

CHP II, L.P.
QUARTERLY REPORT
1st QUARTER, 2007

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If you have any questions regarding treatment of any confidential information received in connection with your investment in the Funds, please contact John J. Park at (609) 924-6452 or by email at johnpark@cardinalpartners.com.

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TO: The Limited Partners
FROM: John K. Clarke
DATE: June 15, 2007
SUBJECT: Activity for the Quarter Ended March 31, 2007

Highlights for the first quarter of 2007 include: the \$40 million financing and subsequent IPO filing for Sirtris, improved financial performance at AllianceCare, good clinical progress for AxoGen and Mitral, and continued progress towards potential 2007 liquidity events for AthenaHealth and Rib-X Pharmaceuticals. The following are short summaries of activity for the quarter in each of the CHP II portfolio companies.

AllainceCare (aka Mobile Medical Industries) - The first quarter of 2007 showed improved financial performance at AllianceCare and the near completion of a significant acquisition. The quarter marked the third consecutive quarter of improved financial performance for the company, with the current quarter showing a \$700K EBITDA improvement over the previous quarter. While performing behind plan, the company generated positive EBITDA for the first time since Q2 2005. Operating cash burn for the period was \$1.2 million, with the investor syndicate providing an additional \$1.5 million in bridge financing in February. As the quarter ended, AllianceCare was close to completing the acquisition of "Sunrise at Home" ("SAH"), the private duty home care division of Sunrise Senior Living (NYSE:SRZ). The merger includes a \$5 million cash component from Sunrise, which is expected to be sufficient to bring the combined entity to cash flow breakeven. The merger will be completed in the next 30-60 days upon receipt of regulatory approvals.

AthenaHealth - Athena performed well in the first quarter of 2007, while continuing to undertake significant expenditures in infrastructure, sales and marketing to support future growth. The company missed its revenue target by 2%, but through tight expense control still achieved positive EBITDA for the fourth consecutive quarter. Gross margins improved to 51% as opposed to 46% last quarter. The current annual revenue run rate is \$94.1 million with an implementation backlog of \$20.2 million. Total cash at the end of the quarter was \$7.1 million, \$250K ahead of plan as a result of good cash management for the period. The company remains on track towards a goal of realizing an investor liquidity event during 2007. Athena remains a very attractive candidate for a highly successful liquidity event in the next 12-18 months.

aTyr Pharma - Atyr Pharma began 2007 with the hiring of Chris Waters as President and COO. Chris is an experienced senior executive with experience at both start-up and large pharmaceutical companies. Her specialty over the past 10 years has been the management of preclinical drug discovery development programs. The company also continued the build-out of its new lab facility in San Diego and is filling out its scientific team. Cash burn for the period averaged \$200K per month, but that is expected to accelerate to almost \$500K per month by the end of next quarter. Current capital is expected to be sufficient to support operations through most of 2008.

AxoGen - AxoGen had an active quarter of development to begin 2007. Process development was finalized in January and a contract manufacturing facility was finalized in March. Negotiations are substantially complete with a leading medical device company towards a comprehensive marketing and distribution partnership. The company has met most of its clinical development plan this quarter, beginning biocompatibility studies, preclinical studies for both short and long graft and initiating marketing/regulatory programs towards the October 2007 target launch in Urology for the Advance™ product. Financially, AxoGen has now ramped its spending to expected levels as the company has completed the design phase and moves towards commercialization phase. We expect the company to initiate a second round financing in the latter half of 2007 to further accelerate program development.

CardioOptics – After discovering last quarter that the Coronary Sinus Access (CSA™) System has some significant limitations to its clinical functionality, the company has restructured over the past quarter into a mostly research and development focused organization. The comprehensive product and technology assessment begun at the end of 2006 is expected to be completed by the end of Q2 2007. Most of the activity in the current quarter revolved around renegotiating and/or canceling vendor and service provider agreements. That process is nearing completion and is within budget expectations. Cash burn for the current quarter averaged \$550K per month, but will fall below \$300K by the end of next quarter. We have further reduced the carrying value for the CardioOptics investment to the Series C cost of \$3,801,372, which represents the liquidation value for the CHP II holdings at a \$20 million valuation for the company.

CodeRyte – For the first quarter of 2007, revenues at CodeRyte were 10% below budget, but EBITDA came in slightly ahead of plan due to lower than forecast personnel expenses for the period. The company continues to build understanding in the marketplace of the short and long term value proposition for its service offerings. Management remains squarely focused two areas: building the company's sales and marketing momentum; and improving operational execution. To support further enhancement to the sales and marketing efforts and to finance further infrastructure for growth, the investor syndicate provided \$6 million in additional financing during the period. The sales forecast for 2007 will not require an heroic effort and if achieved will bring CodeRyte to EBITDA breakeven.

MitralSolutions, Inc. - During the quarter, Mitral continued preparations for the first human clinical test of its open surgical adjustable ring to repair mitral value anomalies. Initial human clinical testing is now scheduled to begin in July 2007 in Europe. The company plans to recruit 50 patients for the study and to conduct a 6 month and 1 year follow-up protocol. The company expects to file an Investigational Device Exemption (IDE) submission with the FDA for its open surgical product in Q4 2007, after completion of the initial patient enrollment for the study in Europe. Product approval is expected in Europe by the end of 2008 and in the U.S. by the end of 2009. Cash burn has been moderate during the quarter, but is forecast to accelerate to \$400K per month next quarter. Current capital is expected to last into Q4 2007. The investor syndicate is currently discussing the size and timing of a second round of financing with management. The financing is expected to be insider led, with the possibility of additional financing during 2007 coming from a strategic partner.

Replication Medical – During the quarter, Replication completed a redesign of the NeuDisc™ that improves the mechanical properties of the device. Mechanical testing of the redesigned device is expected to last through the end of next quarter. As a consequence, management has revised the timing for its IDE application to the FDA from Q2 to Q3 2007. Upon satisfactory completion of the mechanical tests, the company has lined up several excellent clinical sites in Europe. Initially, the company will likely perform 4-5 procedures utilizing the new device design and improved insertion methodology. Cash burn for Q1 2007 was over \$350K per month, but will fall below \$300K next quarter as the company completes its mechanical testing and prepares to file its IDE. We forecast that Replication has adequate capital resources to support operations through its IDE pilot approval, expected in late 2008. Cardinal Principals Brandon Hull and Chuck Hadley continue to work closely with company management to ensure that specified milestones are met in a cost efficient manner.

Rib-X Pharmaceuticals – Rib-X had a busy quarter, successfully filing 2 Investigational New Drug (“IND”) applications with the FDA and initiating 3 clinical trials. Management remains keenly focused on its 2007 value creation milestones: driving its lead program RX-01 through to Phase 2 clinical trials; moving RX-03, the acquired compound from Abbott Laboratories, into Phase 3 clinical trials for prophylaxis in post-cardiovascular surgery infection; and delivering potential drug candidates from its secondary RX-02 program. The company continues to be on target towards achieving these milestones designed to demonstrate that the Rib-X pipeline and business strategy will support a \$500 million valuation for the company by the end of this year. Management and lead investment banker Merrill Lynch are closely tracking progress towards these goals and the positioning of the company for a potential initial public offering or acquisition.

Sirtris Pharmaceuticals – The first quarter of 2007 for Sirtris was primarily focused on highly successful financing events. On January 23, 2007, the company completed a \$35.9 million third round financing, priced at a pre-money value of \$175 million for the company. The financing was led by Peter Lynch and the John W. Henry Trust. Cardinal elected not to participate in the financing due to the high valuation. Subsequently, on March 1, 2007, Sirtris filed a registration statement with the SEC for its initial public offering, with JP Morgan as the lead underwriter. The offering went effective (NASDAQ:SIRT) on May 23, 2007 at a pre-money value of \$245 million, with Sirtris receiving net proceeds of \$62.4 million.

Included in this report are financial statements for the period, a portfolio valuation memo, an update report for each of our portfolio companies and a deal activity report for the quarter.

Deal Flow:

During the first quarter of 2007, Cardinal has reviewed 55 business plans. Current “A” deals include: COPD Partners, DecisionQ Corporation, Disc Motion Technologies, FluidNet, Health Savings Technology, KC Biomedix, Neuro Impulse, and Quantia Communications.

An alphabetical list of all deals received this quarter, with a brief business description, deal source and current status is included as an appendix to this report.

Financial Results:

During the quarter, there was one capital call for a total of \$600,000. Utilization of these funds was for payment of fund fees and expenses through Q1 2007. As of March 31, 2007, cumulative capital contributions stand at \$103.1 million or 87.8% of total fund commitments. Cash at the end of the period was \$613K and net assets totaled \$69.7 million. Net income for the quarter was \$4.3 million, consisting of net unrealized gains totaling \$4.8 million less \$527K in net operating expenses. The net unrealized gains for the period resulted from the \$6.1 million unrealized gain on Sirtris related to the financing completed in January, offset by the \$1.3 million mark-down for Cardio-Optics during the period.

Looking forward:

Total cumulative distributions through March 31, 2007 stand at \$94.4 million or 92.1% of contributed capital. The cumulative CHP II net to investors IRR now stands at 13.00%, solidly in the upper quartile for 2000 vintage year venture funds.

Brandon, Lisa, John Park and I remain very optimistic about the prospects for providing further substantive liquidity to our investors in the coming year. We appreciate your input and support and remain committed to providing top tier returns to our investors.

Please note that, Cardinal Partners has relocated its headquarters office to 600 Alexander Park, Suite 204, Princeton, NJ 08540. Telephone and facsimile numbers remain the same.

