

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 1996

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

For the transition period from _____ to _____

Commission file number: 0-26642

MYRIAD GENETICS, INC.
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation or organization)

87-0494517

(I.R.S. Employer Identification No.)

320 Wakara Way, Salt Lake City, UT

(Address of principal executive offices)

84108

(Zip Code)

Registrant's telephone number, including area code: (801) 584-3600

390 Wakara Way, Salt Lake City, Utah

(Former address, if changed since last report)

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

As of November 5, 1996, the registrant had 8,730,725 shares of common stock outstanding.

MYRIAD GENETICS, INC.

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MYRIAD GENETICS, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS

	Sept. 30, 1996 (Unaudited)	June 30, 1996
Assets -----	-----	-----
Current assets:		
Cash and cash equivalents	\$ 14,844,580	\$ 13,235,680
Marketable investment securities	37,202,471	37,212,454
Non trade receivables	16,987	79,066
Prepaid expenses	96,478	88,423
Total current assets	----- 52,160,516	----- 50,615,623
Equipment and leasehold improvements:		
Equipment	10,682,763	9,097,484
Leasehold improvements	893,224	863,306
Construction in progress	810,108	810,108
	----- 12,386,095	----- 10,770,898
Less accumulated depreciation and amortization	1,739,501	1,375,366
Net equipment and leasehold improvements	----- 10,646,594	----- 9,395,532
Long-term marketable investment securities	14,781,997	19,554,646
Other assets	41,668	41,696
	----- \$ 77,630,775	----- \$ 79,607,497
	=====	=====
Liabilities and Stockholders' Equity -----		
Current liabilities:		
Accounts payable	\$ 2,498,770	\$ 2,193,285
Accrued liabilities	943,145	786,791
Deferred revenue	5,905,595	5,661,376
Current portion of notes payable	316,860	308,658
Total current liabilities	----- 9,664,370	----- 8,950,110
Notes payable, less current portion	----- 389,252	----- 471,640
Stockholders' equity		
Common stock, \$0.01 par value, 15,000,000 shares authorized; issued and outstanding 8,726,498 shares on September 30, 1996 and 8,702,215 shares on June 30, 1996	87,265	87,022
Additional paid-in capital	87,040,930	87,015,215
Fair value adjustment on available-for-sale marketable investment securities	(4,971)	(67,865)
Deferred compensation	(1,774,880)	(1,907,513)
Accumulated deficit	(17,771,191)	(14,941,112)
Net stockholders' equity	----- 67,577,153	----- 70,185,747
	----- \$ 77,630,775	----- \$ 79,607,497
	=====	=====

See accompanying notes to condensed consolidated financial statements.

MYRIAD GENETICS, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended	
	Sept. 30, 1996 (Unaudited)	Sept. 30, 1995 (Unaudited)
Research revenue	\$ 2,195,781	\$ 1,012,900
Expenses:		
Research and development expense	4,094,743	2,381,159
Selling, general and administrative expense	1,759,959	408,186
Total expenses	5,854,702	2,789,345
Operating loss	(3,658,921)	(1,776,445)
Other income (expense):		
Interest income	848,494	275,223
Interest expense	(19,652)	(27,045)
Loss on sale of fixed assets	-	(74,636)
	828,842	173,542
Net loss	(\$2,830,079)	(\$1,602,903)
Net loss per share	(\$0.32)	(\$0.32)
Weighted average shares outstanding	8,712,829	5,067,328

See accompanying notes to condensed consolidated financial statements.

MYRIAD GENETICS, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended	
	Sept. 30, 1996 (Unaudited)	Sept. 30, 1995 (Unaudited)
Cash flows from operating activities:		
Net loss	(\$2,830,079)	(\$1,602,903)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	496,768	445,705
Decrease (increase) in non-trade receivables	62,079	(1,306,343)
Increase in other assets	(8,027)	(138,470)
Increase (decrease) in accounts payable and accrued expense	461,839	(473,524)
Increase in deferred revenue	244,219	1,550,000
Net cash used in operating activities	(1,573,201)	(1,525,535)
Cash flows from investing activities:		
Capital expenditures	(1,615,197)	(460,705)
Net change in marketable investment securities	4,845,526	(12,638,301)
Net cash provided by (used in) investing activities	3,230,329	(13,099,006)
Cash flows from financing activities:		
Net payments of notes payable	(74,186)	(66,793)
Net proceeds from issuance of common stock	25,958	-
Net proceeds from issuance of preferred stock	-	9,982,723
Net cash (used in) provided by financing activities	(48,228)	9,915,930
Net increase (decrease) in cash and cash equivalents	1,608,900	(4,708,611)
Cash and cash equivalents at beginning of period	13,235,680	11,885,736
Cash and cash equivalents at end of period	\$ 14,844,580	\$ 7,177,125
	=====	=====

See accompanying notes to condensed consolidated financial statements.

MYRIAD GENETICS, INC. AND SUBSIDIARY
NOTES TO CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(1) Basis of Presentation

The accompanying condensed unaudited consolidated financial statements have been prepared by Myriad Genetics, Inc. (the "Company") in accordance with generally accepted accounting principles for interim financial information and pursuant to the applicable rules and regulations of the Securities and Exchange Commission. The condensed unaudited consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. All material intercompany accounts and transactions have been eliminated in consolidation. In the opinion of management, the accompanying financial statements contain all adjustments (consisting of normal and recurring accruals) necessary to present fairly all financial statements. The financial statements herein should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the fiscal year ended June 30, 1996, included in the Company's Annual Report on Form 10-K for the year ended June 30, 1996. Operating results for the three-month period ended September 30, 1996 may not necessarily be indicative of the results to be expected for any other interim period or for the full year.

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

Overview

Since inception, the Company has devoted substantially all of its resources to maintaining its research and development programs, establishing a genetic testing laboratory, and supporting collaborative research agreements. To date, the Company has not received any revenues from the sale of products. Revenues received by the Company primarily have been payments pursuant to collaborative research agreements. The Company has been unprofitable since its inception and, for the quarter ended September 30, 1996, the Company had a net loss of \$2,830,079 and as of September 30, 1996 had an accumulated deficit of \$17,771,191.

In August 1995, the Company completed a three-year collaborative research and development agreement with Eli Lilly and Company to locate and sequence the BRCA1 breast and ovarian cancer gene. This agreement provided the Company with research funding and may in the future provide certain additional payments upon the attainment of research and regulatory milestones and royalty payments based on sales of any products resulting from the collaboration. The Company did not recognize revenue from this agreement during the quarter ended September 30, 1996.

In April 1995, the Company commenced a five-year collaborative research and development arrangement with Ciba-Geigy Corporation ("Ciba"). This collaboration provides the Company with an equity investment, research funding and potential milestone payments totalling \$60,000,000. The Company is entitled to receive royalties from sales of therapeutic products sold by Ciba. The Company recognized \$1,085,069 in revenue under this agreement for the quarter ended September 30, 1996.

In September 1995, the Company commenced a five-year collaborative research and development arrangement with Bayer Corporation ("Bayer"). This collaboration provides the Company with an equity investment, research funding and potential milestone payments of up to \$71,000,000. The Company is entitled to receive royalties from sales of therapeutic products sold by Bayer. The Company recognized \$1,170,712 in revenue under this agreement for the quarter ended September 30, 1996.

The Company intends to enter into additional collaborative relationships to locate and sequence genes associated with other common diseases as well as continuing to fund internal research projects. There can be no assurance that the Company will be able to enter into additional collaborative relationships on terms acceptable to the Company. The Company expects to incur losses for at least the next several years, primarily due to expansion of its research and development programs, increasing staffing costs and expansion of its facilities. Additionally, the Company expects to incur substantial sales, marketing and other expenses in connection with launching its genetic predisposition testing business. The Company expects that losses will fluctuate from quarter to quarter and that such fluctuations may be substantial.

The Company devoted significant resources during the quarter to the beta testing and validation of the Company's BRACAnalysis/TM/ genetic predisposition test for mutations of the BRCA1 and BRCA2 breast and ovarian cancer genes, as well as building its sales and marketing force in preparation for the commercial launch of the test. The Company announced the commercial launch of BRACAnalysis/TM/ on October 30, 1996. There can be no assurance that the Company will succeed in achieving market acceptance for the BRACAnalysis/TM/ test.

Results of Operations

Three Months Ended September 30, 1996 and 1995

Research revenues for the quarter ended September 30, 1996 increased \$1,182,881 from the same quarter of 1995. The increase was attributable to a full quarter of both the Ciba and Bayer research collaboration agreements providing ongoing research funding in 1996. For the first fiscal quarter in 1995, both research collaboration agreements were in their start-up phase. Research revenue from the research collaboration agreements is recognized as related costs are incurred.

Research and development expenses for the quarter ended September 30, 1996 increased to \$4,094,743 from \$2,381,159 for the same quarter of 1995. This increase was primarily due to an increase in third party research programs funded by the Company, increased depreciation charges due to the purchase of additional equipment, the hiring of additional personnel and the increased use of laboratory supplies and reagents to meet the demands of the additional research collaboration agreements. The Company also incurred increased development expenses during the quarter related to the beta testing and validation of the Company's BRACAnalysis/TM/ genetic predisposition test for mutations of the BRCA1 and BRCA2 breast and ovarian cancer genes. When the BRCA1 and BRCA2 test moves from the development stage to production, the Company expects research and development expenses to decrease as expenses related to the test are classified as cost of sales. There can be no assurance that the Company will be able to produce the test in a timely fashion or at acceptable quality levels and prices.

Selling, general and administrative expenses for the quarter ended September 30, 1996 increased \$1,351,773 from the same quarter of 1995. The increase was attributable to additional administrative, marketing and education personnel, market research activities, education material development, facilities-related costs and deferred compensation related to grants of stock options and warrants. The Company expects its general and administrative expenses will continue to increase in support of its research and development efforts and genetic predisposition testing business.

Interest income for the quarter ended September 30, 1996 increased to \$848,494 from \$275,223 for the same quarter of 1995. This increase was primarily due to the increased funds available for investment, which funds were raised in the Company's initial public offering in October 1995, and in connection with entering into the Company's research and development collaborations with Ciba and Bayer in April 1995 and September 1995, respectively. Interest expense for the quarter ended September 30, 1996, amounting to \$19,652, was due entirely to borrowings under the Company's equipment financing facility, which are secured by equipment and have a repayment term of 48 months from the date of funding. The net loss increased to \$2,830,079 for the quarter ended September 30, 1996 from \$1,602,903 for the same quarter in 1995.

Liquidity and Capital Resources

Net cash used in operating activities was \$1,573,201 during the quarter ended September 30, 1996 and \$1,525,535 during the same quarter of 1995. Non-trade receivables decreased \$62,079 between June 30, 1996 and September 30, 1996 primarily as a result of the write-off an uncollectable receivable. Accounts payable and accrued expenses increased \$461,839 between June 30, 1996 and September 30, 1996 as a result of the Company's purchase during the quarter of equipment to be installed in the Company's new genetic testing facility.

The Company's investing activities provided cash of \$3,230,329 in the three months ended September 30, 1996 and used cash of \$13,099,006 in the three months ended September 30, 1995. Investing activities in the quarter ended September 30, 1996 were comprised primarily of capital expenditures for research equipment, office furniture, and facility improvements and reinvestment of marketable investment securities from long-term investments to short-term cash equivalents. During the quarter ended September 30, 1995, the Company had shifted its investment in marketable securities from short-term cash equivalents to long-term investments.

Financing activities used \$48,228 during the quarter ended September 30, 1996. The Company reduced the principal on its equipment financing facility by \$74,186. This decrease was offset by proceeds of \$25,958 from the exercise of stock options. Financing activities provided \$9,915,930 during the quarter ended September 30, 1995. The Company reduced the principal on its equipment financing facility by \$66,793 and received an equity investment of approximately \$10,000,000 from Bayer during that time.

The Company anticipates that its existing capital resources, including the net proceeds of its initial public offering and interest earned thereon, will be adequate to maintain its current and planned operations for at least the next two years, although no assurance can be given that changes will not occur that would consume available capital resources before such time. The Company's future capital requirements will be substantial and will depend on many factors, including progress of the Company's research and development programs, the results and cost of clinical correlation testing of the Company's genetic tests, the costs of filing, prosecuting and enforcing patent claims, competing

technological and market developments, payments received under collaborative agreements, changes in collaborative research relationships, the costs associated with potential commercialization of its gene discoveries, if any, including the development of manufacturing, marketing and sales capabilities, the cost and availability of third-party financing for capital expenditures and administrative and legal expenses. Because of the Company's significant long-term capital requirements, the Company intends to raise funds when conditions are favorable, even if it does not have an immediate need for additional capital at such time.

Certain Factors That May Affect Future Results of Operations

The Company believes that this report on Form 10-Q contains certain forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties which could cause actual results to differ materially from those described in the forward-looking statements. The Company cautions investors that there can be no assurance that actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors, including, but not limited to, the following: intense competition related to the discovery of disease-related genes and the possibility that others may discover, and the Company may not be able to gain rights with respect to, genes important to the establishment of a successful genetic testing business; difficulties inherent in developing genetic tests once genes have been discovered; the Company's limited experience in developing a genetic testing laboratory; the Company's limited marketing and sales experience and the risk that any tests which the Company develops may not be able to be marketed at acceptable prices or receive commercial acceptance in the markets that the Company expects to target; uncertainty as to whether there will exist adequate reimbursement for the Company's services from government, private healthcare insurers and third-party payors; and uncertainties as to the extent of future government regulation of the Company's business. As a result, the Company's future development efforts involve a high degree of risk. For further information, refer to the more specific risks and uncertainties disclosed throughout this Quarterly Report on Form 10-Q.

