

Sanford|Burnham
Medical Research Institute
at Lake Nona

May 23, 2012

Office of Tourism, Trade, and Economic Development
The Capitol, Suite 1902
Tallahassee, Florida 32399
Attention: Mr. Chris Hart, IV

Ms. Dennard

Dear ~~Mr. Hart~~:

During fiscal years 2008-2011 Sanford-Burnham Medical Research Institute exceeded its recruiting goals for its Lake Nona facility as indicated in the Innovation Incentive Funding Agreement (the "Agreement") dated as of October 31, 2006 between Office of Tourism, Trade, and Economic Development "OTTED" and Sanford-Burnham Medical Research Institute "SBMRI" (formerly Burnham Institute for Medical Research). Although its recruiting efforts during 2011 did not result in the growth originally anticipated for 2012, SBMRI is still making significant progress in its research mission and establishing strong, collaborative initiatives in accordance with its operating plan.

In the current year SBMRI has made intensive and concerted efforts to recruit a new program director for our cardio-vascular pathobiology research program. We have identified and made an offer to an outstanding candidate who we believe will start in the fall of this year. The timing of the projected start date of our new program director, along with a very challenging grant and fundraising climate, have caused our revenues to be lower than budgeted, while expenses, which are mainly fixed, have remained flat causing a current year shortfall. In addition, our average salary is currently ~\$74,000, and is significantly higher than our benchmark of ~\$53,000. With the successful recruitment of the cardio-vascular pathobiology program leader, SBMRI remains on track towards its goals.

Section 4.2 of the agreement allows SBMRI "within forty-five days of the end of any quarter of Awardee's fiscal year, Awardee may request an additional amount of up to 100% of the total Incentive Funds that have not been previously disbursed (the "Early Amount"), with the Early Amount requested taking into account the needs of Awardee...."

The attached Early Draw request is for a conservative amount of \$1,500,000. We are making no Early Draw requests related to Equipment Expenditures. We believe the early draw should be made from the excess funds made available in 2011 from the liquidation of the FREDDIE MAC coupon 3128X5PC6, so there is no need to liquidate any additional coupons.

Please let me know if you have any questions.

Regards,



Michael Dollar
Vice President, Finance - Lake Nona

cc: Beth Walker
Michael McCauley

Attachment

12 APR 15 AM 11:07
DEN/DSBD

Sanford|Burnham
Medical Research Institute

May 22, 2012

To: Office of Tourism, Trade, and Economic Development
The Capitol, Suite 1902
Tallahassee, Florida 32399
Attention: Mr. Chris Hart, IV

Ms. Dennard
Dear ~~Mr. Hart~~:

We refer to the Innovation Incentive Funding Agreement (the "Agreement") dated as of October 31, 2006 between you and the undersigned, which provides that OTTED direct Trustee to disburse Incentive Funds to us in the aggregate amount of One Hundred Fifty-five Million Two Hundred and Seventy-two Thousand United States Dollars (\$155,272,000), plus investment income thereon. Terms defined in the Agreement shall have the same meanings when used herein.

We refer to Section 4.2 of the Agreement and hereby request early disbursement of the following portion of the Incentive Funds:

- (a) the amount of the requested early disbursement is \$1,500,000
- (b) the Disbursement Date of the requested disbursement is June 25, 2012; and
- (c) the payment instructions for the requested disbursement are as follows:

Bank of America
100 West 33rd Street,
New York, NY 10001

Beneficiary:
Sanford-Burnham Medical Research Institute, Inc.
State of Florida Funding Account

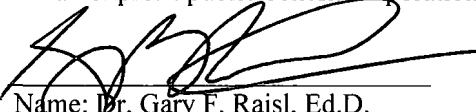
ABA #026009593

Account # 005566389040

As a condition to the foregoing disbursement of Incentive Funds, the undersigned hereby represents warrants and confirms to you that:

- (a) Awardee remains in compliance with the Disbursement Conditions for the prior annual disbursement.
- (b) Awardee expects that it will remain in compliance with the condition for the next annual disbursement.