CHP II, L.P.
Income Statement
For the Period Ended March 31, 2007

	Three Months Ended 03/31/07
Revenue:	
Non Portfolio Income	\$4,715
Interest-Equivalent Amounts	0
Expenses:	
Management Fee	535,244
Professional Fees	16,976
NVCA Dues & Expenses	0
Amortization of Organization Costs	0
Annual Meeting & Miscellaneous	760
Total Expenses	552,980
Net Operating Expense	(548,265)
Investment Income	21,239
Net Income Before Gains (Losses)	(527,026)
Realized Gains (Losses)	1,329
Unrealized Gains (Losses)	4,802,351
Net Income (Loss)	\$4,276,654

CHP II, L.P.
Balance Sheet
As of March 31, 2007

ASSETS:	Period Ended 03/31/07	Period Ended 12/31/06
Cash and Short-Term Investments	\$613,047	\$1,353,284
Cash Held in Escrow	0	0
Accrued Interest	53,851	32,612
Venture Capital Investments	68,782,164	63,212,672
Organization Costs (Net of Accum. Amortization)	0	0
Other Assets	228,066	225,966
	<u>\$69,677,128</u>	<u>\$64,824,534</u>
 LIABILITIES & CAPITAL:		
Accrued Expenses and Payables	\$9,940	\$34,000
Partners' Accounts	69,667,188	64,790,534
Total Liabilities and Capital	<u>\$69,677,128</u>	<u>\$64,824,534</u>

CHP II, L.P.
Footnotes
As of March 31, 2007

Note 1 – CHP II, L.P. is a Limited Partnership and as such is not subject to income taxes at the partnership level.

Note 2 – Accrued Interest	03/31/07	12/31/06
General Partner Promissory Notes	\$17,704	\$13,269
Portfolio Company Promissory Notes	36,147	19,343
Total	<u>\$53,851</u>	<u>\$32,612</u>

Note 3 – Net Organization Costs	03/31/07	12/31/06
Organization Costs	\$183,232	\$183,232
Accumulated Amortization	(183,232)	(183,232)
Total	<u>\$0</u>	<u>\$0</u>

Note 4 – Other Assets	03/31/07	12/31/06
GP Promissory Note Principal	\$227,316	\$224,466
Prepaid NJ State Filing Fees	750	1,500
Total	<u>\$228,066</u>	<u>\$225,966</u>

Note 5 – Accrued Expenses and Payables	03/31/07	12/31/06
Professional Fees – Audit	\$8,000	\$34,000
Professional Fees – Legal	1,940	0
Other Accrued Expenses	0	0
Total	<u>\$9,940</u>	<u>\$34,000</u>

Note 6 – Financial Highlights (Return & IRR)	Net to LP's	Total Fund
Year-to-Date Return on Net Assets	28.91%	29.93%
Internal Rate of Return Since Inception	13.00%	15.30%

CHP II, L.P.
Statement of Cash Flows
For the Period Ended March 31, 2007

	Three Months Ended 03/31/07
Cash flows from operating activities	
Net Income Before Gains (Losses)	(\$527,026)
Adjustments to reconcile net income before gains (losses) to net cash used in operating activities:	
Accrued Interest Receivable	(21,239)
Accrued Organization Costs	0
Other Assets	(2,100)
Accrued Expenses & Payables	(24,060)
Net Cash used in Operating Activities	(574,425)
Cash flows from investing activities	
Purchases of venture capital investments	(767,141)
Sales of venture capital investments	1,329
Net cash used in investing activities	(765,812)
Cash flows from financing activities	
Cash contributions by partners	600,000
Cash distribution to partners	0
Net cash provided by financing activities	600,000
 Net Change in Cash and Short Term Investments	 (740,237)
Cash and Short Term Investments, beginning	1,353,284
Cash and Short Term Investments, ending	\$613,047

CHP II, L.P.
Schedule of Venture Capital Investments
As of March 31, 2007

Company	Debt	Equity	Total Cost	Fair Value	Unrealized Gain (Loss)
AllianceCare, Inc.	\$765,040	\$5,401,130	\$6,166,180	\$6,166,180	\$0
AthenaHealth, Inc.	0	5,000,001	5,000,001	8,181,820	3,181,819
aTyr Pharma, Inc.	0	3,600,000	3,600,000	5,000,000	1,400,000
AxoGen, Inc.	0	3,250,000	3,250,000	3,250,000	0
Cardio-Optics, Inc.	0	6,169,002	6,169,002	3,801,372	(2,367,630)
CodeRyte, Inc.	0	5,025,982	5,025,982	5,025,982	0
MitralSolutions, Inc.	0	3,250,000	3,250,000	3,250,000	0
Replication Medical	0	3,066,759	3,066,759	8,818,809	5,752,050
Rib-X Pharmaceuticals, Inc.	0	7,000,000	7,000,000	7,000,000	0
Sirtris Pharmaceuticals, Inc.	0	8,050,001	8,050,001	18,288,001	10,238,000
Totals	\$765,050	\$49,812,875	\$50,577,925	\$68,782,164	\$18,204,239

CHP II, L.P.
Statement of Partners' Contributions Accounts
As of March 31, 2007

	Partners' Total Subscription	Contribution Account 12/31/06	Period Contribution in Cash	Period Contribution by Note	Partner Transfer of Interest	Contribution Account 03/31/07	Partners' Outstanding Subscription
<u>Limited Partners</u>							
State Teachers Ret. System of Ohio	\$30,000,000	\$26,187,537	\$153,224	\$0	\$0	\$26,340,761	\$3,659,239
Nassau Capital Funds, L.P.	10,000,000	8,729,180	51,075	0	0	8,780,255	1,219,745
Robert Wood Johnson Foundation	10,000,000	8,729,180	51,075	0	0	8,780,255	1,219,745
Northwestern University	10,000,000	8,729,180	51,075	0	0	8,780,255	1,219,745
LACERA	10,000,000	8,729,180	51,075	0	0	8,780,255	1,219,745
Wachovia Investors (First Union)	7,500,000	6,546,884	38,307	0	0	6,585,191	914,809
AlpInvest US Secondary 2003	5,000,000	4,364,589	25,538	0	0	4,390,127	609,873
HarbourVest VII Limited	5,000,000	4,364,589	25,538	0	0	4,390,127	609,873
Pension Commissioners of City of LA	5,000,000	4,364,588	25,538	0	0	4,390,126	609,874
Princess Private Equity	5,000,000	4,364,588	25,538	0	0	4,390,126	609,874
Hillside Capital Incorporated	3,500,000	3,055,213	17,876	0	0	3,073,089	426,911
Hamilton Lane-Carpenters Fund	3,000,000	2,618,753	15,321	0	0	2,634,074	365,926
UNISYS Master Trust	3,000,000	2,618,753	15,321	0	0	2,634,074	365,926
Venture Investment Associates III, L.P.	2,300,000	2,007,711	11,747	0	0	2,019,458	280,542
Fleet Growth Resources (Summit)	2,000,000	1,745,835	10,215	0	0	1,756,050	243,950
S.R. One Limited	2,000,000	1,745,835	10,215	0	0	1,756,050	243,950
PharmaBio Development, Inc.	2,000,000	1,745,835	10,215	0	0	1,756,050	243,950
Private Equity Holdings II, Ltd.	1,000,000	872,918	5,107	0	0	878,025	121,975
	\$116,300,000	\$101,520,348	\$594,000	\$0	\$0	\$102,114,348	\$14,185,652
<u>General Partner</u>							
CHP II Management, LLC.	1,174,747	1,025,458	3,150	2,850	0	1,031,458	143,289
Total Partnership	\$117,474,747	\$102,545,806	\$597,150	\$2,850	\$0	\$103,145,806	\$14,328,941

CHP II, L.P.
Statement of Partners' Distributive Share of Net Assets
For the Period Ended December 31, 2006

	Public Securities	Private Securities	Cash	Other Assets	Total Assets	Accrued Expenses	Net Assets 03/31/07
<u>Limited Partners</u>							
State Teachers Ret. System of Ohio	\$0	\$14,500,200	\$129,239	\$59,432	\$14,688,871	(\$2,096)	\$14,686,775
Nassau Capital Funds, L.P.	0	4,833,379	43,079	19,811	4,896,269	(698)	4,895,571
Robert Wood Johnson Foundation	0	4,833,379	43,079	19,811	4,896,269	(698)	4,895,571
Northwestern University	0	4,833,379	43,079	19,811	4,896,269	(698)	4,895,571
LACERA	0	4,833,379	43,079	19,811	4,896,269	(698)	4,895,571
Wachovia Investors (First Union)	0	3,625,025	32,309	14,858	3,672,192	(524)	3,671,668
AlpInvest US Secondary Investments 2003	0	2,416,672	21,539	9,905	2,448,116	(349)	2,447,767
HarbourVest VII Limited	0	2,416,672	21,539	9,905	2,448,116	(349)	2,447,767
Pension Commissioners of City of LA	0	2,416,681	21,540	9,905	2,448,126	(349)	2,447,777
Princess Private Equity	0	2,416,681	21,540	9,905	2,448,126	(349)	2,447,777
Hillside Capital Incorporated	0	1,691,673	15,078	6,934	1,713,685	(244)	1,713,441
Hamilton Lane-Carpenters Fund	0	1,450,042	12,924	5,943	1,468,909	(210)	1,468,699
UNISYS Master Trust	0	1,450,042	12,924	5,943	1,468,909	(210)	1,468,699
Venture Investment Associates III, LP	0	1,111,690	9,909	4,556	1,126,155	(161)	1,125,994
Fleet Growth Resources, Inc.	0	966,692	8,616	3,962	979,270	(140)	979,130
S.R. One, Limited	0	966,692	8,616	3,962	979,270	(140)	979,130
PharmaBio Development, Inc.	0	966,692	8,616	3,962	979,270	(140)	979,130
Private Equity Holdings II, Ltd.	0	483,332	4,308	1,981	489,621	(70)	489,551
<u>General Partner</u>	\$0	\$56,212,302	\$501,013	\$230,397	\$56,943,712	(\$8,123)	\$56,935,589
CHP II Management, LLC.	0	12,569,862	112,034	51,520	12,733,416	(1,817)	12,731,599
Total Partnership	\$0	\$68,782,164	\$513,047	\$281,917	\$69,677,128	(\$9,940)	\$69,667,188

CHP II, L.P.
Statement of Partners' Capital Accounts *
For the Three Months Ended March 31, 2007