PART II - Other Information

Item 1. Legal Proceedings.

The Company is not a party to any litigation in any court, and management is not aware of any contemplated proceeding by any governmental authority against the Company.

Item 2. Changes in Securities.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Item 5. Other Information.

None.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

The following is a list of exhibits filed as part of this Quarterly Report on Form 10-Q.

Exhibit Number - - - - -	Description - - - - -
10.1	Patent and Technology License Agreement dated September 26, 1996 among the Board of Regents of The University of Texas System, The University of Texas M.D. Anderson Cancer Center and the Company. The Company has excluded from this Exhibit 10.1 portions of the Patent and Technology License Agreement for which the Company has requested confidential treatment from the Securities and Exchange Commission. The portions of the Patent and Technology License Agreement for which confidential treatment has been requested are marked "[]" and such confidential portions have been filed separately with the Securities and Exchange Commission.
10.2	Lease Agreement, dated October 12, 1995, between The Boyer Research Park Associates V, by its general partner, The Boyer Company and the Company.
10.3	Amendment to Lease Agreement, dated March 29, 1996, between The Boyer Research Park Associates V, by its general partner, The Boyer Company and the Company.
10.4	Letter Agreement, dated March 4, 1996, among The University of Utah, Genetic Epidemiology and the Company regarding Extension of Standard Research Agreement and Form of License Agreement between the Company and The University of Utah, effective January 1, 1993, as amended (Genes Predisposing to Cancer). The Company has omitted from this Exhibit 10.4 portions of the Letter Agreement for which the Company has requested confidential treatment from the Securities and Exchange Commission. The portions of the Letter Agreement for which confidential treatment has been requested are marked "[]" and such confidential portions have been filed separately with the Securities and Exchange Commission.

11.1 Statement Regarding Computation of Net Loss Per Share

27.1 Financial Data Schedule

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended September 30, 1996.

SIGNATURES

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

MYRIAD GENETICS, INC.

Date: November 8, 1996

By: /s/ Peter D. Meldrum

Peter D. Meldrum
President and Chief Executive Officer

Date: November 8, 1996

/s/ Jay M. Moyes

Jay M. Moyes
Vice President of Finance
(principal financial and accounting officer)

MYRIAD GENETICS, INC.

EXHIBIT INDEX

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11.1	Statement Regarding Computation of Net Loss Per Share
27.1	Financial Data Schedule

MYRIAD GENETICS, INC. HAS OMITTED FROM THIS EXHIBIT 10.1 PORTIONS OF THE AGREEMENT FOR WHICH MYRIAD GENETICS, INC. HAS REQUESTED CONFIDENTIAL TREATMENT FROM THE SECURITIES AND EXCHANGE COMMISSION. THE PORTIONS OF THE AGREEMENT FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED ARE MARKED "[]" AND SUCH CONFIDENTIAL PORTIONS HAVE BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

PATENT AND TECHNOLOGY LICENSE AGREEMENT

This thirteen (13) page AGREEMENT ("AGREEMENT") is made on this 26th day of September, 1996 by and between the BOARD OF REGENTS ("BOARD") of THE UNIVERSITY OF TEXAS SYSTEM ("SYSTEM"), an agency of the State of Texas, whose address is 201 West 7th Street, Austin, Texas 78701, THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER ("MDA"), a component Institution of the SYSTEM and Myriad Genetics, Inc., a Delaware corporation having a principal place of business located at 390 Wakara Way, Salt Lake City, Utah 84108 ("LICENSEE").

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RECITALS

- A. BOARD owns certain TECHNOLOGY RIGHTS related to LICENSED SUBJECT MATTER, which were developed at MDA, a component institution of SYSTEM.
- B. BOARD desires to have the LICENSED SUBJECT MATTER developed in the LICENSED FIELD and used for the benefit of LICENSEE, BOARD, SYSTEM, MDA, the inventor, and the public as outlined in the Intellectual Property Policy promulgated by the BOARD.
- C. LICENSEE wishes to obtain a license from BOARD to practice LICENSED SUBJECT MATTER.

NOW, THEREFORE, in consideration of the mutual covenants and premises herein contained, the parties hereto agree as follows:

I. EFFECTIVE DATE

- 1.1 Subject to approval by BOARD, this AGREEMENT shall be effective as of the date written herein above ("EFFECTIVE DATE").

II. DEFINITIONS

As used in this AGREEMENT, the following terms shall have the meanings indicated:

- 2.1 AFFILIATE shall mean any business entity more than 50% owned by LICENSEE, any business entity which owns more than 50% of LICENSEE, or any business entity that is more than 50% owned by a business entity that owns more than 50% of LICENSEE.
- 2.2 LICENSED FIELD shall mean []
- 2.3 LICENSED PRODUCTS shall mean any product or service SOLD by LICENSEE comprising or making use of LICENSED SUBJECT MATTER pursuant to this AGREEMENT.
- 2.4 LICENSED SUBJECT MATTER shall mean inventions and discoveries defined herein as PATENT RIGHTS or as TECHNOLOGY RIGHTS.
- 2.5 LICENSED TERRITORY shall mean the entire world.
- 2.6 NET SALES shall mean the gross amounts invoiced by LICENSEE from the SALE of LICENSED PRODUCTS less sales discounts actually granted in amounts customary in the trade,

including but not limited to pharmacy incentive programs and all other similar sales incentive programs, all governmental and healthcare rebates, hospital performance incentive program rebates or charge backs, sales and/or use taxes actually paid, import and/or export duties actually paid, outbound transportation actually prepaid or allowed, insurance and postage, amounts actually allowed or credited due to returns (not exceeding the original billing or invoice amount) and any uncollectable amounts owed to LICENSEE from SALES of LICENSED PRODUCTS.

- 2.7 PATENT RIGHTS shall only mean any and all of BOARD'S rights in information or discoveries claimed in invention disclosures, patents, and/or patent applications, whether domestic or foreign, and all divisionals, substitutions, renewals, continuations, continuations-in-part, reissues, reexaminations or extensions thereof, and any letters patent that issue thereon as set forth in Exhibit I hereto, subject to the limitations, if any, set forth therein.
- 2.8 SALE or SOLD shall mean the transfer or disposition of a LICENSED PRODUCT for value to a party other than LICENSEE or an AFFILIATE.
- 2.9 Subject to the limitations, if any, set forth in Exhibit I hereto, TECHNOLOGY RIGHTS shall mean BOARD'S rights in any technical information, know-how, process, procedure, composition, device, method, formula, protocol, technique, software, design, drawing or data created by the inventors listed in Exhibit I hereto and relating to the subject matter of PATENT RIGHTS which is not claimed in PATENT RIGHTS but which is necessary for practicing PATENT RIGHTS.

III. LICENSE

- 3.1 BOARD, through MDA, hereby grants to LICENSEE [

] This grant shall be subject to Paragraph 14.2 and 14.3, herein below, the payment by LICENSEE to BOARD of all consideration as provided in Paragraph 4.2 of this AGREEMENT, and shall be further subject to rights retained by BOARD and MDA to:

[]

[

]

- 3.2 LICENSEE shall have the right to extend the license granted herein to any AFFILIATE provided that such AFFILIATE consents to be bound by all of the terms and conditions of this AGREEMENT.
- 3.3 Subject to the Paragraph 3.4 herein below, LICENSEE shall have the right to grant sublicenses under LICENSED SUBJECT MATTER consistent with the terms of this AGREEMENT provided that LICENSEE shall be responsible for its sublicensees relevant to this AGREEMENT, and for diligently collecting all amounts due LICENSEE from sublicensees. In the event a sublicensee pursuant hereto becomes bankrupt, insolvent or is placed in the hands of a receiver or trustee, LICENSEE, to the extent allowed under applicable law and in a timely manner, agrees to use its best reasonable efforts to collect any and all consideration owed to LICENSEE and to have the sublicense agreement confirmed or rejected by a court of proper jurisdiction.
- 3.4 LICENSEE agrees to deliver to MDA a true and correct copy of each sublicense granted by LICENSEE, and any modification or termination thereof, within thirty (30) days after execution, modification, or termination.
- 3.5 Upon termination of this AGREEMENT, BOARD and MDA agree to accept as successors to LICENSEE, existing sublicensees in good standing at the date of termination provided that such sublicensees consent in writing to be bound by all of the terms and conditions of this AGREEMENT.

IV. CONSIDERATION, PAYMENTS AND REPORTS

- 4.1 In consideration of rights granted by BOARD to LICENSEE under this AGREEMENT, LICENSEE agrees to pay MDA the following:

[

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[

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-6-

[

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- 4.2 During the Term of this AGREEMENT and for one (1) year thereafter, LICENSEE shall keep complete and accurate records of its and its sublicensees' SALES and NET SALES of LICENSED PRODUCTS to enable the royalties payable hereunder to be determined. LICENSEE shall permit MDA or its representatives, at MDA's expense, to periodically examine its books, ledgers, and records once annually during regular business hours and with reasonable advanced notice for the purpose of and to the extent necessary to verify any report required under this AGREEMENT. In the event that the amounts due to MDA are determined to have been underpaid in an amount equal to or greater than five percent (5%) of the total amount due during the period of time so examined, LICENSEE shall pay the cost of such examination, and accrued interest at the highest allowable rate.
- 4.3 Upon the request of MDA but not more often than once per calendar year, LICENSEE shall deliver to MDA a written report as to LICENSEE'S (and sublicensees') efforts and accomplishments during the preceding year in diligently commercializing LICENSED SUBJECT MATTER in the LICENSED TERRITORY and LICENSEE'S (and sublicensees') commercialization plans for the upcoming year.
- 4.4 All amounts payable hereunder by LICENSEE shall be payable in United States funds without deductions for taxes, assessments, fees, or charges of any kind. Checks shall be made payable to The University of Texas M. D. Anderson Cancer Center and mailed by U.S. Mail to Box 297402, Houston, Texas 77297 Attention: Manager, Sponsored Programs.

- 4.5 No payments due or royalty rates under this AGREEMENT shall be reduced as the result of co-ownership of LICENSED SUBJECT MATTER by BOARD and another party, including LICENSEE.

V. PUBLICATION

5.1 [

]

5.2 [

]

VI. PATENTS AND INVENTIONS

- 6.1 If after consultation with LICENSEE it is agreed by MDA and LICENSEE that a new patent application should be filed for LICENSED SUBJECT MATTER, MDA will prepare and file appropriate patent applications, and LICENSEE will pay the cost of searching, preparing, filing, prosecuting and maintaining same. If LICENSEE notifies MDA that it does not intend to pay the cost of an application, or the prosecution or maintenance thereof in a national political jurisdiction, then MDA may file, prosecute or maintain such application at its own expense and LICENSEE shall have no rights to such patent application or patent in that national political jurisdiction. MDA shall provide LICENSEE with a copy of the application for which LICENSEE has paid the cost of filing, as well as copies of any documents received or filed during prosecution thereof.

VII. INFRINGEMENT BY THIRD PARTIES

- 7.1 LICENSEE shall have the obligation of enforcing at its expense any patent exclusively licensed hereunder against infringement by third parties and shall be entitled to retain recovery from such enforcement. LICENSEE shall pay MDA a royalty on any monetary recovery to the extent that such monetary recovery by LICENSEE is held to be damages or a reasonable royalty in lieu thereof. In the event that LICENSEE does not file suit against a substantial infringer of such patents within six (6) months of knowledge thereof, then BOARD and MDA shall have the right to enforce any

patent licensed hereunder on behalf of itself and LICENSEE, with MDA retaining all recoveries from such enforcement.

- 7.2 In any suit or dispute involving an infringer, the parties shall cooperate fully, and upon the request and at the expense of the party bringing suit, the other party shall make available to the party bringing suit at reasonable times and under appropriate conditions all relevant personnel, records, papers, information, samples, specimens, and the like which are in its possession.
- 7.3 In the event that an action for infringement is brought against LICENSEE, its AFFILIATES or sublicensees by a third party because of manufacture, use or sale of LICENSED PRODUCTS, LICENSEE shall defend, at its own cost, any such third party claim or action. MDA shall cooperate fully in such defense and furnish to LICENSEE all evidence and assistance.

VIII. PATENT MARKING

- 8.1 LICENSEE agrees that all packaging containing individual LICENSED PRODUCT(S), and documentation therefor, sold by LICENSEE, SUBSIDIARIES, and sublicensees of LICENSEE will be marked permanently and legibly with the number of the applicable patent(s) licensed hereunder in accordance with each country's patent law, including Title 35, United States Code.

IX. INDEMNIFICATION

- 9.1 LICENSEE shall hold harmless and indemnify BOARD, SYSTEM, MDA, its Regents, officers, employees, students, and agents from and against any claims, demand, or causes of action whatsoever, costs of suit and reasonable attorney's fees, including without limitation, those costs arising on account of any injury or death of persons or damage to property caused by, or arising out of, or resulting from, the exercise or practice of the license granted hereunder by LICENSEE or its officers, employees, agents or representatives.