Sanford-Burnham Medical Research Institute, a
California nonprofit public benefit corporation

By: 
Name: Dr. Gary F. Raisl, Ed.D.
Title: EVP, CAO, CFO, Treasurer

Date: May 22, 2012

Cc: Beth Walker
Michael McCauley

**NOTICE OF AMENDMENT AND RESTATEMENT OF TABLE 1 TO EXHIBIT A
OF THE TRUST AGREEMENT DATED OCTOBER 31, 2006, AS AMENDED
(THE "TRUST AGREEMENT") BETWEEN THE SANFORD-BURNHAM MEDICAL
RESEARCH INSTITUTE (THE "AWARDEE"), STATE OF FLORIDA DEPARTMENT
OF ECONOMIC OPPORTUNITY (THE "DEPARTMENT") AND THE STATE BOARD
OF ADMINISTRATION, AS TRUSTEE (THE "TRUSTEE")**

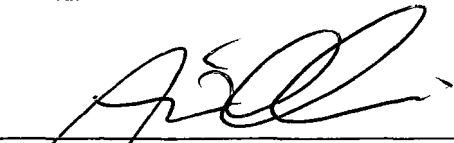
SBA CONTRACT NO. 006-75

As provided in Exhibit A, Table 1 to the Trust Agreement (the "Principal Disbursement Schedule"), the parties hereby amend and restate the Principal Disbursement Schedule with the attached Exhibit A.

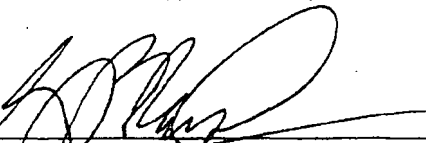
The amended and restated Principal Disbursement Schedule shall be effective as of the date of execution by the Trustee and may be executed in counterparts, any one of which need not contain the signature(s) of more than one party, but all of such counterparts taken together shall constitute one and the same document. For the avoidance of doubt, all other provisions of the Trust Agreement, as amended, including without limitation, all Attachments, Exhibits, Schedules, Appendices and Tables thereto, shall remain in full force and effect.

[Remainder of page intentionally left blank]

STATE BOARD OF ADMINISTRATION
OF FLORIDA

By: 
Ashbel C. Williams
Executive Director & CIO
Date: 6/29/12

SANFORD-BURNHAM
MEDICAL RESEARCH INSTITUTE

By: 
Name: Gary F. Raisi, Ed.D.
Title: EVP / CAO / CFO / Treasurer
Date: June 26 2012

APPROVED AS TO LEGALITY:


E. LAMAR TAYLOR
DEPUTY GENERAL COUNSEL

THE STATE OF FLORIDA,
DEPARTMENT OF ECONOMIC
OPPORTUNITY

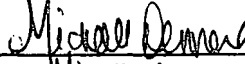
By: 
Name: Michelle Danna
Title: Director, SBO
Date: 6/26/12

Exhibit A

Exhibit A, Table 1: Principal Disbursement Schedule
(in 000's)

	Effective Date	September 30, 2009	September 30, 2010	June 27, 2011	September 30, 2011	June 30, 2012
Amount paid to Awardee by Trustee at DSBD's direction	\$45,350	\$17,071	\$17,059	\$3,700	\$18,325	\$711

	September 30, 2012	September 30, 2013	September 30, 2014	September 30, 2015	Total
Amount paid to Awardee by Trustee at DSBD's direction	\$19,346	\$17,773	\$15,937	\$0	\$155,272

This Table 1 may be amended from time to time in a writing executed by designated representatives of the Trustee, Awardee and the Department of Economic Opportunity (the "Department") to the extent necessary to reflect changes attributable to actual Disbursement Requests that differ from the amounts taken into account above. For the avoidance of doubt, for this purpose, the designated representatives of the Awardee and the Department shall be the individuals listed in the party's most recent Participant Account Maintenance Form on file with the Trustee.