<u>Limited Partner</u>	Partners' Capital 01/01/07	Net Capital Contribution	Non-Portfolio Income	Net Investment Income	Realized Gains (Losses)	Total Income	Unrealized Gains (Losses)	Distributions	Partners' Capital 03/31/07
State Teachers Ret. System of Ohio	\$13,659,593	\$153,224	\$1,204	(\$108,634)	\$271	(\$107,159)	\$981,117	\$0	\$14,686,775
Nassau Capital Funds, L.P.	4,553,176	51,075	401	(36,211)	91	(35,719)	327,039	0	4,895,571
Robert Wood Johnson Foundation	4,553,176	51,075	401	(36,211)	91	(25,719)	327,039	0	4,895,571
Northwestern University	4,553,176	51,075	401	(36,211)	91	(35,719)	327,039	0	4,895,571
LACERA	4,553,176	51,075	401	(36,211)	91	(35,719)	327,039	0	4,895,571
Wachovia Investors (First Union)	3,414,873	38,307	301	(27,159)	68	(26,790)	245,278	0	3,671,668
AlpInvest US Secondary 2003	2,276,570	25,538	201	(18,106)	45	(17,860)	163,519	0	2,447,767
HarbourVest VII Limited	2,276,570	25,538	201	(18,106)	45	(17,860)	163,519	0	2,447,767
Pension Commissioners-City of LA	2,276,580	25,538	201	(18,106)	45	(17,860)	163,519	0	2,447,777
Princess Private Equity	2,276,580	25,538	201	(18,106)	45	(17,860)	163,519	0	2,447,777
Hillside Capital Incorporated	1,593,603	17,876	141	(12,675)	32	(12,502)	114,464	0	1,713,441
Hamilton Lane-Carpenters Fund	1,365,981	15,321	121	(10,863)	27	(10,715)	98,112	0	1,468,699
UNISYS Master Trust	1,365,981	15,321	121	(10,863)	27	(10,715)	98,112	0	1,468,699
Venture Investment Associates III	1,047,244	11,747	92	(8,329)	21	(8,216)	75,219	0	1,125,994
Fleet Growth Resources	910,651	10,215	80	(7,242)	18	(7,144)	65,408	0	979,130
S.R. One Limited	910,651	10,215	80	(7,242)	18	(7,144)	65,408	0	979,130
PharmaBio Development, Inc.	910,651	10,215	80	(7,242)	18	(7,144)	65,408	0	979,130
Private Equity Holdings II, Ltd.	455,312	5,107	40	(3,621)	9	(3,572)	32,704	0	489,551
General Partner	\$52,953,544	\$594,000	\$4,668	(\$421,138)	\$1,053	(\$415,417)	\$3,803,462	\$0	\$56,935,589
CHP II Management, LLC.	11,612,524	3,150	47	(110,603)	276	(110,280)	998,889	0	12,504,283
Total Partnership	\$64,566,068	\$597,150	\$4,715	(\$531,741)	\$1,329	(\$525,697)	\$4,802,351	\$0	\$69,439,872

*-Statement of Partners' Capital does not include contributions made by the General Partner in the form of Promissory Notes.

CHP II, L.P.
Statement of Partners' Accounts
For the Period from April 25, 2000 to March 31, 2007

	Partners' Contribution Account	Non-Portfolio Income	Net Investment Income	Realized Gains (Losses)	Total Income	Unrealized Gains (Losses)	Distributions	Partners' Interest Transfer	Partners' Account
<u>Limited Partners</u>									
State Teachers Ret. System of Ohio	\$26,340,761	\$37,451	(\$4,502,910)	\$13,201,597	\$8,736,138	\$3,719,112	(\$24,109,236)	\$0	\$14,686,775
Nassau Capital Funds, L.P.	8,780,255	12,485	(1,500,971)	4,400,533	2,912,047	1,239,704	(8,036,435)	0	4,895,571
Robert Wood Johnson Foundation	8,780,255	12,485	(1,500,971)	4,400,533	2,914,047	1,239,704	(8,036,435)	0	4,895,571
Northwestern University	8,780,255	12,485	(1,500,971)	4,400,533	2,912,047	1,239,704	(8,036,435)	0	4,895,571
LACERA	8,780,255	12,485	(1,500,971)	4,400,533	2,912,047	1,239,704	(8,036,435)	0	4,895,571
Textron Master Trust	0	7,661	(1,306,075)	2,238,988	940,574	2,773,991	(4,345,599)	631,034	0
Wachovia Investors (First Union)	6,585,191	9,364	(1,125,728)	3,300,398	2,184,034	929,776	(6,027,333)	0	3,671,668
AlpInvest US Secondary 2003	4,390,127	2,412	(97,448)	1,080,772	985,736	(767,144)	(1,845,435)	(315,517)	2,447,767
HarbourVest VII Limited	4,390,127	2,412	(97,448)	1,080,772	985,736	(767,144)	(1,845,435)	(315,517)	2,447,767
Pension Commissioners of City of LA	4,390,126	6,242	(750,487)	2,200,263	1,456,018	619,853	(4,018,220)	0	2,447,777
Princess Private Equity	4,390,126	6,242	(750,487)	2,200,263	1,456,018	619,853	(4,018,220)	0	2,447,777
Hillside Capital Incorporated	3,073,089	4,369	(525,341)	1,540,186	1,019,214	433,898	(2,812,760)	0	1,713,441
Hamilton Lane-Carpenters Fund	2,634,074	3,745	(450,291)	1,320,159	873,613	371,911	(2,410,899)	0	1,468,699
UNISYS Master Trust	2,634,074	3,745	(450,291)	1,320,159	873,613	371,911	(2,410,899)	0	1,468,699
Venture Investment Associates III	2,019,458	2,871	(345,224)	1,012,122	669,769	285,132	(1,848,365)	0	1,125,994
Fleet Growth Resources (Summit)	1,756,050	2,497	(300,193)	880,106	582,410	247,941	(1,607,271)	0	979,130
S.R. One Limited	1,756,050	2,497	(300,193)	880,106	582,410	247,941	(1,607,271)	0	979,130
PharmaBio Development, Inc.	1,756,050	2,497	(300,193)	880,106	582,410	247,941	(1,607,271)	0	979,130
Private Equity Holdings II, Ltd.	878,025	1,248	(150,097)	440,053	291,204	123,969	(803,647)	0	489,551
<u>General Partner</u>									
CHP II Management, LLC.	1,031,458	1,468	(1,110,526)	9,966,777	8,857,719	3,786,482	(944,060)	0	\$12,731,599
Total Partnership	\$103,145,806	\$146,661	(\$18,566,816)	\$61,144,959	\$42,724,804	\$18,204,239	(\$94,407,661)	\$0	\$69,667,188

CHP II, L.P.
Comprehensive Fund Investment Summary
For the Period from April 25, 2000 to March 31, 2007

Portfolio Company	Investment Cost	GAAP Assigned Fair Value	Unrealized Gain (Loss)	Realized Value	Realized Gain (Loss)	Cumulative Investment Return
<u>Private Company Investments</u>						
AllianceCare, Inc.	6,166,180	6,166,180	0	0	0	0
AthenaHealth, Inc.	5,000,001	8,181,820	3,181,819	0	0	3,181,819
aTyr Pharma, Inc.	3,600,000	5,000,000	1,400,000	0	0	1,400,000
AxoGen, Inc.	3,250,000	3,250,000	0	0	0	0
Cardio-Optics, inc.	6,169,002	3,801,372	(2,367,630)	0	0	(2,367,630)
CodeRyte, Inc.	5,025,982	5,025,982	0	0	0	0
MitralSolutions, Inc.	3,250,000	3,250,000	0	0	0	0
Replication Medical, Inc.	3,066,759	8,818,809	5,752,050	0	0	5,752,050
Rib-X Pharmaceuticals, Inc.	7,000,000	7,000,000	0	0	0	0
SirTris Pharmaceuticals, Inc.	8,050,001	18,288,001	10,238,000	0	0	10,238,000
<u>Fully Disposed Investments</u>						
Alnylam Pharmaceuticals, Inc.	8,959,015	0	0	34,851,302	\$25,892,287	25,892,287
Intellicare America	4,000,000	0	0	3,430,236	(569,764)	(569,764)
IPhysicianNet, Inc.	5,757,897	0	0	0	(5,757,897)	(5,757,897)
Molecular Mining Corporation	1,509,060	0	0	108,993	(1,400,067)	(1,400,067)
Momenta Pharmaceuticals, Inc.	6,823,506	0	0	56,956,359	50,132,853	50,132,853
ParkStone Medical Information	7,575,278	0	0	422,825	(7,152,453)	(7,152,453)
Investment Portfolio Totals	\$85,202,681	\$68,782,164	\$18,204,239	\$95,769,715	\$61,144,959	\$79,349,198

TO: The Limited Partners of CHP II, L.P.

FROM: John J. Park

DATE: April 21, 2007

SUBJECT: Portfolio Valuations for March 31, 2007

Investment securities held by CHP II, L.P. (the “Partnership”) have been valued in accordance with the Standard Valuation Policy of the Partnership. In accordance with the Policy, we propose to value restricted securities at cost, until subsequent events of a significant nature indicate the need for a change. Public securities are valued at market unless they are subject to trading restrictions. This memorandum delineates the portfolio valuation calculations as proposed by the General Partner for those investments not valued at cost as of March 31, 2007.

ATHENAHEALTH – On April 8, 2004, AthenaHealth completed a \$7.5 million Series E Preferred stock financing priced at \$5.04 per share and valuing the Company at \$142 million pre-money. A new investor, Granite Global Ventures, led this financing. CHP II was not a participant in the financing. We propose to value our investment at the Series E price of \$5.04, resulting in an investment valuation of \$8,181,820, with a corresponding unrealized gain of \$3,181,819 on our cost basis of \$5,000,001 as of March 31, 2007. This valuation represents no change from the valuation for AthenaHealth as of December 31, 2006.

Value Computation:

Series D Convertible Preferred Stock	
1,623,377 shares x \$5.04	= <u>\$8,181,820</u>

CHP II, L.P.**Portfolio Valuations as of March 31, 2007****Page 2 of 3**

ATYR PHARMA – On November 30, 2006, Atyr Pharma completed a \$10.5 million Series B Preferred stock financing priced at \$2.50 per share and valuing the Company at \$6.25 million pre-money. This financing was co-led by new investors, Alta Partners and Polaris Venture Partners. CHP II invested \$3 million in the financing. We propose to value our investment at the Series B price of \$2.50, resulting in an investment valuation of \$5,000,000, with a corresponding unrealized gain of \$1,400,000 on our cost basis of \$3,600,000 as of March 31, 2007. This valuation represents no change from the valuation for Atyr Pharma as of December 31, 2006.