X. USE OF BOARD AND COMPONENT'S NAME

- 10.1 LICENSEE shall not use the name of (or the name of any employee of) MDA, SYSTEM or BOARD without the advance, express written consent of BOARD secured through:

The University of Texas
M. D. Anderson Cancer Center
Office of Public Affairs
1515 Holcombe Boulevard
Box 229
Houston, Texas 77030
ATTENTION: Stephen C. Stuyck

XI. CONFIDENTIAL INFORMATION

- 11.1 MDA and LICENSEE each agree that all information contained in documents marked "confidential" which are forwarded to one by the other shall be received in strict confidence, used only for the purposes of this AGREEMENT, and not disclosed by the recipient party (except as required by law or court order), its agents or employees without the prior written consent of the other party, unless such information (a) was in the public domain at the time of disclosure, (b) later became part of the public domain through no act or omission of the recipient party, its employees, agents, successors or assigns, (c) was lawfully disclosed to the recipient party by a third party having the right to disclose it, (d) was already known by the recipient party at the time of disclosure, (e) was independently developed or (f) is required to be submitted to a government agency pursuant to any preexisting obligation.
- 11.2 MDA'S and LICENSEE'S obligation of confidence hereunder shall be fulfilled by using the same degree of care with the other party's confidential information as it uses to protect its own confidential information. This obligation shall exist while this AGREEMENT is in force and for a period of three (3) years thereafter.

XII. ASSIGNMENT

- 12.1 Except in connection with merger, consolidation or sale of substantially all of LICENSEE'S assets to a third party, this AGREEMENT may not be assigned by LICENSEE without the prior written consent of BOARD.

XIII. TERMS AND TERMINATION

- 13.1 Subject to Articles 13.2, 13.3 and 13.4 herein below, the term of this AGREEMENT shall extend from the Effective Date set forth herein above to (i) the full end of the term or terms for which PATENT RIGHTS have not expired, or (ii) if only TECHNOLOGY RIGHTS are licensed and no PATENT RIGHTS are applicable, for a term of fifteen (15) years.

13.2 [

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13.3 Subject to any rights herein which survive termination, this AGREEMENT will earlier terminate in its entirety:

- (a) automatically if LICENSEE shall become bankrupt or insolvent and/or if the business of LICENSEE shall be placed in the hands of a receiver or trustee, whether by voluntary act of LICENSEE or otherwise; or
- (b) (i) upon thirty (30) days written notice by MDA if LICENSEE shall breach or default on the payment obligations of ARTICLE IV, or use of name obligations of ARTICLE X; or (ii) upon ninety (90) days written notice by MDA if LICENSEE shall breach or default on any other obligation under this AGREEMENT; provided, however, LICENSEE may avoid such termination if before the end of such thirty (30) or ninety (90) day period if LICENSEE provides notice and accurate, written evidence satisfactory to MDA that such breach has been cured and the manner of such cure; or
- (c) at any time by mutual written agreement between LICENSEE, MDA and BOARD, or without cause upon one hundred eighty (180) days written notice by LICENSEE to MDA and, subject to any terms herein which survive termination.

13.4 Upon termination of this AGREEMENT for any cause:

- (a) nothing herein shall be construed to release either party of any obligation matured prior to the effective date of such termination.
- (b) LICENSEE covenants and agrees to be bound by the provisions of ARTICLES IX, X AND XI of this AGREEMENT.

(c) LICENSEE may, after the effective date of such termination, sell all LICENSED PRODUCTS and parts therefore that it may have on hand at the date of termination, provided that LICENSEE pays the earned royalty thereon and any other amounts due pursuant to ARTICLE IV of this AGREEMENT.

XIV. WARRANTY: SUPERIOR-RIGHTS

- 14.1 Expect for the rights, if any, of the Government of the United States as set forth herein below, BOARD represents and warrants its belief that it is the owner of the entire right, title, and interest in and to LICENSED SUBJECT MATTER, and that it has the sole right to grant licenses thereunder, and that it has not knowingly granted licenses thereunder to any other entity that would restrict rights granted hereunder except as stated herein.
- 14.2 LICENSEE understands that the LICENSED SUBJECT MATTER may have been developed under a funding agreement with the Government of the United States of America and, if so, that the Government may have certain rights relative thereto. This AGREEMENT is explicitly made subject to the Government's rights under any such agreement and any applicable law or regulation, including P.L. 96-517 as amended by P.L. 98-620. To the extent that there is a conflict between any such agreement, applicable law or regulation and this AGREEMENT, the terms of such Government agreement, applicable law or regulation shall prevail.
- 14.3 LICENSEE understands and agrees that BOARD, by this AGREEMENT, makes no representation as to the operability or fitness for any use, safety, efficacy, approvability by regulatory authorities, time and cost of development, patentability, and/or breadth of the LICENSED SUBJECT MATTER. BOARD, by this AGREEMENT, makes no representation as to whether there are any patents now held, or which will be held, by others or by BOARD in the LICENSED FIELD, nor does BOARD make any representation that the inventions contained in PATENT RIGHTS do not infringe any other patents now held or that will be held by others or by BOARD.
- 14.4 LICENSEE, by execution hereof, acknowledges, covenants and agrees that LICENSEE has not been induced in anyway by BOARD, SYSTEM, MDA or employees thereof to enter into this Agreement, and further warrants and represents that (i) LICENSEE has conducted sufficient due diligence with respect to all items and issues pertaining to Article XIV herein and all other matters pertaining to this Agreement; and (ii) LICENSEE has adequate knowledge and expertise, or has utilized knowledgeable and expert consultants, to adequately

conduct such due diligence, and agrees to accept all risks inherent herein.

XV. GENERAL

15.1 This AGREEMENT constitutes the entire and only AGREEMENT between the parties for LICENSED SUBJECT MATTER and all other prior negotiations, representations, agreements and understandings are superseded hereby. No agreements altering or supplementing the terms hereof may be made except by means of a written document signed by the duly authorized representatives of the parties.

15.2 Any notice required by this AGREEMENT shall be given by prepaid, first class, certified mail, return receipt requested, and addressed in the case of BOARD to:

BOARD OF REGENTS
The University of Texas System
201 West Seventh Street
Austin, Texas 78701
ATTENTION: Office of General Counsel

with copy to: The University of Texas
M. D. Andersen Cancer Center
Office of Technology Development
1020 Holcombe Boulevard, Suite 1405
Houston, Texas 77030
ATTENTION: William J. Doty

or in the case of
LICENSEE to: Myriad Genetics, Inc.
390 Wakara Way
Salt Lake City, Utah 84108

ATTENTION: President

or such other address as may be given from time to time under the terms of this notice provision.

15.3 LICENSEE covenants and agrees to comply with all applicable federal, state and local laws and regulations in connection with its activities pursuant to this AGREEMENT.

15.4 This AGREEMENT shall be construed and enforced in accordance with the laws of the United States of America and of the State of Texas.

15.5 Failure of BOARD to enforce a right under this AGREEMENT shall not act as a waiver of that right or the ability to

later assert that right relative to the particular situation involved.

15.6 Headings included herein are for convenience only and shall not be used to construe this AGREEMENT.

15.7 If any provision of this AGREEMENT shall be found by a court to be void, invalid or unenforceable, the same shall be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this AGREEMENT.

IN WITNESS WHEREOF, parties hereto have caused their duly authorized representatives to execute this AGREEMENT.

THE UNIVERSITY OF TEXAS
M. D. ANDERSON CANCER CENTER

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

By /s/ David J. Bachrach

David J. Bachrach
Executive Vice President
for Administration and Finance

By /s/ Ray Farabee

Ray Farabee
Vice Chancellor and
General Counsel

APPROVED AS TO CONTENT:

APPROVED AS TO FORM:

By /s/ William J. Doty

William J. Doty
Director, Technology
Development

By /s/ Dudley R. Dobie, Jr.

Dudley R. Dobie, Jr.
Manager, Intellectual
Property

MYRIAD GENETICS, INC.

By /s/ Peter D. Meldrum

Peter D. Meldrum
President and CEO

EXHIBIT I

[

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THE DATA REFERENCED ABOVE IS AGREED TO BE CONFIDENTIAL AND SUBJECT TO THE
CONDITIONS OF ARTICLE XI OF THE AGREEMENT TO WHICH THIS EXHIBIT IS ATTACHED.

LEASE AGREEMENT

LANDLORD: BOYER RESEARCH PARK ASSOCIATES V,
BY ITS GENERAL PARTNER, THE BOYER
COMPANY, L. C.

TENANT: MYRIAD GENETICS, INC.

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LEASE AGREEMENT

RESEARCH PARK BUILDING - PHASE I

THIS LEASE AGREEMENT (the "Lease") is made and entered into as of this 12th day of October, 1995 by and between BOYER RESEARCH PARK ASSOCIATES V, BY ITS GENERAL PARTNER, THE BOYER COMPANY, L.C. (the "Landlord"), and MYRIAD GENETICS, INC. (the "Tenant").

For and in consideration of the rental to be paid by tenant and of the covenants and agreements herein set forth to be kept and performed by Tenant, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, the Leased Premises (as hereafter defined), at the rental and subject to and upon all of the terms, covenants and agreements hereinafter set forth.

I. PREMISES

1.1 Description of Premises. Landlord does hereby demise, lease and let unto Tenant, and Tenant does hereby take and receive from Landlord the following:

(a) That certain floor area containing approximately 24,476 gross rentable square feet (the "Leased Premises"), more particularly, 14,043 gross rentable square feet on Floor Two and 10,433 gross rentable square feet on Floor One, of the 43,726 gross rentable square feet three story office building (the "Building") located at approximately 350 Wakara Way in Salt Lake City, Utah, on the real property (the "Property") described on Exhibit "A" attached hereto and by this reference incorporated herein. The space occupied by Tenant consists of that certain area crosshatched on Exhibit "B" which is attached hereto and by this reference incorporated herein.

(b) Such non-exclusive rights-of-way, easements and similar rights with respect to the Building and Property as may be reasonably necessary for access to and egress from, the Leased Premises.

(c) The exclusive right to use those areas designated and suitable for vehicular parking, including the exclusive right to the use of Eighty-six (86) parking stalls.

1.2 Work of Improvement. The obligation of Landlord and Tenant to perform the work and supply the necessary materials and labor to prepare the Leased Premises for occupancy are described in detail on Exhibit "C". Landlord and Tenant shall expend all funds and do all acts required of them as described on Exhibit "C" and shall perform or have the work performed promptly and diligently in a first class and workmanlike manner.

1.3 Construction of Shell Building. Landlord shall, at its own cost and expense, construct and complete a three story 43,726 gross rentable square foot building and cause all of the construction which is to be performed by it in completing the Building and performing its work as set forth on Exhibit "C", to be substantially completed as evidenced by a Certificate

of Occupancy, and the Leased Premises ready for Tenant to install its fixtures and equipment and to perform its other work as described on Exhibit "C" as soon as reasonably possible, but in no event later than November 1, 1996 ("Target Date"). In the event that Landlord's construction of obligation has not been fulfilled upon the expiration of the "Target Date", Tenant shall have the right to exercise any right or remedy available to it under this Lease, including the right to terminate this Lease and the right to charge Landlord and cause Landlord to pay any increased costs associated with Tenant's current leases due to holding over in such space or moving to temporary space; provided that under no circumstances shall Landlord be liable to Tenant resulting from delay in construction covered by circumstances beyond Landlord's direct control.

II. TERM

2.1 Length of Term. The term of this Lease shall be for a period of ten (10) years plus the partial calendar month, if any, occurring after the Commencement Date (as hereinafter defined) if the Commencement Date occurs other than on the first day of a calendar month.

2.2 Commencement Date; Obligation to Pay Rent. The term of this Lease and Tenant's obligation to pay rent hereunder shall commence on the first to occur of the following dates ("Commencement Date"):

(a) The date Tenant occupies the Premises and conducts business.

(b) The date fifteen (15) days after the Landlord, or Landlord's supervising contractor, notified Tenant in writing that Landlord's construction obligations respecting the Leased Premises have been fulfilled and/or that the Leased Premises are ready for occupancy and/or performance of Tenant's work. Such notice shall be accompanied by an occupancy permit and a certificate from the Building Architect stating that remaining punchlist items can be completed within fifteen (15) days and will not materially interfere with Tenant's business. Prior to Commencement Date, it is contemplated that Tenant shall be able to perform its construction obligation as per Exhibit C II(H).

2.3 Construction of Leased Premises. Landlord shall provide a budget prior to the commencement of construction of the Leased Premises (see Exhibit "E"). Landlord shall itemize each part of the construction and its associated estimated cost. Landlord shall pay an amount equal to \$22.00 per usable square foot (architect shall calculate usable square foot measurement) of the cost listed (excluding cost to construct Shell Building) and Tenant shall be obligated for the remaining costs shown on Exhibit "E". Landlord shall not be obligated to pay for any increase in the actual cost of construction over and above the construction costs shown on Exhibit "E". Any special decorator items, equipment, furniture or furnishings not designated on Exhibit "E", as well as changes initiated by the Tenant to the Leased Premises, shall be the sole cost of Tenant and shall include the defined extras on Exhibit "E."

2.4 Renewal Option. If this Lease then remains in full force and effect, Tenant shall have the option to renew this Lease for two five year options commencing on the expiration date.

