



PHARMA FEUDS NEGOTIATION

Confidential Information for Blue Pharm's Board Chairperson and Blue Pharm's Counsel

[Counsel would have learned this from the Board Chairperson]

You are incredulous that Pure Health would try to stop Blue Pharm from distributing the best technology available for pharmaceuticals. Pure Health seems to have forgotten that Blue Pharm is a NOT-for-profit venture, and it was originated in part with public funds. Rivalries between former colleagues at Pharmalux and Pure Health may be natural, but it does not help patients if both cannot learn from each other. Having said that, you recognize why Pure Health might have assumed Immuno-Plus would not be included in "other products." In retrospect, they were probably seeking that protection. But, in the end, it was not part of the deal. Obviously, Immuno-Plus is a different product from Immuno-Pure – Pure Health's marketing has surely been all about product differentiation. The Pharmalux people on the board have made that point over and over, and you do see it.

On the anti-microbial issue, you are angry that Pure Health would be so petty as to withhold what should clearly revert back to Blue Pharm, just because of this other dispute. The licensing fees were set deliberately low....in anticipation of value coming back to Blue Pharm. If Pure Health had wanted to keep all subsequent derivative improvements, it could have simply paid up front, but the price would have been quite high – a lot higher than the \$3million they've paid so far.

Blue Pharm has no current plan to go into anti-microbial coatings, at least not in the near term. At this point, its only progeny have been Pharmalux and Pure Health. However, Blue Pharm is about incubating science, letting one development lead to another. It is possible that someday, Blue Pharm would want to give or lease the anti-microbial technology, to generate revenue for another breakthrough product. Moreover, one never knows what future uses that R&D would have. It may have applications outside of anti-microbials. Blue Pharm should not be forced to give up the right to access that technology, at least not without substantial payment or other consideration.