Value Computation:

Series A Convertible Preferred Stock		
800,000 shares x \$2.50	=	\$ 2,000,000
Series B Convertible Preferred Stock		
1,200,000 shares x \$2.50	=	<u>3,000,000</u>
Total Value		<u>\$5,000,000</u>

CARDIO-OPTICS – On October 20, 2005, CardioOptics held an initial closing of \$21.5 million on a Series B preferred financing round that totaled \$28 million. The Series B preferred was priced at \$3.296 per share, placing a \$27.5 million pre-money value on the financing. The round was led by new investor Novo A/S and also included new investors, The Hillman Company and Investor Growth Capital. Cardinal invested a total of \$3,801,372 in the round; including the conversion of \$1,578,722 in promissory notes plus accrued interest and \$633,649 in accrued dividends on our Series A preferred holdings.

During Q4 2006, management reported that sales of the company's lead product had slowed considerably. The Board directed management to perform a complete analysis of the product's technology and manufacturing process and discontinue its sales efforts in the field. Until the analysis is complete (June 2007), we propose to cut the value of the CardioOptics investment to the cost basis of our Series B preferred shares, which approximates a liquidation value of \$20 million for the company. This results in a total carrying value for the investment of \$3,801,372, with a corresponding unrealized loss of \$2,367,630 on our cost basis of \$6,169,002 as of March 31, 2007. This valuation represents a decrease of \$1,293,649 from the valuation for CardioOptics as of December 31, 2006.

Value Computation:

Series A Convertible Preferred Stock		
1,938,310 shares x \$0.00	=	\$ 0
Series B Convertible Preferred Stock		
1,153,329 shares x \$3.296	=	<u>3,801,372</u>
Total Value		<u>\$3,801,372</u>

CHP II, L.P.

Report for the Quarter Ended March 31, 2007

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CHP II, L.P.**Portfolio Valuations as of March 31, 2007****Page 3 of 3**

REPLICATION MEDICAL – On July 21, 2005, Abbott Laboratories invested \$12 million at \$5.00 per share in the form of a Series D preferred stock. As this investment was strategic in nature, we propose to value our holdings in Replication, in accordance with the Standard Valuation Policy of CHP II, at the midpoint between our previous investment carrying value per share (investment cost) and the Series D price of \$5.00. This results in a carrying value for the Replication investment of \$2.9781 for each share of Series B preferred (midpoint between \$0.9562 and \$5.00), and \$3.45 per share for each share of Series C preferred (midpoint between \$1.90 and \$5.00). Accordingly, the total carrying value for the Replication investment is \$8,818,809, with a corresponding unrealized gain of \$5,752,050 on our cost basis of \$3,066,759 as of March 31, 2007. This valuation represents no change from the valuation for Replication as of December 31, 2006.

Value Computation:

Series B Convertible Preferred Stock		
2,614,516 shares x \$2.9781	=	\$7,786,290
Series C Convertible Preferred Stock		
299,281 shares x \$3.45	=	<u>1,032,519</u>
Total Value		<u>\$8,818,809</u>

SIRTRIS PHARMACEUTICALS – On February 1, 2007, Sirtris completed a \$35.9 million Series D preferred stock financing priced at \$1.68 per share and valuing the company at \$180 million pre-money. New investor, The John W. Henry Trust, led this financing. CHP II did not participate in the financing. We propose to value our investment at the Series D price of \$1.68, resulting in a total value of \$18,288,001, with a corresponding unrealized gain of \$10,238,000 on our cost basis of \$8,050,001 as of March 31, 2007. This valuation represents an increase of \$6,096,000 from the valuation for Sirtris as of December 31, 2006.

Value Computation:

Series A Convertible Preferred Stock		
1,600,000 shares x \$1.68	=	\$ 2,688,000
Series A-1 Convertible Preferred Stock		
3,750,000 shares x \$1.68	=	6,300,000
Series B Convertible Preferred Stock		
3,750,000 shares x \$1.68	=	6,300,000
Series C Convertible Preferred Stock		
1,785,715 shares x \$1.68	=	<u>3,000,001</u>
Total Value		<u>\$18,288,001</u>

CHP II, L.P.
Portfolio Investment Valuation Summary
For the Quarter ended March 31, 2007

<u>Portfolio Company</u>	<u>Investment</u>	<u>Fair Value 03/31/07</u>	<u>Fair Value 12/31/06</u>	<u>Change from Prior Quarter</u>	<u>Reason for Change</u>
AllianceCare, Inc.	\$6,166,180	\$6,166,180	\$5,999,039	\$167,141	Bridge Note Investment. (note 1)
AthenaHealth, Inc.	\$5,000,001	\$8,181,820	\$8,181,820	\$0	
aTyr Pharma, Inc.	\$3,600,000	\$5,000,000	\$5,000,000	\$0	
AxoGen, Inc.	\$3,250,000	\$3,250,000	\$3,250,000	\$0	
CardioOptics, Inc.	\$6,169,002	\$3,801,372	\$5,095,021	(\$1,293,649)	Mark-down to Series B Cost. (note 2)
CodeRyte, Inc.	\$5,025,982	\$5,025,982	\$4,425,982	\$600,000	Follow-on Investment. (note 3)
Mitral Solutions, Inc.	\$3,250,000	\$3,250,000	\$3,250,000	\$0	
Replication Medical	\$3,066,759	\$8,818,809	\$8,818,809	\$0	
Rib-X Pharmaceuticals	\$7,000,000	\$7,000,000	\$7,000,000	\$0	
Sirtris Pharmaceuticals	\$8,050,001	\$18,288,001	\$12,192,001	\$6,096,000	Investment Mark-up, New Financing. (note 4)
Total Portfolio	\$50,577,925	\$68,782,164	\$63,212,672	\$5,569,492	

1. On February 15th, CHP II contributed \$167K towards \$1.5 million of bridge financing for AllianceCare. The financing was in the form of 10% subordinated convertible promissory notes.
2. During the period, we marked the Cardio-Optics investment down to the cost basis of the Series B investment to reflect a \$20 million liquidation valuation for the company.
3. On March 7th, CHP II contributed \$600K to a \$6 million addition to the 2006 second round financing for CodeRyte. The financing was led by the current investment syndicate, with all parties participating together with the founders and management.
4. On January 23 and February 1, 2007, Sirtris completed a \$35.9 million financing in the form of Series C-1 convertible preferred stock priced at \$1.68 per share. The financing was led by new investor The John W. Henry Trust and valued the company at \$180 million pre-money, a 50% mark-up from the Series C financing round closed in February 2006.

ALLIANCECARE, INC.
(aka Mobile Medical Industries)
Boca Raton, FL
{www.mobilemedicalind.com}

Provider of comprehensive integrated medical and rehabilitation services.

Period Summary: 1st Quarter, 2007

The first quarter of 2007 showed improved financial performance at AllianceCare and the near completion of a significant acquisition. The quarter marked the third consecutive quarter of improved financial performance for the company, with the current quarter showing a \$700K EBITDA improvement over the previous quarter. While performing behind plan, the company generated positive EBITDA for the first time since Q2 2005. Operating cash burn for the period was \$1.2 million, with the investor syndicate providing an additional \$1.5 million in bridge financing in February. As the quarter ended, AllianceCare was close to completing the acquisition of "Sunrise at Home" ("SAH"), the private duty home care division of Sunrise Senior Living (NYSE:SRZ). The merger includes a \$5 million cash component from Sunrise, which is expected to be sufficient to bring the combined entity to cash flow breakeven. The merger will be completed in the next 30-60 days upon receipt of regulatory approvals.

The SAH acquisition will be consummated with the issuance of AllianceCare stock to the SAH shareholders, with the SAH shareholders owning ~33% of the combined entity post-merger. CHP II will own approximately 6% of the combined entity. The transaction values the current AllianceCare equity at \$75 million. The SAH merger comes with \$5 million in cash to support the working capital needs of the combined companies. As part of the deal, Sunrise Senior Living will have an option to purchase the combined entity for not less than \$208 million at any time prior to December 31, 2008.

Financial performance for the quarter shows revenues of \$18.7 million, 2% higher than last quarter, but 7% below plan. Blended gross margin was 44.6% vs. 43.1% budgeted, but the reduced revenues resulted in an unfavorable variance to budget of \$360K. EBITDA for the quarter was \$33K, behind plan by \$390K, but the company's first positive EBITDA quarter since Q2 2005. Monthly cash burn for the period averaged \$318K, slightly higher than last period as the company paid down some long outstanding payables.

Pre-merger capital resources for AllianceCare remain very tight and the investors provided \$1.5 million in additional bridge financing in February. The financing was in the form of 10% convertible promissory notes. This additional capital, plus the current bridge, will be converted into a senior preferred equity of the combined entity. CHP II contributed \$162K to the February bridge, bringing our total note holdings to \$765K.

ALLIANCECARE, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2003 Actual</i>	<i>2004 Actual</i>	<i>2005 Actual</i>	<i>2006 Actual*</i>	<i>2007 Budget</i>
Revenues	33,583	41,820	74,459	76,586	85,383
Direct Expenses	17,013	22,808	43,725	47,278	47,695
SG&A	23,287	21,748	33,795	34,822	32,186
EBIT	-6,717	-2,736	-3,061	-5,514	+5,502
Other Inc. & Exp.	-125	-87	-2,188	-3,231	+476
Net Income	-6,842	-2,823	-5,249	-8,745	4,947
EBITDA	-6,174	-2,230	-2,130	-3,918	+5,471

* - Subject to Audit

Last Three Months: Quarter Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	18,731	20,142	-1,411
Direct Expenses	10,450	11,493	+1,043
SG&A	8,559	8,360	-199
EBIT	-278	+289	-567
Interest, Taxes & Other	-1,505	-927	-578
Net Income	-1,783	-638	-1,145
EBITDA	+433	+823	-390

Fiscal Year-to-Date: Three Months Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	18,731	20,142	-1,411
Direct Expenses	10,450	11,493	+1,043
SG&A	8,559	8,360	-199
EBIT	-278	+289	-567
Interest, Taxes & Other	-1,505	-927	-578
Net Income	-1,783	-638	-1,145
EBITDA	+433	+823	-390

ALLIANCECARE, INC. (cont.)