Each option must be exercised by written notice to Landlord one hundred and eighty (180) days from the expiration of the previous term and once exercised is irrevocable. Base rent during each renewal term shall be mutually agreed upon between Landlord and Tenant within Sixty (60) days after Tenant has exercised the respective renewal option.

2.5 Acknowledgment of Commencement Date. Landlord and Tenant shall execute a written acknowledgment of the commencement Date in the form attached hereto as Exhibit "D".

III. BASIC RENTAL PAYMENTS

3.1 Basic Annual Rent. Tenant agrees to pay to Landlord as basic annual rent (the "Basic Annual Rent") at such place as Landlord may designate, without prior demand therefore and without any deduction or set off whatsoever, the sum of Three Hundred and Three Thousand Seven Hundred and Fifty and no/100 Dollars (\$330,426.00). Said Basic Annual Rent shall be due and payable in twelve (12) equal monthly installments to be paid in advance on or before the first day of each calendar month during the term of the Lease. Basic Annual Rent shall escalate at the beginning of the 6th year using a 3% annually compounded rate or the change in the All Urban Index whichever is less. For purposes of this Lease the term "All Urban Index" shall mean the Consumer Price Index for All Urban Consumers-U.S. City Average-all Items (1967 equals 100 base) as published by the United States Bureau of Labor Statistics or any successor agency or any other index hereinafter employed by the Bureau of Labor Statistics in lieu of said index. The price index for the 3rd month preceding the month in which the Lease commences shall be considered the Basic Price Index. As of the beginning of the 6th year, the Basic Annual Rental set forth in Section 3.1 shall be adjusted by multiplying such rental by a fraction, the numerator of which is the Price Index for the 3rd month preceding the beginning of the 6th year and the denominator of which is the Basic Price Index. The above notwithstanding, the maximum increase at the beginning of the 6th year shall be no more than 15.9% which is 3% per year compounded. To the extent that ground lease payments under the Ground Lease with the University of Utah (i) begin at a rate greater than Fourteen Thousand Dollars (\$14,000.00) per acre per year, the incremental dollar amount above \$14,000.00, if any, shall also be added to Basic Annual Rent in relation to Tenant's Proportionate Share of Basic Costs as provided in Paragraph 4.1(d); and (ii) escalate at a rate greater than three percent (3%) compounded annually, the incremental dollar amount above the three percent (3%) escalation shall also be added to the Basic Annual Rent in relation to Tenant's Proportionate Share of Basic Costs as provided in Paragraph 4.1(d).

In no event shall Basic Annual Rent be reduced. In the event the Commencement Date occurs on a day other than the first day of a calendar month, then rent shall be paid on the Commencement Date for the initial fractional calendar month prorated on a per-diem basis (based upon a thirty (30) day month).

3.2 Additional Monetary Obligations. Tenant shall also pay as rental (in addition to the Basic Annual Rent) all other sums of money as shall become due and payable by Tenant to Landlord under this Lease. Landlord shall have the same remedies in the case of a default in the payment of said other sums of money as are available to Landlord in the case of a default in the payment of one or more installments of Basic Annual Rent.

IV. ADDITIONAL RENT

4.1 Basic Annual Rent. It is the intent of both parties that the Basic Annual Rent herein specified shall be absolutely net to the Landlord throughout the term of this Lease, and that all costs, expenses and obligations relating to Tenant's prorata share of the Building, Property and/or Building, Property and/or Leased Premises which may arise or become due during the term shall be paid by Tenant in the manner hereafter provided.

For purposes of this Part IV and the Lease in general, the following words and phrases shall have the meanings set forth below:

(a) "Basic Costs" shall mean all actual costs and expenses incurred by Landlord in connection with the ownership, operation, management and maintenance of the Building and Property and related improvements located thereon (the "Improvements"), including, but not limited to, all expenses incurred by Landlord as a result of Landlord's compliance with any and all of its obligations under this Lease other than the performance by Landlord of its work under Sections 1.2, 1.3 and 2.3 of this Lease or similar provisions of leases with other tenants. In explanation of the foregoing, and not in limitation thereof, Basic Costs shall include: all real and personal property taxes and assessments (whether general or special, known or unknown, foreseen or unforeseen) and any tax or assessment levied or charged in lieu thereof, whether assessed against Landlord and/or Tenant and whether collected from Landlord and/or Tenant; snow removal, trash removal, supplies, insurance, license, permit and inspection fees, cost of services of independent contractors, cost of compensation (including employment taxes and fringe benefits) of all persons who perform regular and recurring duties connected with day-to-day operation, maintenance, repair, and replacement of the Building, its equipment and the adjacent walk, and landscaped area (including, but not limited to janitorial, scavenger, gardening, security, parking, elevator, painting, plumbing, electrical, mechanical, carpentry, window washing, structural and roof repairs and reserves (Landlord may collect up to one percent (1%) of total Basic Costs as a contribution toward reserves), signing and advertising, and rental expense or a reasonable allowance for depreciation of personal property used in the maintenance, operation and repair of the Building. Basic Costs shall not include expenses incurred in connection with leasing, renovating, or improving space for tenants or other occupants or prospective tenants or occupants of the Building, expenses incurred for repairs resulting from damage by fire, windstorm or other casualty, to the extent such repairs are paid for by insurance proceeds, expenses paid by any tenant directly to third parties, or as to which Landlord is otherwise reimbursed by any third party or Tenant; expenses which, by generally accepted accounting principles, are treated as capital items except that if, as a result of governmental requirements, laws or regulations, Landlord shall expend monies directly or indirectly for improvements, additions or alterations to the Building which, by generally accepted accounting principles, are treated as a capital expenditures, the amortization of such capital expenditures based on a life acceptable to the appropriate taxing authority together with interest at the rate of 9% per annum shall be considered Basic Costs. The foregoing notwithstanding, Basic Costs shall not include

depreciation on the Building and Tenant Finish; amounts paid toward principal or interest of loans of Landlord; nor shall Basic Costs include "Direct Costs" as defined in Section 4.1(b) below.

(b) "Direct Costs" shall mean all actual costs and expense incurred by Landlord in connection with the operation, management, maintenance, replacement, and repair of tenants' premises, including but not limited to janitorial services, maintenance, repairs, supplies, utilities, heating, ventilation, air conditioning, and property management fees, which property management fees shall be equal to a percentage of Tenant's Basic Annual Rent and Estimated Costs including electricity, which percentage shall not exceed four percent (4%) of the sum of Basic Annual Rent, Estimated Costs and cost of electricity for the Leased Premises.

Landlord will cause meters to be installed to measure actual electrical usage by Tenant. When such meters are installed, Tenant shall pay Landlord monthly, as additional rent, the actual costs of such metered electrical usage. At least annually, Landlord shall reconcile the estimated costs of these metered services and shall show the actual costs and shall apply any appropriate credits or debits from the previous year's actual usage. All such billings will be computed at the actual kilowatt hourly rate billed to the Landlord by the public utility companies for each respective period, including taxes. Tenant shall promptly pay to Landlord the amount due on each monthly billing received for and throughout the term of the Lease.

(c) "Estimated Costs" shall mean the projected amount of Tenant's Direct Costs and Basic Costs, excluding the costs of electricity provided to Tenant's Leased Premises, if separately metered. The Estimated Costs for the calendar year in which the Lease commences are \$110,142.00, and are not included in the Basic Annual Rent. If the Estimated Costs as of the date Tenant takes occupancy are greater than Tenant's Estimated Costs at the time this Lease is executed, the Estimated Costs shall be increased to equal the Estimated Costs as of the date of Tenant's occupancy.

(d) "Tenant's Proportionate Share of Basic Costs" shall mean the percentage derived from the fraction, the numerator of which is the gross rentable square footage of the Lease premises (24,476), the denominator of which is the gross rentable square footage of the building (43,726). In this Lease, Tenant's prorata share initially is 56% subject to increase or decrease due to increases or decreases in the gross rentable square footage of the Leased Premises and/or of the Building.

4.2 Report of Basic Costs and Statement of Estimated Costs.

(a) After the expiration of each calendar year occurring during the term of this Lease, Landlord shall furnish Tenant a written statement of Tenant's Proportionate Share of Basic Costs (Section 4.1(d)) and the Tenant's Direct Costs occurring during the previous calendar year. The written statement shall specify the amount by which Tenant's Direct Costs and Basic Costs exceed or are less than the amounts paid by Tenant during the previous calendar year pursuant to Section 4.3(b) below.

(b) At the same time specified in Section 4.2(a) above, Landlord shall furnish Tenant a written statement of the Estimated Costs for the then current calendar year.

4.3 Payment of Additional Rent. Tenant shall pay as additional rent ("Additional Rent") Tenant's Direct Costs and Tenant's Proportionate Share of Basic Costs. The Additional Rent shall be paid as follows:

(a) With each monthly payment of Basic Annual Rent due pursuant to Section 3.1 above, Tenant shall pay to Landlord, without offset or deduction, one-twelfth (1/12th) of the Estimated Costs as defined in Section 4.1(c).

(b) Within thirty (30) days after delivery of the written statement referred to in section 4.2(a) above, Tenant shall pay to Landlord the amount by which Tenant's Direct Costs and Basic Costs, as specified in such written statements, exceed and aggregate of Estimated Costs actually paid by Tenant for the year at issue. Tenant shall have the right to audit Landlord's books upon reasonable notice. Tenant shall pay costs associated with the audit unless Tenant finds that Landlord has inflated expenses by more than ten percent (10%), in which case, Landlord will pay audit charges. Payments by Tenant shall be made pursuant to this Section 4.3(b) notwithstanding that a statement pursuant to Section 4.2(a) is furnished to Tenant after the expiration of the term of this Lease.

(c) If the annual statement of costs indicates that the Estimated Costs paid by Tenant pursuant to subsection (b) above for any year exceeded Tenant's actual Direct Costs and Basic Costs for the same year, Landlord, at its election, shall either (i) promptly pay the amount of such excess to Tenant, or (ii) apply such excess against the next installment of Basic Annual Rental or Additional Rent due hereunder.

4.4 Resolution of Disagreement. Every statement given by Landlord pursuant to Section 4.2 shall be conclusive and binding upon Tenant unless within sixty (60) days after the receipt of such statement Tenant shall notify Landlord that it disputes the correctness thereof, specifying the particular respects in which the statement is claimed to be incorrect. If such dispute shall not have been settled by agreement, the parties hereto shall submit the dispute to arbitration within ninety (90) days after Tenant's receipt of statement. Pending the determination of such dispute by agreement or arbitration as aforesaid, Tenant shall, within thirty (30) days after receipt of such statement, pay Additional Rent in accordance with Landlord's statement, and such payment shall be without prejudice to Tenant's position. If the dispute shall be determined in Tenant's favor, Landlord shall forthwith pay Tenant the amount of Tenant's overpayment of rents resulting from compliance with Landlord's statement, including interest on disputed amounts at prime plus two percent (2%). Landlord agrees to grant Tenant reasonable access to Landlord's books and records for the purpose of verifying Basic Costs and Direct Costs for operating expenses incurred by Landlord.

4.5 Limitations. Nothing contained in this Part IV shall be construed at any time so as to reduce the monthly installments of Basic Annual Rent payable hereunder below the amount set forth in Section 3.1 of this Lease.

V. SECURITY DEPOSIT

5.1 Deposit. Tenant has deposited with Landlord the sum of Twenty Seven Thousand Five Hundred Thirty Five and 50/100 Dollars (\$27,535.50) (1/12 of Basic Annual Rent) as security for the performance by Tenant of all of the terms, covenants, and conditions required to be performed by it hereunder. Such sum shall be returned to Tenant after the expiration of the term of this Lease and delivery of possession of the Leased Premises to Landlord if, at such time, Tenant has substantially performed all such terms, covenants, and conditions of this Lease. Prior to the time when Tenant is entitled to any return of the security deposit, Landlord may intermingle such deposit with its own funds and use such sum for such purposes as Landlord may determine. Tenant shall not be entitled to any interest on the security deposit.

5.2 Default. In the event of default by Tenant in respect to any of its obligations under this Lease, including, but not limited to, the payment of rent or additional rent, Landlord may use, apply, or retain all or any part of the security deposit for the payment of any unpaid Basic Annual Rent or Additional Rent, or Landlord may be required to expend by reason of the default of Tenant, including any damages or deficiency in the reletting of the Leased Premises, regardless of whether the accrual of such damages or deficiency occurs before or after an eviction or a portion of the security deposit is so used or applied, Tenant shall, upon thirty (30) days written demand, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount.

VI. USE

6.1 Use of Leased Premises. The Leased Premises shall be used and occupied by Tenant for laboratory and general office purposes only and for no other purpose whatsoever without the prior written consent of Landlord.

6.2 Prohibition of Certain Activities or Uses. The Tenant shall not do or permit anything to be done in or about, or bring or keep anything in the Leased Premises which is prohibited by this Lease or will, in any way or to any extent:

(a) Adversely affect any fire, liability or other insurance policy carried with respect to the Building, the Leased Premises or any of the contents of the Building (except with Landlord's express written permission, which will not be unreasonably withheld, but which may be contingent upon Tenant's agreement to bear any additional costs, expenses or liability for risk that may be involved).

(b) Conflict with or violate any law, statute, ordinance, rule, regulation or requirement of any governmental unit, agency or authority (whether existing or enacted as promulgated in the future, known or unknown, foreseen or unforeseen).

