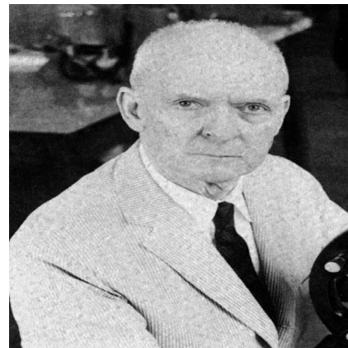
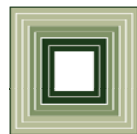


NC Biotechnology Center

Profit Sharing Agreement Overview



Joint Legislative Commission on Governmental Operations
Subcommittee on Transportation/Natural and Economic Resources
April 15, 2008



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

NC Biotechnology Center

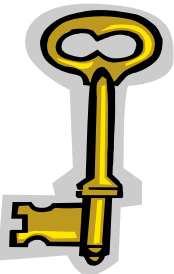
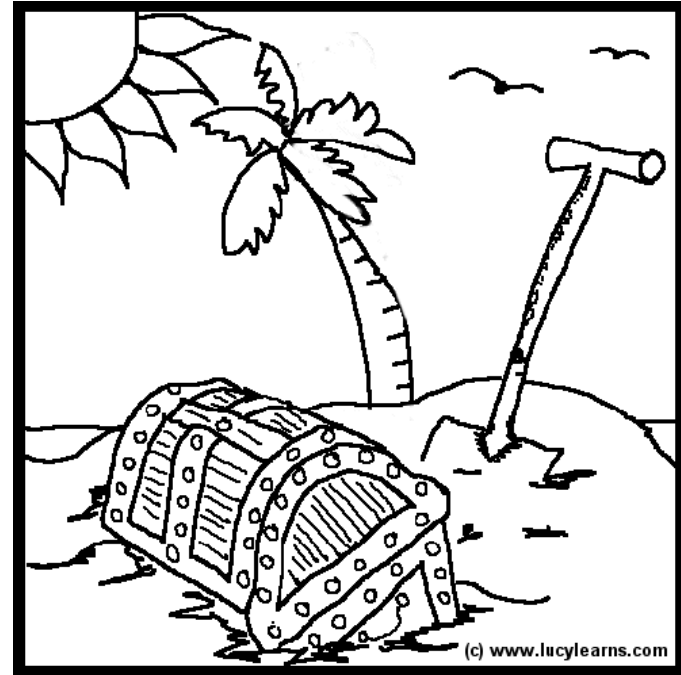


- Established by the GA in 1984
- Non-profit
- Supports biotechnology research, business and education statewide.
- Provides grants and loans for biotech research and venture capital for new companies
- \$15.6 million recurring appropriation



Profit Sharing

- Section 20.8 of S.L. 2001-424 directed Biotech and the Attorney General to craft a profit sharing agreement



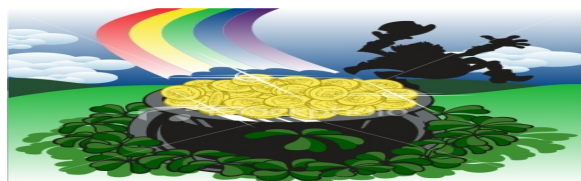
Subsection (3): The proposed agreement must be submitted to Gov Ops for review prior to execution

The Agreement

- State gets half of net profits greater than \$150,000 within 30 days
- Biotech submits audited financial statements within 90 days after the end of the fiscal year
- Biotech submits quarterly reports within 30 days after the end of each fiscal quarter



NC Biotechnology Center Investments



North Carolina Biotechnology Center Venture Capital Investments March 31, 2008

Investment	Start Date	Total Commitment	Paid to Date	Total Distributions	Net Cost
Aurora Enrichment Fund, LLC	06/04	15,000.00	15,000.00	0.00	15,000.00
Aurora Ventures IV, LLC	02/02	100,000.00	100,000.00	647.00	99,353.00
Aurora Ventures V, LLC	08/05	100,000.00	40,000.00	163.03	39,836.97
Hatteras Venture Partners II, LP	05/04	25,000.00	16,492.28	245.90	16,246.38
Hatteras Venture Affiliates III, LP	09/06	25,000.00	3,250.00	13.00	3,237.00
Inception Micro Angel Fund, LLC	05/03	15,000.00	15,000.00	0.00	15,000.00
Inception Micro Angel Fund - Kannapolis, LLC	06/07	15,000.00	1,000.00	0.00	1,000.00
Inception Micro Angel Fund - West, LLC	03/07	15,000.00	15,000.00	0.00	15,000.00
Intersouth Partners VI, LP	02/03	25,000.00	18,072.00	1,008.00	17,064.00
Intersouth Partners VII, LP	05/06	40,000.00	6,700.00	0.00	6,700.00
Piedmont Angel Network II, LLC	10/05	25,000.00	12,500.00	0.00	12,500.00
Southern Capitol Technology II, LP	12/05	40,000.00	11,600.00	0.00	11,600.00
Total Investments		440,000.00	254,614.28	2,076.93	252,537.35