Summary Balance Sheet as of March 31, 2007: (\$000)

Cash	\$ 1,089	Accounts Payable	\$ 4,191
Accounts Receivable	14,315	Accrued Expenses	5,797
Other Current Assets	<u>576</u>	Other Current Liabilities	<u>8,013</u>
Total Current Assets	15,980	Total Current Liabilities	18,001
Net PP&E	1,459	Debt and Other Liabilities	23,180
Acquired Goodwill (Net)	27,630	Shareholders Equity	47,369
Other Assets	<u>506</u>	Retained Earnings	<u>-42,975</u>
Total Assets	<u>\$45,575</u>	Total Liabilities & Equity	<u>\$45,575</u>

Comments:

Monthly operating cash burn this quarter was \$310K, slightly higher than last quarter. The investors bridged the company an additional \$1.5 million during the period to reach completion of the SAH acquisition. The SAH deal provides \$5 million in operating capital, which is expected to be sufficient to take the combined entity to cash flow positive.

CHP II, L.P. Holdings:

Series B Convertible Preferred Stock	400,000 shares
Assigned Fair Value (Investment Cost)	\$4,000,000
Cost per Share	\$10.00
Series C Convertible Preferred Stock	140,113 shares
Assigned Fair Value (Investment Cost)	\$1,401,130
Cost per Share	\$10.00
Warrants for Series C Convertible Preferred Stock	42,033 shares
Exercise Price Per Share	\$10.00
10% Convertible Subordinated Promissory Notes (Principal balance)	\$765,050
% Ownership (Full Dilution)	8.3%
Company Valuation at CHP II Cost	\$65.2 million
Company Valuation at Assigned Fair Value	\$65.2 million

Outlook:

With completion of the SAH acquisition in sight, we are cautiously optimistic about the prospects for AllianceCare.

ATHENAHEALTH, INC.
Waltham, MA
{www.athenahealth.com}

Web-Based Business Practice Management Services for Physician Offices

Period Summary: 1st Quarter, 2007

Athena performed well in the first quarter of 2007, while continuing to undertake significant expenditures in infrastructure, sales and marketing to support future growth. The company missed its revenue target by 2%, but through tight expense control still achieved positive EBITDA for the fourth consecutive quarter. Gross margins improved to 51% as opposed to 46% last quarter. Net sales bookings for the period were \$6.2 million, increasing the net implementation backlog to over \$20 million in annualized recurring revenue. The company remains on track towards a goal of realizing an investor liquidity event during 2007.

Revenues for the quarter were \$21.9 million, 4% higher than the previous quarter, but 2% under budget. The revenue shortfall stemmed primarily revenue cycle implementation lags that occurred during the early part of the quarter. EBITDA for the quarter was \$408K, but \$242K below forecast due to increased overhead expenditures related to preparations for a potential public offering in 2007 plus higher marketing and sales expenditures. Total cash at the end of the quarter was \$7.1 million, \$250K ahead of plan as a result of good cash management for the period.

Athena has been EBITDA positive for four quarters running. The company has adequate capital resources to support operations plus forecast growth and infrastructure investment. The current annual revenue run rate is \$94.1 million with an implementation backlog of \$20.2 million. The company remains on track with its lead investment bankers, Goldman Sachs and Merrill Lynch, in its preparations for a potential initial public offering in 2007. We continue to view Athena as a very attractive candidate for a highly successful liquidity event in the next 12-18 months.

ATHENAHEALTH, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2003 Actual</i>	<i>2004 Actual</i>	<i>2005 Actual</i>	<i>2006 Actual*</i>	<i>2007 Budget</i>
Revenues	24,666	38,938	53,540	75,813	101,012
Direct Expenses	15,396	20,512	27,545	36,530	50,146
SG&A	11,267	17,655	30,150	38,895	39,524
EBITDA	-1,997	771	-4,155	+388	+11,342
Depreciation	-2,894	-3,159	-5,483	-6,238	-6,087
Interest and Taxes	-475	-1,222	-1,755	-3,001	-2,730
Net Income	-5,366	-3,610	-11,393	-8,851	+2,525

Last Three Months: Quarter Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	21,947	22,463	-516
Direct Expenses	10,807	11,605	+798
SG&A	10,732	10,208	-524
EBITDA	+408	+650	-242
Depreciation	-1,564	-1,590	+26
Interest and Taxes	-1,514	-636	-878
Net Income	-2,670	-1,576	-1,094

Fiscal Year-to-Date: Three Months Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	21,947	22,463	-516
Direct Expenses	10,807	11,605	+798
SG&A	10,732	10,208	-524
EBITDA	+408	+650	-242
Depreciation	-1,564	-1,590	+26
Interest and Taxes	-1,514	-636	-878
Net Income	-2,670	-1,576	-1,094

ATHENAHEALTH, INC. (cont.)

Summary Balance Sheet as of March 31, 2007: (\$000)

Cash	\$ 7,096	A/P and Accrued Expenses	\$ 6,750
Accounts Receivable	10,674	Deferred Revenue	3,754
Other Current Assets	<u>1,773</u>	Current Portion of Debt	<u>13,547</u>
Total Current Assets	19,543	Total Current Liabilities	24,051
Net PP&E	12,993	Long Term Liabilities	29,799
Intangibles (Net)	1,610	Shareholders Equity	50,094
Other Assets	<u>3,382</u>	Retained Earnings	<u>-66,416</u>
Total Assets	<u>\$37,528</u>	Total Liabilities & Equity	<u>\$37,528</u>

Comments:

Athena is \$250K ahead of cash forecast for the year. The company continues to invest heavily in infrastructure to support future growth and in preparation for its potential IPO later this year. Operating cash requirements will be supported by existing debt facilities that currently have ~\$2 million available. Management expects to be operationally cash flow positive beginning in Q3 2007.

CHP II, L.P. Holdings:

Series D Convertible Preferred Stock	1,623,377 shares
Assigned Fair Value (\$5.04 x 1,623,377)	\$8,181,820
Investment Cost	\$5,000,001
Cost per Share	\$3.08

% Ownership (Full Dilution) 5.4%

Company Valuation at CHP II Cost	\$92.6 million
Company Valuation at Assigned Fair Value	\$151.4 million

Outlook:

We remain very enthusiastic about the prospects for Athena, which continues to build backlog, enjoys a powerful recurring revenue model with high exit barriers, and retains a strong lead in the business of automating the business functions of physician offices.

ATYR PHARMA, INC.
San Diego, CA
{www.atyrpharma.com}

Biopharmaceutical Development of Novel Protein Biologics for Regenerative Medicine.

Period Summary: 1st Quarter, 2007

Atyr Pharma began 2007 with the hiring of Chris Waters as President and COO. Chris is an experienced senior executive with experience at both start-up and large pharmaceutical companies. Her specialty over the past 10 years has been the management of preclinical drug discovery development programs. The company also continued the build-out of its new lab facility in San Diego and is filling out its scientific team. Cash burn for the period averaged \$200K per month, but that is expected to accelerate to almost \$500K per month by the end of next quarter. Current capital is expected to be sufficient to support operations through most of 2008.

On January 2, 2007, Dr. Christina Waters joined aTyr as President and Chief Operating Officer. Dr. Waters brings nearly twenty years of research and management experience to aTyr, in both early stage and large pharmaceutical companies. Prior to joining aTyr, she was the Director of Scientific Development at the Genomics Institute of the Novartis Research Foundation, where she designed and managed research and preclinical drug discovery development. During her tenure, the department successfully produced preclinical drug candidates for Novartis, two of which entered clinical trials in 2006. Dr. Waters received her Ph.D. in Genetics from the University of California, Davis, and completed her degree at Syntex as a NIH Biotechnology Fellow.

Management is looking to establish an equipment lease line in the near future to assist in financing the lab build-out. Cash burn will ramp substantially over the coming year as the company begins in earnest its multilateral preclinical programs and continues to build its infrastructure. The \$10.5 million financing completed in November 2006 is expected to support operations for 2 years. We expect the company to initiate another financing round in mid-2008. CHP II has \$3 million in reserve for future financings at Atyr.

ATYR PHARMA, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2005 Actual*</i>	<i>2006 Actual*</i>	<i>2007 Budget</i>
Revenues	0	0	0
R&D Expenses	30	346	4,035
SG&A	38	375	1,786
EBIT	-118	-721	-5,821
Interest and Taxes	+5	+28	+339
Net Income	-113	-693	-5,482

* - Subject to Audit

Last Three Months: Quarter Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0		0
R&D Expenses	223	249	+26
SG&A	299	320	+21
EBIT	-522	-569	+47
Interest and Taxes	+110	+100	+10
Net Income	-412	-469	+57

Fiscal Year-to-Date: Three Months Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0		0
R&D Expenses	223	249	+26
SG&A	299	320	+21
EBIT	-522	-569	+47
Interest and Taxes	+110	+100	+10
Net Income	-412	-469	+57

ATYR PHARMA, INC. (cont.)**Summary Balance Sheet as of March 31, 2007: (\$000)**

Cash	\$ 9,749	Accounts Payable	\$ 16
Accounts Receivable	0	Accrued Expenses	168
Other Current Assets	<u>27</u>	Current Portion of Debt	<u>0</u>
Total Current Assets	9,776	Total Current Liabilities	184
Net PP&E	243	Long Term Liabilities	0
Intangibles (Net)	102	Shareholders Equity	11,197
Other Assets	<u>46</u>	Retained Earnings	<u>-1,214</u>
Total Assets	<u>\$10,167</u>	Total Liabilities & Equity	<u>\$10,167</u>

Comments:

Average monthly cash burn for the quarter was \$200K. Cash burn is forecast to rise above \$500K per month in the latter half of the year, as the company builds its product portfolio. Current forecasts show the company has adequate capital to operate through most of 2008.

CHP II, L.P. Holdings:

Series A Convertible Preferred Stock	800,000 shares
Assigned Fair Value (800,000 shares x \$2.50)	\$2,000,000
Investment Cost	\$600,000
Cost per Share	\$0.80
Series A Convertible Preferred Stock	1,200,000 shares
Assigned Fair Value	Investment Cost
Investment Cost	\$3,000,000
Cost per Share	\$2.50
% Ownership (Full Dilution)	30.0%
Company Valuation at CHP II Cost	\$12.0 million
Company Valuation at Assigned Fair Value	\$16.5 million

Outlook:

aTyr is focused on an emerging technology with many potential therapeutic and cosmetic targets. The \$10.5 million financing closed in Q4 2006 with two significant new venture investors is a confirmation of the potential value inherent in the aTyr development platform. The technology will also require a relatively small investment to validate its initial targets.