(c) Adversely overload the floors or otherwise damage the structural soundness of the Leased Premises or Building, or any part thereof (except with Landlord's express written permission, which will not be unreasonably withheld, but which may be contingent upon Tenant's agreement to bear any additional costs, expenses or liability for risk that may be involved).

6.3 Affirmative Obligations with Respect to Use.

(a) Tenant will comply with all governmental laws, ordinances, regulations, and requirements, now in force or which hereafter may be in force, of any lawful governmental body or authorities having jurisdiction over the Leased Premises, will keep the Leased Premises and every part thereof in a clean, neat, and orderly condition, free of objectionable noise, odors, or nuisances, will in all respects and at all times fully comply with all applicable health and policy regulations, and will not suffer, permit, or commit any waste.

(b) At all times during the term hereof, Tenant shall, at Tenant's sole cost and expense, comply with all statutes, ordinances, laws, orders, rules, regulations and requirements of all applicable federal, state, county, municipal and other agencies or authorities, now in effect or which may hereafter become effective, which shall impose any duty upon Landlord or Tenant with respect to the use, occupation or alterations of the Leased Premises (including, without limitation, all applicable requirements of the Americans with Disabilities Act of 1990 and all other applicable laws relating to people with disabilities, and all rules and regulations which may be promulgated thereunder from time to time and whether relating to barrier removal, providing auxiliary aids and services or otherwise) and upon request of Landlord shall deliver evidence thereof to Landlord.

6.4 Suitability. The Leased Premises, Building and Improvements (and each and every part thereof) shall be deemed to be in satisfactory condition unless, within sixty (60) days after the Commencement Date, Tenant shall give Landlord written notice specifying, in reasonable detail, the respects in which the Leased Premises, Building or Improvements are not in satisfactory condition. Landlord further provides warranties as provided in Exhibit C II paragraphs C and E.

6.5 Taxes. Tenant shall pay all taxes, assessments, charges, and fees which during the term hereof may be imposed, assessed or levied by any governmental or public authority against or upon Tenant's use of the Leased Premises or any personal property or fixture kept or installed therein by Tenant and on the value of leasehold improvements to the extent that the same exceed Building allowances.

VII. UTILITIES AND SERVICE

7.1 Obligation of Landlord. During the term of this Lease the Landlord agrees to cause to be furnished to the Leased Premises during normal operating hours, the following utilities and services, the cost and expense of which shall be included in Basic and/or Direct Costs:

- (a) Electricity, water, gas and sewer service.
- (b) Telephone connection to the building, but not including telephone stations and equipment (it being expressly understood and agreed that Tenant shall be responsible for the ordering and installation of telephone lines and equipment which pertain to the Leased Premises).
- (c) Heating and air-conditioning during normal operating hours to such extent and to such levels as is reasonably required for the comfortable use and occupancy of the Leased Premises subject however to any limitations imposed by any government agency.
- (d) Janitorial service.
- (e) Security (including the lighting of common halls, stairways, entries and restrooms) to such extent as is usual and customary in similar buildings in Salt Lake County, Utah.
- (f) Snow removal service.
- (g) Landscaping and groundskeeping service.
- (h) Elevator service.
- (i) The normal operating hours for office portion of the Lease Premises are from 7:00 a.m. to 6:00 p.m., Monday through Friday. Normal operating hours for the laboratory portion is 7 a.m. to 11 p.m., Monday through Friday.

7.2 Tenant's Obligations. Tenant shall arrange for and shall pay the entire cost and expense of all telephone stations, equipment and use charges, electric light bulbs (but not fluorescent bulbs used in fixtures originally installed in the Leased Premises) and all other materials and services not expressly required to be provided and paid for pursuant to the provisions of Section 7.1 above.

7.3 Additional Limitations. If and where heat generating machines devices are used in the Leased Premises which affect the temperature otherwise maintained by the air conditioning system, Landlord reserves the right with Tenant's concurrence to install additional or supplementary air conditioning units for the Leased premises,

and the entire cost of installing, operating, maintaining and repairing the same shall be paid by Tenant to Landlord promptly after demand by Landlord.

7.4 Limitation on Landlord's Liability. Landlord shall not be liable for and Tenant shall not be entitled to terminate this Lease or to effectuate any abatement or reduction of rent by reason of Landlord's failure to provide or furnish any of the foregoing utilities or services if such failure was reasonably beyond the control of Landlord. In no event shall Landlord be liable for loss or injury to persons or property, however, arising or occurring in connection with or attributable to any failure to furnish such utilities or services even if within the control of Landlord, except in the event of Landlord's negligence.

VIII. MAINTENANCE AND REPAIRS; ALTERATIONS; ACCESS

8.1 Maintenance and Repairs by Landlord. Landlord shall maintain in good order, condition and repair the structural components of the Leased Premises, including without limitation roof, exterior walls and foundations, as well as all repairs covered under construction warranties provided if Landlord is required to make structural repairs by reason of Tenant's negligent acts or omissions, Tenant shall pay Landlord's costs for making such repairs.

8.2 Maintenance and Repairs by Tenant. Tenant, at Tenant's sole cost and expense and without prior demand being made, shall maintain the Leased Premises in good order, condition and repair, and will be responsible for the painting, carpeting or other interior design work of the Leased Premises beyond the initial construction phase as specified in Section 2.3 and Exhibit "C" and "E" of the Lease and shall maintain all equipment and fixtures installed by Tenant. If repainting or recarpeting is required and authorized by Tenant, the cost for such are the sole obligation of Tenant and shall be paid for by Tenant immediately following the performance of said work and a presentation of an invoice for payment.

8.3 Tenant Approval of Management and Maintenance Services. Tenant shall have the right to approve of persons who have or will contract with Landlord for Building and Property management and maintenance services. In addition, in the event that Tenant reasonably believes that another person could (i) provide better property management or maintenance service at the same or less cost than the person currently providing such property management or maintenance service, or (ii) provide equal property management or maintenance service for less cost, then Tenant shall, at its option, provide to Landlord the name and address of such person. Landlord agrees to take reasonable steps to verify that such person referred by Tenant could better or more economically provide the contracted for management and/or maintenance services for the Building and/or Property, and provided that Landlord determines in its reasonable discretion that making such a change will not be disadvantageous to other tenants of the Building, then upon such verification, Landlord agrees to contract with and substitute such person to provide such service. The foregoing applies to services rendered pursuant to Articles 4, 7 and 8.

8.4 Alterations. Tenant shall not make or cause to be made any alterations, additions or improvements or install or cause to be installed any fixtures, signs, floor coverings, interior

or exterior lighting, plumbing fixtures, or shades or awnings, or make any other changes to the Leased Premises without first obtaining Landlord's written approval, which approval shall not be unreasonably withheld. Tenant shall present to the Landlord plans and specifications for such work at the time approval is sought. In the event Landlord consents to the making of any alterations, additions, or improvements to the Leased Premises by Tenant, the same shall be made by Tenant at Tenant's sole cost and expense. All such work with respect to any alterations, additions, and changes shall be done in a good and workmanlike manner and diligently prosecuted to completion such that, except as absolutely necessary during the course of such work, the Leased Premises shall at all times be a complete operating unit. Any such alterations, additions, or changes shall be performed and done strictly in accordance with all laws and ordinances relating thereto. In performing the work or any such alterations, additions, or changes, Tenant shall have the same performed in such a manner as not to obstruct access to any portion of the Building. Any alterations, additions, or improvements to or of the Leased Premises, including, but not limited to, wallcovering, fume hoods, darkroom, paneling, and built-in cabinet work, but excepting movable furniture and equipment, shall at once become a part of the realty and shall be surrendered with the Premises, unless Landlord and Tenant agree at any time that the specific improvement may be removed by Tenant at the end of the Term provided Tenant restores the premises to its original condition, wear and tear excepted. If there is an agreement to allow removal, such items which are the subject of agreement shall be listed on Exhibit F which agreement, as may be revised by the parties from time to time, shall be made a part of this Lease. The parties have agreed as to the items 1 through 8 listed on Exhibit F.

8.5 Landlord's Access to Leased Premises. Landlord shall have the right to place, maintain, and repair all utility equipment of any kind in, upon, and under the Leased Premises as may be necessary for the servicing of the Leased Premises and other portion of the Building. Landlord shall upon providing adequate notice to Tenant, also have the right to enter the Leased Premises at all times to inspect or to exhibit the same to prospective purchasers, mortgagees, tenants, and lessees, and to make such repairs, additions, alterations, or improvements as Landlord may deem desirable. Landlord shall be allowed to take all material upon said Leased Premises that may be required therefor without the same constituting an actual or constructive eviction of Tenant in whole or in part and the rents reserved herein shall in no wise abate while said work is in progress by reason of loss or interruption of Tenant's business or otherwise, and Tenant shall have no claim for damages unless due to Landlord negligence. During the three (3) months prior to expiration of this Lease or of any renewal term, Landlord may place upon the Leased Premises "For Lease" or "For Sale" signs which Tenant shall permit to remain thereon.

IX. ASSIGNMENT

9.1 Assignment Prohibited. Tenant shall not transfer, assign, mortgage, or hypothecate this Lease, in whole or in part, or permit the use of the Leased Premises by any person or persons other than Tenant, or sublet the Leased Premises, or any part thereof, without the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld, provided sufficient information is provided to Landlord to accurately represent the financial condition of those to whom this Lease will be transferred, assigned, mortgaged, or hypothecated. Such prohibition against assigning or subletting shall include any assignment or

subletting by operation of law. Any transfer of this Lease from the Tenant by merger, consolidation, transfer of assets, or liquidation shall constitute an assignment for purposes of this Lease. In the event that Tenant hereunder is a corporation, an unincorporated association, or a partnership, the transfer, assignment, or hypothecation of any stock or interest in such corporation, association, or partnership in the aggregate in excess of forty-nine percent (49%) shall be deemed an assignment within the meaning of this Section. The above prohibition of assignment will not apply in the case of a registered offering of shares by Tenant or the public trading of registered shares subsequent to an initial offering.

9.2 Consent Required.

(a) Any assignment or subletting without Landlord's consent shall be void, and shall constitute a default hereunder which, at the option of Landlord, shall result in the termination of this Lease or exercise of Landlord's other remedies hereunder. Consent to any assignment or subletting shall not operate as a waiver of the necessity for consent to any subsequent assignment or subletting, and the terms of such consent shall be binding upon any person holding by, under, or through Tenant.

(b) Landlord shall have no obligation to consent to the proposed sublease or assignment if the proposed sublessee or assignee or its business is or may be subject to compliance with additional requirements of the law, including any related rules or regulations, commonly known as the "Americans with Disabilities Act of 1990" or similar state or local laws relating to persons with disabilities beyond those requirements which are applicable to the tenant desiring to so sublease or assign".

9.3 Landlord's Right in Event of Assignment. If this Lease is assigned or if the Leased Premises or any portion thereof are sublet or occupied by any person other than the Tenant, Landlord may collect rent and other charges from such assignee or other party, and apply the amount collected to the rent and other charges reserved hereunder, but such collection shall not constitute consent or waiver of the necessity of consent to such assignment, subleasing, or other transfer, nor shall such collection constitute the recognition of such assignee, sublessee, or other party as the Tenant hereunder or a release of Tenant from the further performance of all of the covenants and obligations, including obligation to pay rent, of Tenant herein contained. In the event that Landlord shall consent to a sublease or assignment hereunder, Tenant shall pay to Landlord reasonable fees, not to exceed \$100.00, incurred in connection with processing of documents necessary to the giving of such consent. In the event Landlord consents to the assignment as provided by paragraph 9.1, then Tenant shall be released from further performance of any covenant and obligation under this Lease.

X. INDEMNITY

10.1 Indemnification By Tenant. Tenant and Landlord shall indemnify each other and save each other harmless from and against any and all suits, actions, damage and claims, liability and expense in connection with loss of life, bodily or personal injury, or property damage arising from or out of any occurrence in, upon, at or from the Leased Premises, or occasioned wholly

or in part by any act or omission of Tenant or Landlord, their agents, contractors, employees, servants, invitees, licensees or concessionaires. All insurance policies carried by Tenant and/or Landlord shall include a waiver of subrogation endorsement which specifies that the insurance carrier(s) will waive any right of subrogation against Tenant and/or Landlord arising out of any insurance claim.

10.2 Release of Landlord. Landlord shall not be responsible or liable at any time for any loss or damage to Tenant's personal property or to Tenant's business. Tenant shall store its property in and shall use and enjoy the Leased Premises and all other portions of the Building and Improvements at its own risk, and hereby releases Landlord, to the full extent permitted by law, from all claims of every kind resulting in loss of life, personal or bodily injury, or property damage.

10.3 Notice. Tenant shall give prompt notice to Landlord in case of fire or accidents in the Leased Premises or in the Building of which the Leased Premises are a part or of defects therein or in any fixtures or equipment.

10.4 Litigation. In case Landlord, without fault on its part, shall be made a party to any litigation commenced against Tenant, then Tenant shall protect and hold Landlord harmless and shall pay all costs, expenses, and reasonable attorneys' fees.

XI. INSURANCE

11.1 Fire and "All Risk" Insurance on Tenant's Personal Property and Fixtures. At all times during the term of this Lease, Tenant shall keep in force at its sole cost and expense, fire insurance and "All Risk" (including vandalism and malicious mischief) in companies acceptable to Landlord, equal to the replacement cost of Tenant's fixtures, furnishings, equipment, and contents upon the Leased Premises and all improvements or additions made by Tenant to the Leased Premises. The Landlord shall be named as an additional insured on all such policies.

