

Draft of April 1, 2007, 3 p.m. EDT

interrupted, and the study not finished, delayed, or otherwise adversely affected. Additional payments would be provided subsequently under contract to keep the study sufficiently funded, consistent with the approved budget and commitments from the participating companies.

Given time pressures in the study, we need approval of the API Executive Committee at this time for proceeding down this new funding path, contracting with both Cinpathogen and the University of Colorado, rather than exclusively through the University. The addition of a newly formed, for-profit entity to the research effort would be administratively more complex than simply extending the existing contractual arrangement with the University of Colorado. However, Dr. Irons has informed us that this new administrative arrangement is necessary given the situation at Fudan University. Fudan University has agreed and the University of Colorado has written its agreement with the proposed changes.

Action Requested:

Please indicate whether:

1. You approve of API contracting with Cinpathogen, and extending, with amendments, the existing grant to the University of Colorado to complete the study. The Cinpathogen contract would be executed once fully developed proposals from the investigators and recommendations from the participating companies regarding those proposals are all received and once the participating companies have committed to funding the study.
2. You approve of API advancing up to \$2 million to Cinpathogen for the operation of the laboratory through June, 2007, prior to final contracts being executed, so long as this funding is consistent with the approved budget and commitments from the participating companies.

April _____, 2007