AXOGEN, INC.
Gainesville, FL
{www.axogeninc.com}

Human allograft for peripheral nerve repair and regeneration.

Period Summary: 1st Quarter, 2007

AxoGen had an active quarter of development to begin 2007. Process development was finalized in January and a contract manufacturing facility was finalized in March. Negotiations are substantially complete with a leading medical device company towards a comprehensive marketing and distribution partnership. The company has met most of its clinical development plan this quarter, beginning biocompatibility studies, preclinical studies for both short and long graft and initiating marketing/regulatory programs towards the October 2007 target launch in Urology for the Advance™ product. Financially, AxoGen has now ramped its spending to expected levels as the company has completed the design phase and moves towards commercialization phase. We expect the company to initiate a second round financing in the latter half of 2007 to further accelerate program development.

Monthly cash burn has ramped up to \$431K over the last quarter and is expected to accelerate to over \$650K by the end of next quarter as the company prepares for the commercial launch of its first product. The company has established a \$2 million credit facility and has \$1.0 million available on a lease line for equipment purchases.

Management's current forecast shows that the \$7.75 first round financing led by Cardinal in March 2006 could support operations into 2008. However, AxoGen will likely initiate an \$8-\$10 million second round of financing in late 2007 to support acceleration of development for the company's second product, plus increased sales and marketing expenditures for the lead product. The financing is expected to be led by the current investor syndicate. CHP II has \$3.5 million in reserve for future AxoGen financings.

AXOGEN, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2005 Actual</i>	<i>2006 Actual</i>	<i>2007 Budget</i>
Revenues	88	0	0
R&D Expenses	194	685	2,760
SG&A	772	1,558	3,985
EBIT	-878	-2,243	-6,745
Interest and Taxes	0	+259	+26
Net Income	-878	-1,984	-6,719

Last Three Months: Quarter Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
R&D Expenses	677	540	-137
SG&A	734	840	+106
EBIT	-1,411	-1,380	-31
Interest and Taxes	+44	+18	+26
Net Income	-1,367	-1,362	-5

Fiscal Year-to-Date: Three Months Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
R&D Expenses	677	540	-137
SG&A	734	840	+106
EBIT	-1,411	-1,380	-31
Interest and Taxes	+44	+18	+26
Net Income	-1,367	-1,362	-5

AXOGEN, INC. (cont.)**Summary Balance Sheet as of March 31, 2007: (\$000)**

Cash	\$ 6,381	Accounts Payable	\$ 254
Accounts Receivable	0	Accrued Expenses	153
Other Current Assets	<u>34</u>	Other Current Liabilities	<u>728</u>
Total Current Assets	6,415	Total Current Liabilities	1,135
Net PP&E	308	Long Term Liabilities	1,577
Intangibles (Net)	467	Shareholders Equity	9,978
Other Assets	<u>24</u>	Retained Earnings	<u>-5,292</u>
Total Assets	<u>\$ 7,398</u>	Total Liabilities & Equity	<u>\$ 7,398</u>

Comments:

Monthly cash burn for the quarter averaged \$431K, in line with expectations as the company initiates preclinical testing. While current capital resources are sufficient to support operations well into 2008, the investor syndicate is discussing possible terms for a financing later this year to accelerate development programs.

CHP II, L.P. Holdings:

Series A Convertible Preferred Stock	7,065,217 shares
Assigned Fair Value	Investment Cost
Investment Cost	\$3,250,000
Cost per Share	\$0.46
% Ownership (Full Dilution)	22.1%
Company Valuation at CHP II Cost	\$14.6 million
Company Valuation at Assigned Fair Value	\$14.6 million

Outlook:

We are very enthusiastic about the prospects of our investment in AxoGen.

CARDIO-OPTICS, INC.
Boulder, CO
{www.cardiooptics.com}

Infrared Light Based Technology to Achieve Vision Through Blood to Guide Therapy

Period Summary: 1st Quarter, 2007

After discovering last quarter that the Coronary Sinus Access (CSA™) System has some significant limitations to its clinical functionality, the company has restructured over the past quarter into a mostly research and development focused organization. The comprehensive product and technology assessment begun at the end of 2006 is expected to be completed by the end of Q2 2007. Most of the activity in the current quarter revolved around renegotiating and/or canceling vendor and service provider agreements. That process is nearing completion and is within budget expectations. Cash burn for the current quarter averaged \$550K per month, but will fall below \$300K by the end of next quarter. We have further reduced the carrying value for the CardioOptics investment to the Series C cost of \$3,801,372, which represents the liquidation value for the CHP II holdings at a \$20 million valuation for the company.

Management began scaling back the cash burn this period. Headcount reductions in sales, marketing and G&A occurred in January 2007. Cash burn will be reduced to ~\$300K per month by June 2007, at which time management forecasts the cash balance to be \$6.7 million. We expect the company to continue operating at this level for most of 2007 as a technology and product improvement program is implemented. Current capital is forecast to be sufficient to support through this process for 18-24 months.

CARDIO-OPTICS, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview: (FYE 12/31)

	<i>2003 Actual</i>	<i>2004 Actual</i>	<i>2005 Actual</i>	<i>2006 Actual*</i>	<i>2007 Budget</i>
Revenues	0	0	0	906	0
Cost of Sales	0	0	0	1,024	0
R&D Expenses	1,031	2,146	1,226	1,489	962
SG&A	1,036	1,164	4,733	7,938	3,150
EBIT	-2,067	-3,310	-5,959	-9,545	-4,112
Interest and Taxes	-31	+6	-72	+697	+320
Net Income	-2,098	-3,304	-6,031	-8,848	-3,792

* - Subject to Audit.

Last Three Months: Quarter Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
Cost of Sales	0	0	0
R&D Expenses	251	262	+11
SG&A	1,253	1,218	-35
EBIT	-1,504	-1,480	-24
Interest and Taxes	+135	+129	+6
Net Income	-1,369	-1,351	-18

Fiscal Year-to-Date: Three Months Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
Cost of Sales	0	0	0
R&D Expenses	251	262	+11
SG&A	1,253	1,218	-35
EBIT	-1,504	-1,480	-24
Interest and Taxes	+135	+129	+6
Net Income	-1,369	-1,351	-18

CARDIO-OPTICS, INC. (cont.)

Summary Balance Sheet as of March 31, 2007: (\$000)

Cash	\$ 7,812	Accounts Payable	\$ 120
Accounts Receivable	1,503	Accrued Expenses	603
Inventory & Other Current	<u>4</u>	Convertible Promissory Notes	<u>0</u>
Total Current Assets	9,319	Total Current Liabilities	723
Net PP&E	1,107	Long Term Debt - Lease line	20
Intangibles (Net)	0	Shareholders Equity	37,732
Other Assets	<u>146</u>	Retained Earnings	<u>-27,903</u>
Total Assets	<u>\$10,572</u>	Total Liabilities & Equity	<u>\$10,572</u>

Comments:

Average monthly cash burn for the period decreased to \$550K as management completed settlements with many of the company's vendors. The monthly burn is expected to fall to \$300K by the end of Q2 2007 and remain there as the technology reassessment is completed and a restart plan developed. With this cutback in operations, current capital resources are expected to last through 2008.

CHP II, L.P. Holdings:

Series A Convertible Preferred Stock	1,938,310 shares
Assigned Fair Value (1,938,310 x \$0.00)	\$0
Investment Cost	\$2,367,630
Cost per Share	\$1.2215
Series B Convertible Preferred Stock	1,153,329 shares
Assigned Fair Value (Investment Cost)	\$3,801,372
Investment Cost	\$3,801,372
Cost per Share	\$3.296
% Ownership (Full Dilution)	18.2%
Company Valuation at CHP II Cost	\$33.5 million
Company Valuation at Assigned Fair Value	\$20.0 million

Outlook:

We are hopeful that the current performance issues are correctable and improved product performance can be achieved. Until these issues are clarified we have tempered our returns expectations for the CardioOptics investment.

CODERYTE, INC.
Bethesda, MD
{www.coderyte.com}

Web-based Automated Coding of Transcribed Medical Documents

Period Summary: 1st Quarter, 2007

For the first quarter of 2007, revenues at CodeRyte were 10% below budget, but EBITDA came in slightly ahead of plan due to lower than forecast personnel expenses for the period. The company continues to build understanding in the marketplace of the short and long term value proposition for its service offerings. Management remains squarely focused two areas: building the company's sales and marketing momentum; and improving operational execution. To support further enhancement to the sales and marketing efforts and to finance further infrastructure for growth, the investor syndicate provided \$6 million in additional financing during the period.

CodeRyte missed its sales and implementation targets for the period, which resulted in lower than expected revenues. Financial results for the period show revenues of \$1.4 million, 8% higher than the previous quarter, but 10% below plan. EBITDA for the period was -\$2.2 million, slightly ahead of plan due to lower headcount than forecast. The monthly cash burn for the period averaged \$791K per month as the company continued to build infrastructure and hire additional sales personnel. Cash burn for the remainder half of 2007 is expected to be \$600-\$650K per month until the new sales personnel get up to speed.

In February, the company completed a \$6 million addition to the Series C financing originally completed in March of last year. Cardinal contributed \$600K to this add-on financing, which included participation by all of the current investor syndicate, plus many members of the company's senior management team. The financing is expected to support operations to cash flow breakeven, which is forecast for mid-2008. Notwithstanding, CHP II is keeping \$600K in reserve for potential future financing requirements at CodeRyte.