11.2 Liability Insurance. Tenant shall, during the entire term hereof, keep in full force and effect a policy of public liability and property damage insurance to include contractual coverage with respect to the Leased Premises and the business operated by Tenant in the Leased Premises, with a combined single limit for personal or bodily injury and property damage of not less than \$500,000.00. The policy shall name Landlord, any person, firms, or corporations designated by Landlord, and Tenant as insureds, and shall contain a clause that the insurer will not cancel or materially change the insurance pertaining to the Leased Premises without first giving Landlord ten (10) days written notice. Tenant shall at all times during the term hereof provide Landlord with evidence of current insurance coverage. All public liability, property damage, and other liability policies shall be written as primary policies, not contributing with coverage which Landlord may carry.

11.3 Subrogation. Tenant and Landlord each waive its right of subrogation against each other for any reason whatsoever.

11.4 Lender. Any mortgage lender interest in any part of the Building or Improvements may, at Landlord's option, be afforded coverage under any policy required to be secured by Tenant hereunder, by use of a mortgagee's endorsement to the policy concerned.

XII. DESTRUCTION

If the Leased Premises shall be partially damaged by any casualty insured against under any insurance policy maintained by Landlord, Landlord shall, upon receipt of the insurance proceeds, repair the Leased Premises and until repair is complete the Basic Annual Rent and Additional Rent shall be abated proportionately as to that portion of the Leased Premises rendered untenable. Notwithstanding the foregoing, if: (a) the Leased Premises by reason of such occurrence are rendered wholly untenable, or (b) the Leased Premises should be damaged as a result of a risk which is not covered by insurance, or (c) the Leased Premises should be damaged in whole or in part during the last six (6) months of the term or of any renewal hereof, or (d) the Leased Premises or the Building (whether the Leased Premises are damaged or not) should be damaged to the extent of fifty percent (50%) or more of the then-monetary value thereof, then and in any such events, Landlord may either elect to repair the damage or may cancel this Lease by notice of cancellation within Ninety (90) days after such event and thereupon this Lease shall expire, and Tenant shall vacate and surrender the Leased Premises to Landlord. Tenant's liability for rent upon the termination of this Lease shall cease as of the day following Landlord's giving notice of cancellation. In the event Landlord elects to repair any damage, any abatement of rent shall end five (5) days after notice by Landlord to Tenant that the Leased Premises have been repaired. If the damage is caused by the negligence of Tenant or its employees, agents, invitees, or concessionaires, there shall be no abatement of rent. Unless this Lease is terminated by Landlord, Tenant shall repair and refixture the interior of the Leased Premises to the extent of the Tenant Finish in a manner and in at least a condition equal to that existing prior to the destruction or casualty and the proceeds of all insurance carried by Tenant on its property and fixtures shall be held in trust by Tenant for the purpose of said repair and replacement.

XIII. CONDEMNATION

13.1 Total Condemnation. If the whole of the Leased Premises shall be acquired or taken by condemnation proceeding, then this Lease shall cease and terminate as of the date of title vesting in such proceeding.

13.2 Partial Condemnation. If any part of the Leased Premises shall be taken as aforesaid, and such partial taking shall render that portion not so taken unsuitable for the business of Tenant, then this Lease shall cease and terminate as aforesaid. If such partial taking is not extensive enough to render the Leased Premises unsuitable for the business of Tenant, then this Lease shall continue in effect except that the Basic Annual Rent and Additional Rent shall be reduced in the same proportion that the portion of the Leased Premises (including basement, if any) taken bears to the total area initially demised and Landlord shall, upon receipt of the award in condemnation, make all necessary repairs or alterations to the Building in which the Leased Premises are located, provided that Landlord shall not be required to expend for such work an amount in excess of the amount received by Landlord as damages for the part of the Leased Premises to taken. "Amount received by Landlord" shall mean that part of the award in

condemnation which is free and clear to Landlord of any collection by mortgage lenders for the value of the diminished fee.

13.3 Landlord's Option to Terminate. If more than twenty percent (20%) of the Building shall be taken as aforesaid, Landlord may, by written notice to Tenant, terminate this Lease. If this Lease is terminated as provided in this Section, rent shall be paid up to the day that possession is so taken by public authority and Landlord shall make an equitable refund of any rent paid by Tenant in advance.

13.4 Award. Tenant shall not be entitled to and expressly waives all claim to any condemnation award for any taking, whether whole or partial and whether for diminution in value of the leasehold or to the fee, although Tenant shall have the right, to the extent that the same shall not reduce Landlord's award, to claim from the condemnor, but not from the Landlord, such compensation as may be recoverable by Tenant in its own right for damages to Tenant's business and fixtures.

13.5 Definition. As used in this Part XIII the term "condemnation proceeding" means any action or proceeding in which any interest in the Leased Premises is taken for any public or quasi-public purpose by any lawful authority through exercise of eminent domain or right of condemnation or by purchase or otherwise in lieu thereof.

XIV. LANDLORD'S RIGHTS TO CURE

14.1 General Right. In the event of breach, default, or noncompliance hereunder by Landlord, Tenant shall, before exercising any right or remedy available to it, give Landlord written notice of the claimed breach, default, or noncompliance. If prior to its giving such notice Tenant has been notified in writing (by way of Notice of Assignment of Rents and Leases, or otherwise) of the address of a lender which has furnished any of the financing referred to in Part XV hereof, concurrently with giving the aforesaid notice to Landlord, Tenant shall, by registered mail, transmit a copy thereof to such lender. For the fifteen (15) days following the giving of the notice(s) required by the foregoing portion of this section (or such longer period of time as may be reasonably required to cure a matter which, due to its nature, cannot reasonably be rectified within fifteen (15) days), Landlord shall have the right to cure the breach, default, or noncompliance involved. If Landlord has failed to cure a default within said period, any such lender shall have an additional fifteen (15) days within which to cure the same or, if such default cannot be cured within that period, such additional time as may be necessary if within such fifteen (15) day period said lender has commenced and is diligently pursuing the actions or remedies necessary to cure the breach, default, or noncompliance involved (including, but not limited to, commencement and prosecution of proceedings to foreclose or otherwise exercise its rights under its mortgage or other security instrument, if necessary to effect such cure), in which event this Lease shall not be terminated by Tenant so long as such actions or remedies are being diligently pursued by said lender.

14.2 Mechanic's Lien. Should any mechanic's or other lien be filed against the Leased Premises or any part thereof by reason of Tenant's acts or omissions or because of a

claim against Tenant, Tenant shall cause the effect of the same to be cancelled and discharged or bonded over or otherwise within ten (10) days after written notice by Landlord.

XV. FINANCING; SUBORDINATION

15.1 Subordination. Tenant acknowledges that it might be necessary for Landlord or its successors or assigns to secure mortgage loan financing or refinancing affecting the Leased Premises. Tenant also acknowledges that the lender interested in any given loan may desire that Tenant's interest under this Lease be either superior or subordinate to the mortgage then held or to be taken by said Lender. Accordingly, Tenant agrees that at the request of Landlord at any time and from time to time Tenant shall execute and deliver to Landlord an instrument, in form reasonably acceptable to Landlord, whereby Tenant subordinates its interest under this Lease and in the Leased Premises to such of the following encumbrances as may be specified by Landlord: Any mortgage or trust deed and customary related instruments are herein collectively referred to merely as a "Mortgage" and securing a loan obtained by Landlord or its successors or assigns for the purpose of enabling acquisition of the Building and/or construction of additional improvements to provide permanent financing for the Building, or for the purpose of refinancing any such construction, acquisition, standing or permanent loan. Provided, however, that any such instrument or subordination executed by Tenant shall provide that so long as Tenant continues to perform all of its obligations under this Lease its tenancy shall remain in full force and effect notwithstanding Landlord's default in connection with the Mortgage concerned or any resulting foreclosure or sale or transfer in lieu of such proceedings. Tenant shall not subordinate its interests hereunder or in the Leased Premises to any lien or encumbrance other than the Mortgages described in and specified pursuant to this Section 15.1 without the prior written consent of Landlord and of the lender interested under each mortgage then affecting the Leased Premises. Any such unauthorized subordination by Tenant shall be void and of no force or effect whatsoever.

15.2 Attornment. Any sale, assignment, or transfer of Landlord's interest under this Lease or in the Leased Premises including any such disposition resulting from Landlord's default under a mortgage, shall be subject to this Lease and also Tenant shall attorn to Landlord's successor and assigns and shall recognize such successor or assigns as Landlord under this Lease, regardless of any rule of law to the contrary or absence of privity of contract.

15.3 Financial Information. As a condition to Landlord's acceptance of this Lease, Tenant shall provide financial information sufficient to verify to Landlord the financial condition of Tenant. Tenant hereby represents and warrants that none of such information contains or will contain any untrue statement of material fact, nor will such information omit any material fact necessary to make the statements contained therein misleading or unreliable. Any financial information provided by Tenant shall be held in confidence and distributed only to Landlord's investors or lenders for the Leased Premises.

XVI. EVENTS OF DEFAULT; REMEDIES OF LANDLORD

16.1 Default by Tenant. Upon the occurrence of any of the following events, Landlord shall have the remedies set forth in Section 16.2:

(a) Tenant fails to pay any installment of Basic Annual Rent or Estimated Costs or any other sum due hereunder within ten (10) days after Tenant receives written notice of rent due.

(b) Tenant fails to perform any other term, condition, or covenant to be performed by it pursuant to this Lease within ten (10) days after written notice of such default shall have been given to Tenant by Landlord or, if cure would reasonably require more than ten (10) days to complete, if Tenant fails to commence performance within the ten (10) day period or fails diligently to pursue such cure to completion.

(c) Tenant shall become bankrupt or insolvent or file any debtor proceedings or have taken against such party in any court pursuant to state or federal statute, a petition in bankruptcy or insolvency, reorganization, or appointment of a receiver or trustee; or Tenant petitions for or enters into an arrangement; or suffers this Lease to be taken under a writ of execution.

16.2 Remedies. In the event of any default by Tenant hereunder, Landlord may at any time, without waiving or limiting any other right or remedy available to it, terminate Tenant's rights under this Lease by written notice, reenter and take possession of the Premises by any lawful means (with or without terminating this Lease), or pursue any other remedy allowed by law. Tenant agrees to pay to Landlord the cost of recovering possession of the Premises, all costs of reletting, and arising out of Tenant's default, including attorneys' fees. Notwithstanding any reentry, the liability of Tenant for the rent reserved herein shall not be extinguished for the balance of the Term, and Tenant agrees to compensate Landlord upon demand for any deficiency arising from reletting the Premises at a lesser rent than applies under this Lease.

16.3 Past Due Sums; Penalty. If Tenant fails to pay, when the same is due and payable, any Basic Annual Rent, Estimated Costs and electrical charges within ten (10) days after the same is due and payable, or other sum required to be paid by it hereunder, such unpaid amounts shall bear interest from the due date thereof to the date of payment at a fluctuating rate equal to two percent (2%) per annum above the prime rate of interest charged by First Security Bank of Utah, Salt Lake City, Utah. In addition thereto, Tenant shall pay a sum of two percent (2%) of such unpaid amounts as a service fee. Notwithstanding the foregoing, however, Landlord's right concerning such interest and service fee shall be limited by the maximum amount which may properly be charged by Landlord for such purposes under applicable law.

XVII. PROVISIONS APPLICABLE AT TERMINATION OF LEASE

17.1 Surrender of Premises. At the expiration of this Lease, except for changes made by Tenant that were approved by Landlord, Tenant shall surrender the Leased Premises in the same condition, less reasonable wear and tear, as they were in upon delivery of possession

thereto under this Lease and shall deliver all keys to Landlord. Before surrendering the Leased Premises, Tenant shall remove all of its personal property and trade fixtures and such property or the removal thereof shall in no way damage the Leased Premises, and Tenant shall be responsible for all costs, expenses and damages incurred in the removal thereof. If Tenant fails to remove its personal property and fixtures upon the expiration of this Lease, the same shall be deemed abandoned and shall become the property of Landlord.

17.2 Holding Over. Any holding over after the expiration of the term hereof or of any renewal term shall be construed to be a tenancy from month to month at such rates as Landlord may designate and on the terms herein specified so far as possible. Landlord may not in any event raise the rent above 110% of the last month's rent.

XVIII. ATTORNEYS' FEES

In the event that at any time during the term of this Lease either Landlord or the Tenant institutes any action or proceeding against the other relating to the provisions of this Lease or any default hereunder, then the unsuccessful party in such action or proceeding agrees to reimburse the successful party for the reasonable expenses of such action including reasonable attorneys' fees, incurred therein by the successful party.

XIX. ESTOPPEL CERTIFICATE

19.1 Landlord's Right to Estoppel Certificate. Tenant shall, within fifteen (15) days after Landlord's request, execute and deliver to Landlord a written declaration, in form and substance similar to Exhibit "D", in recordable form: (1) ratifying this Lease; (2) expressing the Commencement Date and termination date hereof; (3) certifying that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended (except by such writing as shall be stated); (4) that, if true, all conditions under this Lease to be performed by Landlord have been satisfied; (5) that there are no defenses or offsets against the enforcement of this Lease by the Landlord, or stating those claimed by Tenant; (6) the amount of advance rental, if any, (or none if such is the case) paid by Tenant; (7) the date to which rental has been paid; (8) the amount of security deposited with Landlord; and (9) such other information as Landlord may reasonably request. Landlord's mortgage lenders and/or purchasers shall be entitled to rely upon such declaration.

