

Mr. Raymond Winger

*DISCOVERING CURES
FOR CANCER
IN OUR LIFETIME . . .*



SIDNEY KIMMEL
CANCER CENTER

10905 ROAD TO THE CURE
SAN DIEGO, CALIFORNIA 92121
PHONE: 858/450-5990
FAX: 858/450-3251
<http://www.skcc.org>

March 11, 2009

Via Hand Delivery and US Mail

Dear SKCC Staff Member:

As you know, Sidney Kimmel Cancer Center (“SKCC” or the “Center”) has been actively engaged in a due diligence process with UCSD with the objective of completing an acquisition that would enable SKCC to continue operations. Unfortunately, we were notified by UCSD late last week that it will likely not be able to proceed with an acquisition of SKCC due to funding constraints. Although UCSD is still exploring alternatives that would allow it to secure the additional funds it would require in order to acquire SKCC, there is no assurance that this will occur.

As we mentioned at our all employee meeting this past Monday, the Burnham Institute for Medical Research (“BIMR”) has expressed preliminary interest in the possibility of a similar type of transaction with SKCC, and we are vigorously exploring this option as well as every other option that will enable us to manage a smooth transition or wind-down of operations. At this point however, we must assume that an acquisition of SKCC will not occur, that SKCC will not be able to continue its operations and a liquidation of the Center’s assets will need to occur. Given that assumption, SKCC intends to cease operations and to lay off all employees effective May 15, 2009. We want to ensure a smooth transition of the science being conducted here to other institutions. We will work proactively with our PIs to assist them in their efforts to transition their laboratories, staff and grants to other institutions. Our goal is to work with our neighboring institutions and facilitate an organized transfer of our research programs. We will continue to keep you apprised of relevant information regarding UCSD, the BIMR and other transition options.

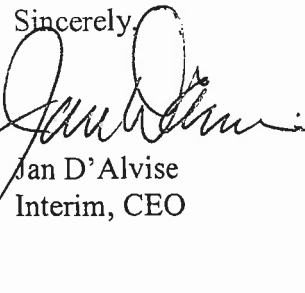
There are at least two scenarios under which SKCC might not cease operations and lay off all employees on May 15, 2009. The first scenario is that UCSD or the BIMR might proceed with an acquisition of SKCC. The second scenario is that SKCC management might be able to sell SKCC’s real estate assets by mid-May, 2009, and if that were to occur, it is possible that the Center would be able to wind down its operations over a more extended period of time. However, we have no assurance that either of these scenarios will occur, so you must assume

that your termination date will be May 15, 2009. We will notify you as soon as possible if your termination date will be extended beyond May 15, 2009.

The closure of SKCC's facility located at 10905 Road to the Cure, San Diego, CA 92121 is expected to be a permanent closure of the business, such that all operations will be discontinued. No employees at SKCC are represented by a union, and no employees have "bumping" rights to displace another employee.

This letter provides the best information known to us at this time. We will provide additional updates as more information becomes available. If you have any questions about this notice, please contact Beth Alton, Interim Director of Human Resources, at 858-410-4168 or balton@skcc.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Jan D'Alvise". The signature is written in a cursive style with a large, sweeping initial "J".

Jan D'Alvise
Interim, CEO