CODERYTE, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview:

	<i>2003 Actual</i> (FYE 6/30)	<i>2004 Actual</i> (FYE 6/30)	<i>2005 Actual</i> (Calendar)	<i>2006 Actual*</i> (Calendar)	<i>2007 Budget</i> (Calendar)
Revenues	1,023	1,824	2,910	4,609	9,927
Cost of Sales	0	0	0	0	0
Operating Expenses	2,659	4,223	9,502	12,114	15,669
EBITDA	-1,636	-2,399	-6,592	-7,505	-6,372
Depreciation & Amort.	-7	-48	-203	-76	-115
Other Income (Exp.)	-169	+81	+85	+273	+207
Net Income	-1,812	-2,366	-6,710	-7,308	-6,280

* - Subject to Audit

Last Three Months: Quarter Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	1,368	1,520	-152
Cost of Sales	0	0	0
Operating Expenses	3,522	3,744	+222
EBITDA	-2,154	-2,224	+70
Depreciation & Amort.	-20	-25	+5
Other Income (Expense)	+50	+50	0
Net Income	-2,124	-2,199	+75

Fiscal Year-to-Date: Three Months Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	1,368	1,520	-152
Cost of Sales	0	0	0
Operating Expenses	3,522	3,744	+222
EBITDA	-2,154	-2,224	+70
Depreciation & Amort.	-20	-25	+5
Other Income (Expense)	+50	+50	0
Net Income	-2,124	-2,199	+75

CODERYTE, INC. (cont.)**Summary Balance Sheet as of March 31, 2007: (\$000)**

Cash	\$ 5,643	Accounts Payable	\$ 55
Accounts Receivable	1,820	Accrued Expenses	1,218
Other Current Assets	<u>130</u>	Deferred Revenue	<u>1296</u>
Total Current Assets	7,593	Total Current Liabilities	1,579
Net PP&E	297	Long Term Liabilities	606
Intangibles (Net)	126	Shareholders Equity	29,731
Other Assets	<u>15</u>	Retained Earnings	<u>-23,875</u>
Total Assets	<u>\$ 8,031</u>	Total Liabilities & Equity	<u>\$ 8,031</u>

Comments:

CodeRyte had an average monthly cash burn of \$791K for the quarter, as the company continued to build its infrastructure. In February, the company completed a \$6 million addition to the Series C financing from the current investor syndicate. This capital is expected to carry the company to cash flow breakeven in mid-2008.

CHP II, L.P. Holdings:

Series B Convertible Preferred Stock	326,675 shares
Assigned Fair Value	Investment Cost
Investment Cost	\$2,780,004
Cost per Share	\$8.51
Series C Convertible Preferred Stock	233,956 shares
Assigned Fair Value	Investment Cost
Investment Cost	\$2,245,978
Cost per Share	\$9.60
% Ownership (Full Dilution)	13.6%
Company Valuation at CHP II Cost	\$37.0 million
Company Valuation at Assigned Fair Value	\$37.0 million

Outlook:

With its superior proprietary technology, and broad applicability in the clinical healthcare market, we continue to have high expectations for our investment in CodeRyte.

MITRALSOLUTIONS, INC.
Ft. Lauderdale, FL
{www.mitralsolutions.com}

**Development of Innovative Surgical and Percutaneous Medical Devices for Treatment
of Valvular Heart Disease and Congestive Heart Failure.**

Period Summary: 1st Quarter, 2007

During the quarter, Mitral continued preparations for the first human clinical test of its open surgical adjustable ring to repair mitral value anomalies. Initial human clinical testing is now scheduled to begin in July 2007 in Europe. The company plans to recruit 50 patients for the study and to conduct a 6 month and 1 year follow-up protocol. The company expects to file an Investigational Device Exemption (IDE) submission with the FDA for its open surgical product in Q4 2007, after completion of the initial patient enrollment for the study in Europe. Product approval is expected in Europe by the end of 2008 and in the U.S. by the end of 2009. Cash burn has been moderate during the quarter, but is forecast to accelerate to \$400K per month next quarter. Current capital is expected to last into Q4 2007. The investor syndicate is currently discussing a second round of financing with company management.

During the quarter, cash burn averaged only \$250K per month, well below forecast. This was primarily the result of delays in the timing for the initial clinical study in Europe. The burn rate will ramp considerably as the company nears the end of next quarter and the beginning of the CE Mark trial in Europe. Current capital can support operations through Q3 2007. A second round of financing is expected by mid-year 2007. The financing will likely be insider led, with the possibility of additional financing during 2007 coming from a strategic partner. The investor syndicate is currently discussing the appropriate size (\$3-\$8 million) and timing of the financing. CHP II has \$3 million in reserve for future financings at Mitral.

MITRALSOLUTIONS, INC. (cont.)

FINANCIAL RESULTS: (\$000)

Overview:

	<i>2004 Actual</i>	<i>2005 Actual</i>	<i>2006 Actual</i>	<i>2007 Budget</i>
Revenues	0	0	0	0
R&D Expenses	158	183	1,720	2,760
Operating Expenses	271	550	1,335	3,922
EBIT	-429	-733	-3,055	-6,682
Other Income (Expense)	-2	+11	+172	+92
Net Income	-431	-722	-2,883	-6,590

Last Three Months: Quarter Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
R&D Expenses	610	690	+80
Operating Expenses	318	428	+110
EBIT	-928	-1,118	+190
Other Income (Expense)	+36	+30	+6
Net Income	-892	-1,088	+196

Fiscal Year-to-Date: Three Months Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
R&D Expenses	610	690	+80
Operating Expenses	318	428	+110
EBIT	-928	-1,118	+190
Other Income (Expense)	+36	+30	+6
Net Income	-892	-1,088	+196

MITRALSOLUTIONS, INC. (cont.)

Summary Balance Sheet as of March 31, 2007: (\$000)

Cash	\$ 2,288	Accounts Payable	\$ 334
Accounts Receivable	0	Accrued Expenses	757
Other Current Assets	<u>67</u>	Other Current Liabilities	<u>0</u>
Total Current Assets	2,355	Total Current Liabilities	1,091
Net PP&E	41	Long Term Debt - Lease line	0
Intangibles (Net)	81	Shareholders Equity	6,547
Other Assets	<u>225</u>	Retained Earnings	<u>-4,936</u>
Total Assets	<u>\$ 2,702</u>	Total Liabilities & Equity	<u>\$ 2,702</u>

Comments:

During the current quarter, average cash burn was \$250K per month. That is forecast to grow to \$400K over the next quarter as the company ramps product development and prepares its 510(k) filing. Current capital can support operations into Q4 2007. Management expects to complete a second round financing in Q3 2007.

CHP II, L.P. Holdings:

Series B Convertible Preferred Stock	12,037,038 shares
Assigned Fair Value	Investment Cost
Investment Cost	\$3,250,000
Cost per Share	\$0.27

% Ownership (Full Dilution) 30.5%

Company Valuation at CHP II Cost	\$10.9 million
Company Valuation at Assigned Fair Value	\$10.9 million

Outlook:

The capital requirements to get this investment to a successful exit are relatively low and allows for Cardinal to have significant ownership in a company that has several early auctionable milestones for potential acquirers. We are very excited about the prospects for an excellent return on our investment in Mitral.

REPLICATION MEDICAL, INC.
New Brunswick, NJ
{www.replicationmedical.com}

Nucleus replacement device for the treatment of degenerative disc disease in the spine.

Period Summary: 1st Quarter, 2007

During the quarter, Replication completed a redesign of the NeuDisc™ that improves the mechanical properties of the device. Management now believes it has also perfected the surgical procedure for insertion of the device. Mechanical testing of the redesigned device is expected to last through the end of next quarter. As a consequence, management has revised the timing for its IDE application to the FDA from Q2 to Q3 2007. Upon satisfactory completion of the mechanical tests, the company has lined up several excellent clinical sites in Europe. Initially, the company will likely perform 4-5 procedures utilizing the new device design and insertion methodology. Submission of the pilot IDE is expected to be after 6 weeks of follow-up with those patients. The pilot study design will consist of 2-3 study sites, with 10-15 subjects.

Cash burn for Q1 2007 was over \$350K per month, but will fall below \$300K next quarter as the company completes its mechanical testing and prepares to file its IDE. Management's 2007 forecast shows year-end cash balance of \$4 million. We forecast that Replication has adequate capital resources to support operations through its IDE pilot approval, expected in late 2008. The company would require additional financing by the end of 2008, if it has not been acquired or completed a strategic partnership. Cardinal Principals Brandon Hull and Chuck Hadley continue to work closely with company management to ensure that specified milestones are met in a cost efficient manner, which we continue to believe can deliver a good return on this 2003 investment.

REPLICATION MEDICAL (cont.)**FINANCIAL RESULTS: (\$000)**

Overview: (FYE 12/31)

	<i>2003 Actual</i>	<i>2004 Actual</i>	<i>2005 Actual</i>	<i>2006 Actual*</i>	<i>2007 Budget</i>
Revenues	0	0	0	0	0
R&D Expenses	2,396	2,600	2,662	3,074	2,780
Operating Expenses	782	456	1,127	770	1,075
EBIT	3,178	-3,056	-3,749	-3,844	-3,855
Interest and Taxes	27	12	+91	+592	+367
Net Income	-3,151	-3,044	-3,658	-3,252	-3,488

* - Subject to Audit

Last Three Months: Quarter Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
R&D Expenses	698	745	+47
Operating Expenses	234	265	+31
EBIT	-932	-1,010	+78
Interest and Taxes	+58	+92	-34
Net Income	-874	-918	+44

Fiscal Year-to-Date: Three Months Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
R&D Expenses	698	745	+47
Operating Expenses	234	265	+31
EBIT	-932	-1,010	+78
Interest and Taxes	+58	+92	-34
Net Income	-874	-918	+44

REPLICATION MEDICAL (cont.)

Summary Balance Sheet as of March 31, 2007: (\$000)

Cash	\$ 6,154	Accounts Payable	\$ 118
Prepaid Expenses	0	Accrued Expenses	38
Other Current Assets	<u>67</u>	Notes Payable	<u>0</u>
Total Current Assets	6,221	Total Current Liabilities	156
Net PP&E	643	Long Term Debt	0
Intangibles (net)	0	Shareholders Equity	25,551
Other Assets	<u>0</u>	Retained Earnings	<u>-18,843</u>
Total Assets	<u>\$ 6,864</u>	Total Liabilities & Equity	<u>\$ 6,864</u>

Comments:

Monthly cash burn has averaged \$377K for the quarter, in line with expectations. With its low burn model, the company has sufficient capital resources to operate through most of 2008 and well into the IDE approval process with the FDA.