19.2 Effect of Failure to Provide Estoppel Certificate. Tenant's failure to furnish any Estoppel Certificate within fifteen (15) days after request therefor shall be deemed a default hereunder and moreover, it shall be conclusively presumed that: (a) this Lease is in full force and effect without modification in accordance with the terms set forth in the request; (b) that there are no unusual breaches or defaults on the part of the Landlord; and (c) no more than one (1) month's rent has been paid in advance.

XX. PARKING

Automobiles of Tenant and all visitors associated with Tenant shall be parked only within parking areas designated by Landlord for parking. Landlord or its agents shall, without any liability to Tenant or its occupants, have the right to cause to be removed any automobile that may be wrongfully parked in a prohibited or reserved parking area, and Tenant agrees to indemnify, defend and hold Landlord harmless from and against any and all claims, losses, demands, damages and liabilities asserted or arising with respect to or in connection with any such removal of an automobile except due to Landlord's negligence. Tenant shall from time to time, upon request of Landlord, supply Landlord with a list of license plate numbers of all automobiles owned by Tenant or its day-to-day occupant.

XXI. SIGNS, AWNINGS, AND CANOPIES

Tenant shall not place or suffer to be placed or maintained on any exterior door, wall, or window of the Leased Premises, or elsewhere in the Building, any sign, awning, marquee, decoration, lettering, attachment, or canopy, or advertising matter or other thing of any kind, and will not place or maintain any decoration, lettering, or advertising matter on the glass of any window or door of the Leased Premises without obtaining the proper authorization from Salt Lake County prior to installing. Tenant will otherwise be free to install signage of its choice.

XXII. MISCELLANEOUS PROVISIONS

22.1 No Partnership. Landlord does not by this Lease, in any way or for any purpose, become a partner or joint venturer of Tenant in the conduct of its business or otherwise.

22.2 Force Majeure. Landlord shall be excused for the period of any delay in the performance of any obligations hereunder when prevented from so doing by cause or causes beyond Landlord's control, including labor disputes, civil commotion, war, governmental regulations or controls, fire or other casualty, inability to obtain any material or service, or acts of God.

22.3 No Waiver. Failure of Landlord or Tenant to insist upon the strict performance of any provision or to exercise any option hereunder shall not be deemed a waiver of such breach by Landlord or Tenant. No provision of this Lease shall be deemed to have been waived unless such waiver be in writing signed by Landlord or Tenant, as the case may be.

22.4 Notice. Any notice, demand, request, or other instrument which may be or is required to be given under this Lease shall be (i) given by facsimile, (ii) delivered in person or (iii) sent by United States certified or registered mail, postage prepaid and shall be addressed (a) if to Landlord, at the place specified for payment of rent, and (b) if to Tenant, either at the Leased Premises or at any other current address for Tenant which is known to Landlord. Either party may designate such other address as shall be given by written notice or by facsimile transmission.

Landlord: BOYER RESEARCH PARK ASSOCIATES V
C/O THE BOYER COMPANY
127 SOUTH 500 EAST, SUITE 310
SALT LAKE CITY, UTAH 84102 (801) 521-4781/FAX (801) 521-4793
ATTENTION: B. GREG GARDNER

Tenant: MYRIAD GENETICS, INC.
390 WAKARA WAY
SALT LAKE CITY, UTAH 84108 (801) 582-3400/FAX (801) 584-3640
ATTENTION: JAY MOYES

PARSONS, BEHLE & LATIMER
201 SOUTH MAIN
SALT LAKE CITY, UTAH 84111 (801) 532-1234/FAX (801) 536-6111
ATTENTION: JON BUTLER

22.5 Captions; Attachments; Defined Terms.

(a) The captions to the section of this Lease are for convenience of reference only and shall not be deemed relevant in resolving questions of construction or interpretation under this Lease.

(b) Exhibits referred to in this Lease, and any addendums and attached to this Lease shall be deemed to be incorporated in this Lease as though part thereof.

22.6 Recording. Tenant may record this Lease or a memorandum thereof with the written consent of Landlord, which consent shall not be unreasonably withheld. Landlord, at its option and at any time, may file this Lease for record with the Recorder of the County in which the Building is located.

22.7 Partial Invalidity. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid, the remainder of this Lease or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby and each provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

22.8 Broker's Commissions. Tenant represents and warrants that there are no claims for brokerage commissions or finder's fees in connection with this Lease and agrees to indemnify Landlord against and hold it harmless from all liabilities arising from such claim, including any attorneys' fees connected therewith.

22.9 Tenant Defined: Use of Pronouns. The word "Tenant" shall be deemed and taken to mean each and every person or party executing this document as a Tenant herein. If there is more than one person or organization set forth on the signature line as the Tenant, their liability hereunder shall be joint and several. If there is more than one Tenant, any notice

required or permitted by the terms of this Lease may be given by or to any one thereof, and shall have the same force and effect as if given by or to all thereof. The use of the neuter singular pronoun to refer to Landlord or Tenant shall be deemed a proper reference even though Landlord or Tenant may be an individual, a partnership, a corporation, or a group of two or more individuals or corporation. The necessary grammatical changes required to make the provisions of this Lease apply in the plural sense where there is more than one Landlord or Tenant and to corporations, associations, partnerships, or individuals, males or females, shall in all instances be assumed as though in each case fully expressed.

22.10 Provisions Binding, Etc. Except as otherwise provided, all provisions herein shall be binding upon and shall inure to the benefit of the parties, their legal representatives, heirs, successors, and assigns. Each provision to be performed by Tenant shall be construed to be both a covenant and a condition, and if there shall be more than one Tenant, they shall all be bound, jointly and severally, by such provisions. In the event of any sale or assignment (except for purposes of security or collateral) by Landlord of the Building, the Leased Premises, or this Lease, Landlord shall, from and after the Commencement Date (irrespective of when such sale or assignment occurs), be entirely relieved of all of its obligations hereunder.

22.11 Entire Agreement, Etc. This Lease and the Exhibits, Riders, and/or Addenda, if any, attached hereto, constitute the entire agreement between the parties. All Exhibits, riders, or addenda mentioned in this Lease are incorporated herein by reference. Any prior conversations or writings are merged herein and extinguished. No subsequent amendment to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed. Submission of this Lease for examination does not constitute an option for the Leased Premises and becomes effective as a lease only upon execution and delivery thereof by Landlord to Tenant. If any provision contained in the rider or addenda is inconsistent with a provision in the body of this Lease, the provision contained in said rider or addenda shall control. The captions and Section numbers appearing herein are inserted only as a matter of convenience and are not intended to define, limit, construe, or describe the scope or intent of any section or paragraph.

22.12 Governing Law. The interpretation of this Lease shall be governed by the laws of the State of Utah. The parties hereto expressly and irrevocably agree that either party may bring any action or claim to enforce the provisions of this Lease in the State of Utah, County of Salt Lake, and each party irrevocably consents to personal jurisdiction in the State of Utah for the purposes of any such action or claim. Each party further irrevocably consents to service of process in accordance with the provisions of the laws of the State of Utah. Nothing herein shall be deemed to preclude or prevent the parties hereto from bringing any action or claim to enforce the provisions of this Lease in any other appropriate place or forum.

IN WITNESS WHEREOF, the Landlord and Tenant have executed this Lease on the day first set forth above.

LANDLORD: BOYER RESEARCH PARK ASSOCIATES V, BY
ITS GENERAL PARTNER, THE BOYER
COMPANY, L.C.

By /s/ Ken Gardner

KEM C. GARDNER
PRESIDENT AND MANAGER

TENANT: MYRIAD GENETICS, INC.

By /s/ Jay M. Moyes

Its Vice President of Finance

NOTARY

STATE OF UTAH)
)
COUNTY OF SALT LAKE) ss

On this 12th day of October, 1995, personally appeared
before me KEM C. GARDNER, who duly acknowledged to me that he executed the
foregoing Lease as the PRESIDENT AND MANAGER OF BOYER RESEARCH PARK ASSOCIATES
V, BY ITS GENERAL PARTNER, THE BOYER COMPANY, L. C., A UTAH LIMITED LIABILITY
COMPANY.

My commission Expires: /s/ Deniese D. Balli

 Notary Public
 Residing at SALT LAKE COUNTY

4/28/97

STATE OF UTAH)
) ss
COUNTY OF SALT LAKE)

On this 12th of October, 1995, personally appeared before me Jay M. Moyes who being duly sworn, did say that he is the Vice President of Finance of Myriad Genetics, Inc. a Utah Corporation, and that the foregoing resolution of its Board of Directors, and said Jay M. Moyes acknowledged to me that said corporation executed the same.

My Commission Expires: /s/ Deniese D. Balli

April 28, 1997 -----

Notary Public
Residing at Salt Lake County

This Rider is Incorporated into the Lease Agreement and Made a Part Thereof

A. Right to Lease Additional Space

1. Tenant shall have the exclusive right to lease the approximate 3,610 square feet remaining on Floor One of the building on or before six months after Lease execution on the same terms and conditions as contained in the Lease including additional parking at a rate of 3.5/1000. Tenant shall notify Landlord of its intent to exercise this right by written notice. Landlord shall amend the Lease to reflect the addition of such space to the Lease Premises together with any other revisions necessary because of such additional space being added to the original lease premises. If Tenant fails to notify Landlord before the three month period has elapsed, then Landlord may be free to lease the space to a third party.
2. Tenant shall have the exclusive right to lease the Third Floor of the building containing approximately 14,043 rentable square feet on or before six months after Lease execution on the same terms and conditions excepting rent which shall be at \$15.00 NNN per rentable square foot annually. Tenant shall notify Landlord of its intent to exercise this right by written notice. Landlord shall amend the Lease to reflect the addition of such space to the Leased Premises together with any other revisions necessary because of such additional space being added to the original lease premises. If Tenant fails to notify Landlord before the six month period has elapsed, then Landlord may be free to lease the space to a third party.

B. Ongoing Right of First Refusal

If, prior to the expiration or sooner termination of this Lease, any space in the building becomes vacant and available for lease during this Lease Term, Landlord shall notify Tenant of its availability in writing and Tenant shall have seven (7) business days from the receipt date of Landlord's notice to Tenant to advise Landlord in writing that Tenant accepts such space offered, in its present condition, and agrees that it shall become a part of the Leased Premises. The Base Rent for the space offered, and the approximate dates possession is to be delivered shall be included in Landlord's notice to Tenant. Tenant's obligation to commence payment of Base Rent shall occur on the earlier of the date possession is delivered to Tenant by Landlord or Tenant occupies all or a portion of such space and shall continue until the expiration or sooner termination of the Lease. Any additional rental obligation of Tenant contained in the Lease and based upon the relationship of area of the Premises to the rentable area of the Building pursuant to Section 4.1(d) shall be adjusted to reflect the increase in the area of the Premises. Prior to delivery of possession Tenant shall execute an amendment to this Lease reflecting the addition to the Premises, the additional Base Rental, the change in ratio of the Leased Premises to the Building area and any other revisions necessary because of such additional space being added to the original Premises. All other terms and conditions of this Lease shall apply to the additional Premises.

C. New Building

-
1. If Tenant exercises the option set forth in this paragraph, Landlord hereby agrees to construct an additional building with approximately 43,726 gross rentable square feet and related improvements upon the additional property which is also the subject of the Ground Lease between Landlord and the University of Utah (the "Additional Property") which is the subject of the Ground Lease not occupied by the Building and related improvements (the "New Building"). Such construction shall commence after Tenant has exercised such option not earlier than two (2) years following the date of this Agreement (the "Option Term"), except as otherwise provided in paragraph 2 hereof. Landlord hereby grants Tenant an option and right of first refusal to lease, at Tenant's discretion, not less than 50% but up to 100% of the rentable space in the New Building (the "Option Space") upon the terms set forth in this paragraph 1. Within 18 months following the date of this Agreement, Landlord shall provide Tenant a reasonably detailed written summary of the proposed size, configuration and placement of the New Building. Tenant shall have two (2) years from the date of this Agreement to notify Landlord in writing (the "Option Notice") of its intent to exercise its option to lease a portion of the Option Space (the "New Space") specifying the percentage or equivalent square footage of the Option Space which Tenant wishes to occupy. Upon the giving of the Option Notice, Landlord and Tenant shall promptly enter into good faith negotiations to complete a mutually acceptable lease agreement for the New Space (the "New Lease"). The New Lease shall be substantially identical in form to this Agreement as of the date of the Option Notice and shall further provide that Tenant's annual lease rate per square foot for the New Space shall be equal to 13% of the actual Total Project Cost (as defined in Section E 3(b) of this Rider) to build and develop the New Building, multiplied by a fraction, the numerator of which is the gross rentable square footage of the New Space, and the denominator of which is the total gross rentable square footage of the New Building. Pursuant to the New Lease Tenant shall have a right of first refusal to lease all additional portions of the New Building not included within the New Space as the same become available, and according to terms substantially identical to the terms of the New Lease.
 2. Notwithstanding the foregoing, Tenant shall be entitled to extend the Option Term for one year provided that Tenant agrees to pay that portion of the monthly ground lease due pursuant to that certain Ground Lease Agreement between Landlord and the University of Utah which is attributable to that portion of the Additional Property where the New Building will be constructed.

