

## PROMISSORY NOTE

\$46,700,000.00

Rocky Hill, Connecticut  
January 5, 2012

**FOR VALUE RECEIVED, THE JACKSON LABORATORY**, a Maine non-profit corporation, having an office and place of business located at 600 Main Street, Bar Harbor, Maine 04609 ("**Jax**"), hereby acknowledges that **CONNECTICUT INNOVATIONS, INCORPORATED ("CI")**, a quasi-public agency of the State of Connecticut, having an office and principal place of business at 999 West Street, Rocky Hill, Connecticut 06067, or at such other place as CI may designate in writing, has committed to extend a loan with a principal sum of up to **FORTY-SIX MILLION SEVEN HUNDRED THOUSAND AND 00/100 DOLLARS (\$46,700,000.00)**, together with interest thereon (the "**Loan**"). Jax promises that indebtedness under the Loan will be satisfied pursuant to the terms of this Note and that certain Bioscience Collaboration, Operating and Funding Agreement of even date (the "**Funding Agreement**") at the rate hereinafter provided and together with all taxes assessed upon said sum against CI hereof, and any reasonable costs and expenses, including insurance premiums, taxes, assessments and reasonable attorneys' fees, incurred in the protection of the Secured Assets (as hereinafter defined) and lien in favor of CI created by the exercise of rights of possession pursuant to a Security Agreement (collectively, the "**Costs**") from Jax to CI of even date securing this Loan (the "**Security Agreement**") and collection of this Note and the exercise of its rights against the Secured Assets under the Security Agreement Said amounts of principal, interest, and Costs are collectively referred to in this Note as the "**Entire Note Balance**". Advances under the Loan shall be made by CI to Jax in accordance with Schedule 3.1(a) to the Funding Agreement, as such Schedule may hereafter be amended from time to time, as provided in the Funding Agreement. The outstanding balance of this Note shall be due as follows:

1. Interest. The outstanding principal balance of this Note shall bear interest at a rate equal to one percent (1%) per annum (the "**Interest Rate**") from the date of advancement of such principal until the later to occur of (i) ten (10) years from the date hereof (the "**Maturity Date**") or (ii) eighteen months after the Maturity Date (the "**Extended Maturity Date**") if the Maturity Date is extended pursuant to Section 5.1 of the Funding Agreement, on a non-compounding basis, as applicable. Any payments of Costs made by CI hereunder or under the Security Agreement shall bear interest at the rate of twelve (12%) percent per annum and shall be payable on demand. Interest shall be calculated on the daily unpaid principal balance of this Note based on a 360-day year, provided that interest shall be due for the actual number of days elapsed during each monthly period for which interest is being charged.

2. Maturity Date. Commencing upon the first disbursement pursuant to Section 3.1 to the Funding Agreement, and for the term of this Note until the Maturity Date or Extended Maturity Date, if applicable, interest shall accrue on the then outstanding principal balance, without compounding, at the Interest Rate on the first day of each month during the term hereof. The Entire Note Balance shall be due in full on the Maturity Date or the Extended Maturity Date, if applicable, subject to forgiveness in accordance with the Funding Agreement.

3. Relationship with Funding Agreement. This Note has been issued pursuant to the Funding Agreement and is subject to the loan forgiveness, repayment, penalty and other provisions set forth in the Funding Agreement.

4. Disbursement Schedule. As of the date of this Note, CI has not advanced any funds to Jax. The principal balance of this Note shall be advanced to Jax in accordance with Schedule 3.1(a) to the Funding Agreement; provided, however, that at the time of any such advance, no Event of Default has occurred and is continuing hereunder.

5. Default. The term "Material Default" shall mean a Material Default as defined in the Security Agreement. Upon the occurrence of a Material Default, CI's sole remedy shall be to repossess the Secured Assets, there being no recourse otherwise hereunder against Jax except that Jax shall continue to be responsible for all Costs incurred by CI and CI shall have the right to take any and all actions against Jax to collect such Costs. Upon an Event of Default as defined in the Security Agreement which is not a Material Default, CI shall have the remedies provided in Section 14.3 of the Funding Agreement. Jax shall continue to be responsible for all Costs incurred by CI and CI shall have the right to take any and all actions against Jax to collect such Costs. No failure of CI to exercise such rights shall be deemed to be a waiver on the part of CI of any right accruing thereafter.

6. Prepayment. Jax shall have the right to prepay this Note in whole or in part without premium or penalty. Prepayment in whole shall terminate the Loan.

7. Waivers. Jax and all others who may become responsible for all or any part of the obligations under this Note do hereby waive demand, presentment for payment, protest, notice of protest and notice of non-payment of this Note and do hereby consent to any number of renewals or extensions of the time of payment hereof and agree that any such renewals or extensions may be made without notice to any of said parties and without affecting their liability herein and further consent to the release of any part or parts or all collateral securing the Loan and to the release of any party or parties liable hereon, all without affecting the responsibility of the other persons, firms or corporations liable for the obligations under this Note.

TO INDUCE CI TO ENTER INTO THE LOAN TRANSACTION EVIDENCED BY THIS NOTE, THE FUNDING AGREEMENT, AND THE OTHER FUNDING DOCUMENTS, JAX AGREES THAT THIS TRANSACTION IS A COMMERCIAL TRANSACTION AND NOT A CONSUMER TRANSACTION AND WAIVES THE RIGHT TO NOTICE AND HEARING UNDER CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES OR ANY OTHER STATUTE OR STATUTES AFFECTING PREJUDGMENT REMEDIES AND AUTHORIZES CI'S ATTORNEY TO ISSUE A WRIT FOR PREJUDGMENT REMEDY WITHOUT COURT ORDER, PROVIDED THE COMPLAINT SHALL SET FORTH A COPY OF THIS WAIVER.

8. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Connecticut, and is secured by furniture, fixtures and equipment purchased by Jax with the proceeds of the Note (the "Secured Assets").

IN WITNESS WHEREOF, Jax has hereunto set its hand and seal this the day and year first written above.

THE JACKSON LABORATORY,  
a Maine non-profit corporation

By: \_\_\_\_\_



Edison Tak Bun, Liu, M.D.  
Its President and Chief Executive Officer  
Duly Authorized

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