

## JUNE MEETING, 2018

*The University of Michigan  
Ann Arbor  
June 21, 2018*

The regents met at 3:05 p.m. in the Glick Ballroom, Postma Family Golf Course Club House. Present were President Schlissel and Regents Behm, Bernstein, Ilitch, Newman, Richner, Ryder Diggs, Weiser and White. Also present were Chancellor Borrego, Vice President Churchill, Vice President Harper, Executive Vice President Hegarty, Vice President Hu, Chancellor Little, Vice President Lynch, Vice President May, Vice President Michels, Provost Philbert, Interim Vice President Rosenberg, Executive Vice President Runge and Vice President Wilbanks.

### **Call to Order and President's Opening Remarks**

President Schlissel called the meeting to order. He began with the sad news of the death of a preeminent UM scholar and leader Interim President Emeritus Homer Neal. He said, "Our society and our University have been made better by Dr. Neal's achievements. In addition to being a pioneering researcher, he championed the idea that UM should engage our academic mission beyond the borders of our campus. Our students and the communities we serve continue to see the benefits of his vision. I am very appreciative of Dr. Neal's passion for fostering undergraduate participation in research and his willingness to step forward and serve our campus community with distinction as interim president. I ask that we observe a moment of reflection as we remember Dr. Homer Neal."

President Schlissel turned to other news and reported that UM had maintained its ranking as the top U.S. public university in the QS World University Rankings for

2018-19. The ranking is based on six factors: academic reputation, employer reputation, faculty-student ratio, number of citations per faculty, proportion of international faculty and proportion of international students. UM has also been recognized for its work in sexual assault prevention and alcohol abuse prevention. The Campus Prevention Network, a nationwide initiative of more than 1,700 institutions, presented UM with two Prevention Excellence Awards during its annual summit earlier this month. He congratulated the many staff, students and faculty who contributed to these important prevention and education efforts.

President Schlissel recognized the faculty members who have been selected for the Henry Russel Lectureship and the Henry Russel Awards. The Henry Russel Lecturer for 2019 will be Max Wicha, the Madeline and Sidney Forbes Distinguished Professor of Oncology. The Henry Russel Lectureship is the highest honor that the University bestows upon a senior member of its faculty. The 2019 Henry Russel Award honorees are: Meghan A. Duffy, associate professor of ecology and evolutionary biology; Matthew Johnson-Roberson, assistant professor of naval architecture and marine engineering and assistant professor of electrical engineering and computer science; Timothy McAllister, associate professor of music; and Necmiye Ozay, assistant professor of electrical engineering and computer science.

He continued with the recommendations for distinguished university professors, created by the Board of Regents in 1947 to recognize members of the faculty for exceptional achievement and reputation in their disciplines and for superior teaching skills. The recipients are: Deborah E. Goldberg, professor of ecology and evolutionary biology; Laura K. Kasischke, professor of English language and literature; Steven L.

Kunkel, senior associate dean for research, and professor of pathology; Jeffrey C. Lagarias, professor of mathematics; and Victor C. Li, professor of civil engineering, environmental engineering, materials science and engineering, and macromolecular science and engineering. He extended his congratulations to all of our Russel and distinguished university professor honorees.

President Schlissel said, “I join the University community in congratulating Regent White on receiving the Athena Leadership Award during the Huron Valley Executive Women’s Leadership Forum last month. The honor from Athena International recognizes Regent White for her ‘fine work inspiring, encouraging, educating and developing tomorrows leaders, particularly emerging women leaders.’”

President Schlissel noted that last month Michigan Medicine announced the naming of the Chad Carr Pediatric Brain Tumor Center in honor of the late Chad Carr, a five-year-old boy who died from a rare, incurable brain tumor. This milestone was achieved by exceeding the \$30 million fundraising goal to name the center in Chad’s honor, though we continue our work to raise an additional \$21.5 million to fully fund the center. He added, “I would like to thank Regent Weiser for his leadership, not only in providing the lead gift for the center but also his work as an advocate and fundraiser for the University to ensure our ambitious goals are realized.” The Chad Carr Center brings together experts from multiple specialties to accelerate research on pediatric brain tumors and is already making important discoveries that promise to give hope to those who are affected by these devastating diseases.

He said that June is the month for the annual budget presentations for the University. The budget for the Ann Arbor campus continues the Go Blue Guarantee investment of financial aid, academic support services and salaries for lecturers.

President Schlissel said that the June meeting is also when the regents vote on a new chair and vice chair of the board for the coming year. He thanked outgoing Chair Regent Behm and Vice Chair Richner for their work this past year.