D. Tenant's Right of First Refusal to Purchase Building

Landlord grants to Tenant the right of first refusal exercisable after the Commencement Date during the term of the Lease to purchase the Building (the "Right of First Refusal"). If at any time after the Commencement Date during the term of this Lease Landlord shall desire to accept an offer from a third person to purchase the Building, it shall provide written notice of such intent to Tenant together with a copy of the offer. Tenant shall have twenty (20) days to elect to purchase the Building strictly upon the terms and conditions, including price, as set forth in the offer. If Tenant does not timely exercise the Right of First Refusal, this Right of First Refusal shall expire and Landlord may thereafter sell the Building upon terms and conditions, including price, which are not more favorable to the buyer than is set forth in the offer. This Right of First Refusal shall not apply to a foreclosure sale, trustee's sale or deed in lieu of foreclosure by or to a mortgage lender in respect of the Building.

E. Tenant's Option to Purchase Building

1. Commencing as of the Commencement Date and continuing throughout the term of the Lease, Tenant shall have the right and option to purchase all of Landlord's right, title and interest in the Building upon the terms and conditions set forth in this portion of the Rider (the "Purchase Option"). To exercise this Purchase Option, tenant shall give written notice of exercise to Landlord in the manner provided in the Lease. Tenant may exercise the Purchase Option only if no default, or circumstance which with the giving of notice and/or the passage of time would constitute a default, is then existing.
2. The Purchase Price which Tenant shall pay to Landlord for its entire right, title and interest in the Building (the "Purchase Price") shall be the sum of the following:
 - (a) The amount of any prepayment fee, premium or similar charge incurred by Landlord in discharging any lien or encumbrance which secures any monetary obligation on the Building.
 - (b) The greater of:
 - (i) the Fair Market Value (as defined below); and
 - (ii) one hundred and six percent (106%) of the Total Project Cost (as defined below).
3. For purposes of this Purchase Option, the following terms shall have the meanings set forth:
 - (a) "Fair Market Value" means the value of the Building as agreed upon in writing by Landlord and Tenant or, if the Landlord and Tenant cannot agree upon such value within thirty (30) days after the Tenant exercises the

Purchase Option, then either Landlord or Tenant may nominate three (3) qualified, independent appraisers to appraise the Building, each of whom shall:

- (i) be a member in good standing of the Utah Chapter of the Appraisal Institute;
- (ii) be state certified under the Utah Real Estate Appraiser Registration and Certification Act; and
- (iii) shall have not less than five (5) years of experience valuing office buildings in Salt Lake County, Utah.

The other party shall then select one (1) of the nominated appraisers to perform an appraisal to determine the Fair Market Value of the Building. The costs and fees of the appraiser shall be paid in equal shares by Landlord and Tenant. In determining the Fair Market Value it shall be assumed that all liens and encumbrances securing obligations to pay loans or other fixed or determinable sums have been discharged.

(b) "Total Project Cost" means any and all "hard" and "soft" direct costs and expenditures incurred by Landlord at any time in connection with the acquisition, design or construction of the Building, including, without limitation:

- (i) all payments or obligations incurred to general and other contractors;
- (ii) all architectural, engineering and other professional fees incurred;
- (iii) all permit and license fees and other charges of governmental authorities incurred;
- (iv) all cost and expense of insurance incurred prior to the Commencement Date;
- (v) all cost incurred prior to the Commencement Date in connection with or arising from the ground lease including, without limitation, legal fees and survey costs;
- (vi) all legal and accounting fees incurred which are attributable to the development and construction of the Building;

- (vii) all cost incurred in connection with or arising from or in connection with construction financing including, without limitation, legal fees and survey costs; and
 - (viii) all real estate taxes and assessments (or equivalent privilege tax), utility charges and similar costs and expenses in respect of the Building incurred prior to the Commencement Date.
4. The closing, pursuant to the Purchase Option, shall occur thirty (30) days after the Purchase Price is determined. At the closing:
- (a) Tenant shall pay the Purchase Price in cash.
 - (b) Landlord shall convey title to the Building to Tenant by special warranty deed and shall be obligated to provide at Landlord's cost a standard owner's policy of title insurance.
 - (c) Landlord shall discharge all liens and encumbrances securing obligations to pay loans or other fixed or determinable sums or obligations owing to mechanics or materialmen. Tenant shall take the Building subject to all other encumbrances and exceptions of record.
 - (d) Landlord shall represent and warrant to the best of its knowledge as to customary matters involving the condition of the Building.
 - (e) Each of the parties shall bear its costs and attorneys' fees in connection with the exercise and closing under the Purchase Option; provided, Landlord shall pay the premium on the policy of title insurance delivered to Tenant, and Landlord and Tenant shall each pay one-half (1/2) of the fees of the escrow agent.
5. If the Tenant exercises the Purchase Option but timely fails to close for any reason other than the fault of Landlord, the Purchase Option shall thereafter expire and shall no longer be enforceable.
6. Landlord and Tenant shall jointly record a notice of this Purchase Option and of the Right of First Refusal.

AMENDMENT TO LEASE AGREEMENT

THIS AMENDMENT TO LEASE AGREEMENT is made and entered into this 29th day of March, 1996, by and between BOYER RESEARCH PARK ASSOCIATES V, by its general partner, THE BOYER COMPANY, L.C. ("Landlord") and MYRIAD GENETICS, INC. (the "Tenant").

R E C I T A L S:

WHEREAS, on the first day of October 1995, Landlord and Tenant entered into that certain Lease Agreement (the "Lease") providing for the lease by Landlord to Tenant of certain built to suit office space located at 350 Wakara Way, Salt Lake City, Utah, for the rental and on the terms and conditions more particularly set forth in said Lease; and

WHEREAS, Landlord and Tenant desire to amend the Lease in certain respects, all as more particularly set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree that the Lease shall be amended as follows:

1. Article 1.1(a): The first sentence of Article 1.1(a) of the Lease shall be amended and restated in its entirety to read as follows:

(a) That certain floor area consisting of approximately 48,483 gross rentable square feet (the "Leased Premises"), consisting of 15,361 gross rentable square feet on Floor One, 16,519 gross rentable square feet on Floor Two, and 16,603 gross rentable square feet on Floor Three, of the 48,483 gross rentable square feet three-story office building (the "Building") located at approximately 350 Wakara Way in Salt Lake City, Utah on the real property (the "Property") described on Exhibit "A" attached hereto and by this reference incorporated herein.

2. Article 1.1(c): Article 1.1 (c) shall be amended and restated in its entirety to read as follows:

(c) The exclusive right to use all areas designated and suitable for vehicular parking, including the exclusive right to the use of not less than 163 parking stalls.

3. Article 2.3 Construction of Leased Premises: The third sentence

of Article 2.3 shall be amended and restated in its entirety to read as follows:

Landlord shall pay \$910,778 (\$22.00 per usable square foot multiplied by 41,399 usable square feet as determined by architect) of the cost listed (excluding cost to construct Shell Building) and Tenant shall be obligated for the remaining costs shown on Exhibit "E".

4. Article 3.1 Basic Annual Rent: The first sentence of Article 3.1

shall be amended and restated in its entirety to read as follows:

Tenant has hereby exercised its right contained in the Rider hereof to lease 100% of the Building now containing 48,483 gross rentable square feet. Tenant agrees to pay to Landlord as basic annual rent (the "Basic Annual Rent") at such place as Landlord may designate, without prior demand therefore and without any deduction or setoff whatsoever, the sum of Six Hundred Seventy Seven Thousand Six Hundred Sixty Four Dollars (\$677,664.00).

5. Article 3.1: A new sentence is hereby added at the end of the first paragraph of Article 3.1 to read in its entirety as follows:

Landlord and Tenant understand and agree that the total incremental dollar amount per year above the projected ground lease payments under the Ground Lease with the University of Utah is \$10,000 per year.

6. Article 4.1(c): The second sentence of Article 4.1(c) is hereby amended and restated in its entirety to read as follows:

The Estimated Costs for the calendar year in which the Lease commences is \$218,173.50, and are not included in the Basic Annual Rent.

7. Article 4.1(d): Article 4.1(d) is hereby amended and restated to read in its entirety as follows:

"Tenant's Proportionate Share of Basic Costs" shall mean 100% of Basic Costs for the Leased Premises.

8. Article 7.1: A new sentence is hereby added at the end of Article 7.1 to read in its entirety as follows:

In addition to the foregoing, Landlord has implemented into the design and construction of the Building certain energy saving devices and equipment the approximate cost of which is

currently contemplated to be \$100,000. The cost of such energy saving devices shall be financed through an energy service contract with PacifiCorp d/b/a Utah Power & Light Company (the "Energy Service Contract"). Upon execution such Energy Service Contract shall be attached as an exhibit to this Lease. It is currently contemplated that the monthly service charge under the Energy Service Contract shall be \$1,338, which amount shall be added to Tenant's monthly utility bill.

9. Article 22.10: The third sentence of Article 22.10 is hereby amended and restated in its entirety to read as follows:

In the event of a sale or assignment (except for purposes of security or collateral) by Landlord of all of (i) the Building, (ii) the Leased Premises, or (iii) this Lease, to an unrelated third party (the "Buyer") reasonably acceptable to Tenant, Landlord shall, from and after the date of such sale or assignment, be entirely relieved of all of its obligations under this Lease, provided that (i) such Buyer fully assumes all of the obligations of Landlord under this Lease, and (ii) Tenant's rights and benefits under this Lease continue in full force and effect following the date of such sale or assignment.

10. Exhibit "C" Work Letter, Section I, Paragraph A.: The third sentence of paragraph I.A. of Exhibit "C" is hereby amended and restated in its entirety to read as follows:

Without limiting the generality of the foregoing, preliminary plans shall provide for a three (3) story building containing 48,483 gross rentable square feet of space and shall be generally consistent with the conceptual plans and drawings attached hereto as Exhibit "B" and incorporated herein (the "Conceptual Drawings").

11. Exhibit "E": Exhibit "E" is hereby modified by changing the square footage on the third line of Exhibit "E" from 24,476 to 48,483. A new revised Exhibit "E" is attached hereto and incorporated herein by this reference.

The Lease shall remain in full force and effect as herein stated except as herein modified or amended by this Amendment to Lease Agreement.

IN WITNESS WHEREOF, this Amendment to Lease Agreement has been executed the day and year first above written.

LANDLORD: BOYER RESEARCH PARK ASSOCIATES V,
by its general partner,
THE BOYER COMPANY, L.C.

/s/ Kem C. Gardner

By: Kem C. Gardner
President and Manager

TENANT: MYRIAD GENETICS, INC.

By: /s/ James S. Evans

Its: Controller

MYRIAD GENETICS, INC. HAS OMITTED FROM THIS EXHIBIT 10.4 PORTIONS OF THE AGREEMENT FOR WHICH MYRIAD GENETICS, INC. HAS REQUESTED CONFIDENTIAL TREATMENT FROM THE SECURITIES AND EXCHANGE COMMISSION. THE PORTIONS OF THE AGREEMENT FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED ARE MARKED "[]" AND SUCH CONFIDENTIAL PORTIONS HAVE BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

March 4, 1996

Dr. Lisa Cannon-Albright
Genetic Epidemiology
University of Utah
391 Chipeta Way #D-2
Salt Lake City, Utah 84108

RE: Sub-contract titled: Isolation and Characterization of Genes
Predisposing to Cancer. University Acct. No. 5-20639

Dear Dr. Cannon-Albright:

This modification is made and entered into by and between the University of Utah and Myriad Genetics, Inc. As the original agreement states, any extension must be mutually agreed upon in writing between the parties.

The purpose of this modification is to approve an additional [

]

The Principal Investigator will be Lisa Cannon-Albright for this new year funding.

Approval Signatures:

Myriad Genetics, Inc.

/s/ Peter Meldrum

Peter Meldrum-President

Genetic Epidemiology

/s/ Dr. Lisa Cannon-Albright

Dr. Lisa Cannon-Albright

University of Utah

/s/ Robert G. Glass

Acting for
Nancy V. Dyke, Associate Director
Office of Sponsored Projects

BUDGET FOR [

]

MYRIAD GENETICS, INC.
STATEMENT REGARDING COMPUTATION OF NET LOSS PER SHARE

	Three Months Ended	
	September 30, 1996	September 30, 1995
	-----	-----
Net loss	(\$2,830,079)	(\$1,602,903)
Weighted average common shares outstanding	8,712,829	3,560,638
Weighted average preferred shares outstanding	-	1,506,690
	-----	-----
Shares used in computation	8,712,829	5,067,328
	=====	=====
Net loss per share	(\$0.32)	(\$0.32)
	=====	=====

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND CONDENSED CONSOLIDATED BALANCE SHEETS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

3-MOS		
	JUN-30-1996	
	JUL-01-1996	
	SEP-30-1996	
		14,844,580
		51,984,468
		16,987
		0
		0
	52,160,516	
		12,386,095
	1,739,501	
	77,630,775	
9,664,370		
		0
0		
		0
		87,265
	67,489,888	
77,630,775		
		0
2,195,781		
		0
	5,854,702	
	0	
	0	
	19,652	
(2,830,079)		
		0
(2,830,079)		
	0	
	0	
		0
	(2,830,079)	
	0	
	0	