CHP II, L.P. Holdings:

Series B Convertible Preferred Stock	2,614,516 shares
Assigned Fair Value (2,614,516 x \$2.9781)	\$7,786,290
Investment Cost	\$2,500,000
Cost per Share	\$0.9562
Series C Convertible Preferred Stock	299,281 shares
Assigned Fair Value (299,281 x \$3.45)	\$1,032,519
Investment Cost	\$566,759
Cost per Share	\$1.90
% Ownership (Full Dilution)	18.5%
Company Valuation at CHP II Cost	\$16.9 million
Company Valuation at Assigned Fair Value	\$48.6 million

Outlook:

Even with Abbott electing not to exercise its option, the company has more than adequate capital resources on hand to make sufficient clinical progress to provide a superior return on our investment.

RIB-X PHARMACEUTICALS, INC.
New Haven, CT
{www.rib-x.com}

Structure-Based Design of Anti-Infective Agents

Period Summary: 1st Quarter, 2007

Rib-X had a busy quarter, successfully filing 2 Investigational New Drug (“IND”) applications with the FDA and initiating 3 clinical trials. Management remains keenly focused on its 2007 value creation milestones: driving its lead program RX-01 through to Phase 2 clinical trials; moving RX-03, the acquired compound from Abbott Laboratories, into Phase 3 clinical trials for prophylaxis in post-cardiovascular surgery infection; and delivering potential drug candidates from its secondary RX-02 program. The company continues to be on target towards achieving these milestones designed to demonstrate that the Rib-X pipeline and business strategy will support a \$500 million valuation for the company by the end of this year. Management and lead investment banker Merrill Lynch are closely tracking progress towards these goals and the positioning of the company for a potential initial public offering or acquisition.

Financial performance for the quarter was well ahead of plan primarily due to lower than forecast R&D expenditures. This variance is due to the timing differences on two programs: the temporary deferral of the RX-01 oral formulation development; and deferral of RX-02 advanced preclinical costs (\$1.0 million) until a backup clinical candidate is identified. Cash burn has averaged \$1.8 million per month for the quarter. This is expected to accelerate to almost \$2.5 million by the end of Q2 2007 as the company advances moves forward with its three ongoing clinical trials. The company is \$500K ahead of its cash forecast for the year.

At the current forecast burn rate, the company would require additional financing by the end of 2008. Management’s plan for investor liquidity is to position the company for a potential initial public offering or acquisition by the end of 2007 at a target minimum pre-money valuation of \$500 million. Given the progress to date in 2007, we are optimistic that a liquidity event could be possible in the next 12-18 months.

RIB-X PHARMACEUTICALS, INC. (cont.)**FINANCIAL RESULTS: (\$000)**

Overview: (FYE 12/31)

	<i>2003 Actual</i>	<i>2004 Actual</i>	<i>2005 Actual</i>	<i>2006 Actual*</i>	<i>2007 Budget</i>
Revenues	148	0	502	770	165
R&D Expenses	9,469	10,230	11,630	12,789	19,925
Operating Expenses	1,750	3,534	5,178	11,659	13,595
EBIT	-11,071	-13,764	-16,306	-23,678	-33,355
Interest and Taxes	+134	+394	+635	+1,915	+1,759
Net Income	-10,937	-13,370	-15,671	-21,763	-31,596

* - Preliminary, Subject to Audit

Last Three Months: Quarter Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
R&D Expenses	2,547	3,713	+1,166
Operating Expenses	3,372	3,635	+263
EBIT	-5,915	-7,348	+1,429
Interest and Taxes	+665	+594	+71
Net Income	-5,254	-6,754	+1,500

Fiscal Year-to-Date: Three Months Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
R&D Expenses	2,547	3,713	+1,166
Operating Expenses	3,372	3,635	+263
EBIT	-5,915	-7,348	+1,429
Interest and Taxes	+665	+594	+71
Net Income	-5,254	-6,754	+1,500

RIB-X PHARMACEUTICALS, INC. (cont.)

Summary Balance Sheet as of March 31, 2007: (\$000)

Cash	\$ 50,292	Accounts Payable	\$ 2,027
Grants Receivable	225	Accrued Expenses	1,035
Other Current Assets	<u>401</u>	Notes Payable Current	<u>1,984</u>
Total Current Assets	50,918	Total Current Liabilities	5,046
Net PP&E	2,838	Notes Payable	42
Intangibles (net)	0	Shareholders Equity	123,673
Other Assets	<u>249</u>	Retained Earnings	<u>-74,756</u>
Total Assets	<u>\$ 54,005</u>	Total Liabilities & Equity	<u>\$ 54,005</u>

Comments:

Rib-X is \$500K ahead of its cash forecast for 2007. Operating cash burn averaged \$1.8 million per month for the quarter, but is forecast to accelerate to \$2.5 million by the end of next quarter. The company has sufficient capital to support operations into Q4 2008.

CHP II, L.P. Holdings:

Series A Convertible Preferred Stock	1,817,741 shares
Assigned Fair Value (cost)	\$1,125,000
Investment Cost	\$1,125,000
Cost per Share	\$0.6189
Series B Convertible Preferred Stock	4,645,339 shares
Assigned Fair Value (cost)	\$2,875,000
Investment Cost	\$2,875,000
Cost per Share	\$0.6189
Series C Convertible Preferred Stock	4,847,310 shares
Assigned Fair Value (cost)	\$3,000,000
Investment Cost	\$3,000,000
Cost per Share	\$0.6189
% Ownership (Full Dilution)	5.0%
Company Valuation at CHP II Cost	\$140.0 million
Company Valuation at Assigned Fair Value	\$140.0 million

Outlook:

Rib-X is well capitalized, with a high potential and proprietary drug development platform. We remain confident about the prospects for our Rib-X investment.

SIRTRIS PHARMACEUTICALS, INC.
Cambridge, MA
{www.sirtrispharma.com}

**Biopharmaceutical Development for the Treatment of Neurodegenerative and
Metabolic Diseases via Activation of the SIRT1 Enzyme**

Period Summary: 1st Quarter, 2007

The first quarter of 2007 for Sirtris was primarily focused on highly successful financing events. On January 23, 2007, the company completed a \$35.9 million third round financing, priced at a pre-money value of \$180 million for the company. The financing was led by Peter Lynch and the John W. Henry Trust. Cardinal elected not to participate in the financing due to the high valuation. Subsequently, on March 1, 2007, Sirtris filed a registration statement with the SEC for its initial public offering, with JP Morgan as the lead underwriter. The offering went effective (NASDAQ:SIRT) on May 23, 2007 at a pre-money value of \$245 million, with Sirtris receiving net proceeds of \$62.4 million.

During the quarter, the company accelerated its burn rate to an average of almost \$2.0 million per month. The lead product, SRT 501 is continuing its Phase 1 clinical studies, with the expectation of moving into Phase 2 studies by the end of the year. Additional product development programs are continuing, with the goal of filing an IND for a second potential product by year-end. Management believes that Sirtris has a 2 year lead in product development over potential competitors. The budget for 2007 shows cash burn for the company accelerating to an average of \$2.5 million per month. With the \$35.9 million financing completed this quarter; the company has more than adequate capital resources to support planned operations through 2009.

While most of the quarter was consumed by the financing events discussed above, the company is continuing in discussions with multiple large pharmaceutical companies regarding strategic alliances. However, given the significant capital resources currently available to Sirtris, management has been steadfast on terms to complete a deal. Over the next year the company is hopeful of completing at least one significant strategic partnership with a major pharmaceutical company.

SIRTRIS PHARMACEUTICALS, INC. (cont.)**FINANCIAL RESULTS: (\$000)**

Overview: (FYE 12/31)

	<i>2004 Actual</i>	<i>2005 Actual</i>	<i>2006 Actual</i>	<i>2007 Budget*</i>
Revenues	0	68	0	75
R&D Expenses	1,190	7,062	14,242	12,654
Operating Expenses	699	3,865	4,340	4,023
EBIT	-1,889	-10,859	-18,582	-16,602
Interest and Taxes	+45	+1,143	+1,569	+678
Net Income	-1,844	-9,716	-17,013	-15,924

Last Three Months: Quarter Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
R&D Expenses	5,120	4,780	-340
Operating Expenses	1,239	1,198	-41
EBIT	-6,359	-5,978	-381
Interest and Taxes	+576	+370	+206
Net Income	-5,783	-5,608	-175

Fiscal Year-to-Date: Three Months Ended March 31, 2007

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Revenues	0	0	0
R&D Expenses	5,120	4,780	-340
Operating Expenses	1,239	1,198	-41
EBIT	-6,359	-5,978	-381
Interest and Taxes	+576	+370	+206
Net Income	-5,783	-5,608	-175

SIRTRIS PHARMACEUTICALS, INC. (cont.)**Summary Balance Sheet as of March 31, 2007: (\$000)**

Cash	\$ 80,166	Accounts Payable	\$ 2,354
Accounts Receivable	0	Accrued Expenses	626
Other Current Assets	<u>430</u>	Notes Payable Current	<u>1,595</u>
Total Current Assets	80,596	Total Current Liabilities	2,988
Net PP&E	2,049	Equipment Notes	8,663
Intangibles (net)	0	Shareholders Equity	104,667
Other Assets	<u>904</u>	Retained Earnings	<u>-34,356</u>
Total Assets	<u>\$83,549</u>	Total Liabilities & Equity	<u>\$83,549</u>

Comments:

Operating cash burn for the quarter averaged \$1.9 million per month and is expected to grow to over \$2.5 million during 2007. With the \$35.9 million financing completed this quarter; the company has sufficient capital resources to operate through 2009.

CHP II, L.P. Holdings:

Series A Convertible Preferred Stock	1,600,000 shares
Assigned Fair Value (1,600,000 x \$1.68)	\$2,688,000
Investment Cost	\$800,000
Series A-1 Convertible Preferred Stock	3,750,000 shares
Assigned Fair Value (3,750,000 x \$1.68)	\$6,300,000
Investment Cost	\$2,250,000
Series B Convertible Preferred Stock	3,750,000 shares
Assigned Fair Value (3,750,000 x \$1.68)	\$6,300,000
Investment Cost	\$3,000,000
Series C Convertible Preferred Stock	1,785,715 shares
Assigned Fair Value (1,785,715 x \$1.68)	\$3,000,001
Investment Cost	\$2,000,001
% Ownership (Full Dilution)	8.8%
Company Valuation at CHP II Cost	\$92.4 million
Company Valuation at Assigned Fair Value	\$210.0 million

Outlook:

Sirtris is very well capitalized, with a proprietary technology that has enormous potential addressing large markets. We are very excited about the prospects for our investment.