

This document spells out API's questions with regard to the detailed itemization of how and over what time period the \$800,000 advance payment provided to Cinpathogen is to be spent. It responds to the information provided by Cinpathogen to API on April 22, 2007. Consistent with the original scope of work for the Study and grant, the design, performance and conclusions of the Study are in the sole control of the principal investigators. The questions in this document are not intended to change that, or in any way to request or require divulgence of data or interim results to the sponsors prior to acceptance of manuscripts for publication in scientific journals. The purpose of requesting the budget information herein is for the sole purpose of allowing API to fulfill its obligations to monitor costs and the progress of the study.

Questions:

- 1) From 7/01/06 – 12/31/06 the cost of the Colorado subcontract with Fudan University was \$755k or roughly \$126k per month. In the analysis of the advance payment, the direct laboratory costs alone are greater than \$450k per month. What are the primary reasons for this change in the rate of expenditures?
- 2) At the higher laboratory expenditure rate identified above, will there be sufficient funds to accrue NHL/lymphoid cases through the end of 2007? (And still have funds for definitive diagnosis and data migration to Applied Health Science in 2008.)
- 3) How do the reduced laboratory operations experienced in the 2nd quarter affect the expenditure projections?
- 4) How do the 2nd quarter salaries & benefits for US Cinpathogen employees differ from the personnel costs in the current University of Colorado grant?
- 5) How do the 2nd quarter travel costs in the Cinpathogen expenses differ from the costs covered under the current API contract with Dr. Irons for Field Expenses?
- 6) Details are needed for "Costs incurred in prior months". We need receipts.
- 7) What is included in the Direct Costs overhead of 100%? Will that rate continue for the remainder of the study?
- 8) Are the Cinpathogen overhead costs for Personnel and G&A expected to be 30% for the duration of the study?

May 3, 2007