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July 15, 1997

VIA FAX

Gary D. Wilson, Esq.
Wilmer, Cutler & Pickering
2445 M Street, N.W.
Washington, D.C. 20037

Re: Petition of CellPro, Inc.

Dear Gary:

I have been reviewing CellPro's July 2, 1997 submission to the NIH. I request that you provide Hopkins additional information to assist in its evaluation of CellPro's assertions.

It is now apparent that CellPro's entire "patient access" argument rests upon its assertions concerning the financial impact on CellPro of the proposed form of injunction. You may not be aware that some time ago I requested from CellPro's outside patent counsel the underlying financial data and information that would permit us to assess CellPro's assertions. I enclose for your information a copy of my letter to patent counsel dated June 10, 1997.

CellPro's patent counsel flatly refused to provide any of the information requested. As a result, neither we nor the NIH has any way to evaluate the basis of Mr. Culver's projections as to the number of disposable kits CellPro expects to sell in 1997 and 1998, and thus it is not possible to evaluate CellPro's claims as to the financial impact of any royalty requirement the court may impose on those sales. To take but one example, I understand from CellPro's submission that during the period from December 1996 through March of 1997, CellPro sold a total of 20 disposable kits in the U.S. It projects, nevertheless, that it will sell 1360 kits in the U.S. in the current fiscal year. The data we seek would tell us how many kits were sold (both in the U.S. and abroad) in the first quarter of CellPro's fiscal 1998, to what customers, and in what quantities, all of which is necessary to evaluate CellPro's projections.

I can see no reason why CellPro would seek to conceal this information at the same time it is asking the NIH to assume the truth of its assertions. I would hope that you would take a more reasonable position than did patent counsel and agree to make the information

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requested available immediately. (Also, since another month has gone by, please extend all data requested through June 30.)

In addition to the information requested in my letter of June 10, 1997, I would also like information concerning CellPro's inventory. I note from CellPro's Form 10-K submitted to NIH that as of the end of fiscal year 1997, CellPro had \$5 million in inventories. Based upon footnote 1 to the financial statements, I assume that the inventories were stated at cost. Please advise me as to the per unit cost of disposable kits used in calculating the inventory figure, and the number of disposable kits that were counted in inventory. In addition, please provide the same information as of June 30, 1997.

With respect to the Alex. Brown opinion submitted to NIH, please advise me as to the number of shares of CellPro stock Alex. Brown or its affiliates held for their own account as of the date of the opinion and in the period thereafter. In addition, I assume that Alex. Brown's engagement to provide CellPro "financial advisory services" includes provision for a multimillion dollar fee if Alex. Brown arranges financing for CellPro, and that the fee is calculated based upon the price of CellPro's shares sold in an offering. This would give Alex. Brown a significant financial interest in CellPro's obtaining a "Bayh-Dole license" in order to facilitate an offering of CellPro shares at the highest possible price. Please disclose the anticipated amount of financing to be arranged by Alex. Brown and the specific financial terms of CellPro's agreement with Alex. Brown. In addition, please provide a copy of the Alex. Brown engagement letter.

I note from CellPro's submission that it is now making an issue of Dr. Rowley's relationship with Baxter. Please disclose, with respect to each of the clinicians whose declarations were submitted to NIH, the amount of financial support the clinician and his institution has received from CellPro and any other financial relationships between CellPro and the clinician. In addition, please provide me a list of all individuals who are or have been members of CellPro's scientific advisory board.

Finally, in my letter to you dated July 3, 1997, I noted that CellPro's submission to NIH (and your cover letter) purported to characterize CellPro's recent license proposal and our response thereto. The submission and cover letter grossly mischaracterize the CellPro proposal. Among other things, they do not explain that CellPro insisted on continuing the litigation as a condition of entering into a license, do not reveal that CellPro insisted that it not be bound by the terms of the proposed license unless it ultimately lost the litigation (while requiring that Hopkins and its licensees would be bound in any event), and do not disclose that CellPro's offer omitted any payment of past royalties or litigation expenses. The CellPro submission and cover letter disparage Hopkins and its licensees for rejecting CellPro's one-sided proposal, but scarcely inform the reader as to the reasons for that rejection.

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CellPro's submissions also misrepresented the terms of the proposed license by stating that they were more favorable to Baxter than the terms of licenses Baxter granted to others (Systemix and AIS). As a simple matter of arithmetic, assuming even minimal annual growth in CellPro's sales, a royalty rate which drops to 7% at the end of 2001 is considerably less favorable to the licensor than a royalty rate which remains at 8% for the entire life of the patents (i.e., until 2007). As a practical matter, the proposal was clearly less favorable to Baxter than the license it offered CellPro five years ago, before Baxter had developed a commercial product, and considerably less favorable than the hypothetical license the jury found would have been reasonable as of 1990. CellPro's characterization of its proposal in the NIH submissions thus was highly misleading.

After receiving CellPro's July 2 submissions, I asked you to assure me that CellPro would respect the confidentiality of the parties' discussions and not make the latest NIH submissions public. At the same time I assured you that Hopkins and its licensees had made no public statements criticizing or otherwise commenting on CellPro's proposal, despite our views of it. In our prior discussions you agreed that to facilitate any hope of accomplishing a settlement of the parties' dispute, confidentiality of the parties' communications would be important.

I returned to my office yesterday after a week's vacation to find that CellPro had posted its July 2 submissions to NIH on its web site, despite their discussion of the parties' settlement communications and their mischaracterization both of the CellPro proposal and the reasons why it was rejected. This does not seem to me to reflect much respect for the confidentiality of settlement communications, nor does it seem to me a very constructive way to bring the parties closer together.

I look forward to hearing from you at your earliest convenience. In view of the short time frame we are facing, I ask that you provide me the information and documents requested no later than mid-day on Friday. Thank you for your anticipated cooperation.

Sincerely,


Donald R. Ware

cc. Ms. Barbara M. McGarey
Robert B. Lanman, Esq.
Frederick G. Savage, Esq.