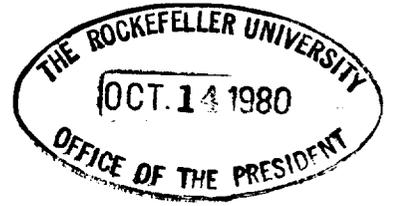




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JAMES F. HENRY  
PRESIDENT

DVDC ↓



9 October 1980

Joshua Lederberg, Ph.D.  
President  
The Rockefeller University  
East 66th Street at York Avenue  
New York, New York 10021

Dear Josh:

Since our meeting in May regarding cooperation between the Drug and Vaccine Development Corporation (DVDC) and The Rockefeller University, we have been actively pursuing implementation of the concept. Your suggestions at the May meeting regarding the content of institutional agreements have proved to be eminently sound.

I want to take this opportunity to outline the basic parameters of our discussion in May as regards the terms of an agreement between the DVDC and The Rockefeller University. While we, of course, would not want to implement such an agreement before the DVDC is fully tax-exempt and adequately funded, both expected in early 1981, we would welcome an opportunity at this time to develop a letter of agreement with your management which could come into effect at this time.

Based on our discussion, the agreement would involve the transfer to the DVDC of promising research discoveries related to diseases of the developing world, with particular emphasis on, but not limited to, the work of Dr. Cerami's laboratory. The diseases to be covered would include those specified by the UNDP/WHO/World Bank sponsored Tropical Diseases Research and Training Program (TDR) and the Diarrheal Diseases Program, as well as other diseases representing major causes of morbidity and mortality in the developing world. The latter diseases would be specified in the DVDC/University agreement.

The DVDC, in cooperation with research laboratory directors, would monitor research results for their market potential, and assume the costs of aggressively patenting and licensing such discoveries. Subsequent product development and sales would result in royalties which would be split between the DVDC and The Rockefeller University as follows: for sales to or in developing countries, 75% to the DVDC and 25% to the University; for sales in developed countries, 25% to the DVDC and 75% to the University. Definition of "developed" and "developing" countries would follow guidelines of the World Bank, i.e., countries so defined in the World Bank's annual report based on per capita income. Royalties division between the University and its researchers will be negotiated separately by those parties.

Continued . . .

Joshua Lederberg, Ph.D.

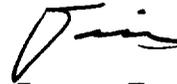
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9 October 1980

As a result of this agreement, The Rockefeller University research scientists will be eligible to apply for research grants distributed through the DVDC.

I look forward to an opportunity to discuss these parameters with you at your earliest convenience. ✓

Sincerely,



James F. Henry  
President

JFH/emg