the consolidated balance sheet of Principia Associates, Inc. as of September 20, 2002, and the related consolidated statements of operations, stockholders' equity, and cash flows for the period from inception (June 17, 2002) through September 20, 2002, included herein and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

Boston, Massachusetts
January 18, 2005

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Synta Pharmaceuticals Corp.:

We consent to the use of our report dated December 1, 2004, with respect to the balance sheets of SBR Pharmaceuticals Corp. as of July 31, 2002 and December 31, 2001, and the related statements of operations, stockholders' equity, and cash flows for the seven months ended July 31, 2002 and the year ended December 31, 2001, included herein and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

Boston, Massachusetts
January 18, 2005