Regent Behm said, “The Regents’ Bylaws state that the positions of chair and vice chair rotate annually based on seniority until all members of the board have had the opportunity to serve as chair or vice chair. Following this provision, I move the nomination of Regent Andrew Richner as chair and Regent Ron Weiser as vice chair of the Board of Regents, effective July 1, 2018 through June 30, 2019.” The motion was seconded by Regent Ilitch and was unanimously approved by the regents.

### **2018-2019 Budget Presentations**

President Schlissel then turned to the 2018-2019 presentations.

### **Proposed Ann Arbor FY 2018-2019 General Fund Operating Budget, Student Tuition and Fee Rates**

Provost Philbert said that the focus on academic excellence and affordability drove the FY2019 budget. State funding was two percent over FY18 and undergraduate enrollment in FY19 is projected to grow modestly. The Go Blue Guarantee will continue covering tuition for students from in-state families at or below the state median income. This is balanced with uncertainty about LEO contract costs, caution regarding federal policies and funding, and strategic funding for new initiatives. The tuition increases for 2018-19 for in-state students is recommended to be 2.9% and 3.9% for out-of-state students.

**2018-2019 University Housing Residence Hall and Northwood Community Apartments Rates, 2018-2019 Fee Assessments for Central Student Government (CSG), Student Legal Services (SLS), and School/College Governments, 2018-2019 University Health Service Fee and the Central Student Government Financial Report**

Vice President Harper commented on modest increases for 2018-19 University Housing fees, no recommended changes in fee assessments for Central Student Government, and an increase of \$7.64 (4%) for the University Health Service Fee.

**Discussion on Ann Arbor Budgets**

Regent Weiser said that he will continue to work to reduce in-state tuition increases but he will support the budget because it supports faculty, and it keeps tuition below the cap that was placed by the legislature and the governor. It also allows for equitable increases for lecturers and will maintain academic excellence. In addition, failure to pass the budget would make it more difficult to operate the University and may increase future bonding costs. He said, "I wish it was lower but for these reasons. I understand why it is where it is this year and voting for it is the responsible thing to do."

Regent Diggs said that she is in support of the budget and added, "the budget is a true reflection of our values and our priorities. I believe we should value most the academic mission and I think this budget does that even though it does have some imperfections. First is the Go Blue Guarantee, which we just started and we need to live up to the commitment. This budget does that by providing free tuition for families in Michigan making \$65,000 or less and giving financial aid to families making up to \$110,000 a year. Thank you to the administration for being able to crunch the numbers to come up with that kind of support. This will offset the in-state tuition increase of \$436 a year. I appreciate mitigating that increase, even though I would love to see lower tuition increases over the years. The money is well spent and as long as we are

valuing the right things then I support the budget. Also, I appreciate the fiscal restraint and cost containment that is included in the budget and has been for the six years that I have been a regent. We have a responsibility to taxpayers of which I'm one. Lastly, I believe strongly in competitive fair salaries and wages. If we are going to remain a preeminent institution then we need to remain competitive in that regard, especially for those who teach, for those who do research and for those who support the academic mission. We will continue to discuss the imperfections over the year and I appreciate the partnership we have at the table.”

**Proposed Flint Campus FY 2018-2019 General Fund Operating Budget, Student Tuition and Fee Rates, and Residence Hall Rates**

Chancellor Borrego recommended a budget that assumes no change in undergraduate or graduate enrollment and an 8.4% increase in institutional financial aid. She recommended a \$486 increase in combined tuition and fees for resident undergraduate students, a \$924 increase in non-resident undergraduate students, and an increase of 4.3% for most graduate students. She also recommended a proposed increase of 5.0% for residence hall rates.

**Proposed Dearborn Campus FY 2018-2019 General Fund Operating Budget, Student Tuition and Fee Rates**

Chancellor Little recommended a 3.7% increase in tuition and fees for undergraduate students and a 1.8% increase for non-resident students. This proposed budget expects a 1.0% increase in undergraduate and graduate enrollment.

**Proposed FY 2019 Clinical Enterprise Operating Budget (UMHS/UM Health) and Michigan Health Corporation Business Plan**

Dr. David Spahlinger, president of the University of Michigan Hospitals and UM Health Centers, said that the FY2019 UMHS budget is targeting a 7.8% operating

cash flow margin and a 2.8% operating margin. This budget is based on assumptions that include the activation of the Brighton Health Center, the relocation of some pathology functions to the North Campus Research Complex, continued capacity management and other improved efficiencies.

### **FY 2019 University of Michigan Athletic Department Operating Budget**

Athletic Director Warde Manuel welcomed everyone to the Postma Family Club House and presented the FY 2019 University of Michigan Athletic Department operating budget. He highlighted the accomplishments of UM student athletes and projects an operating surplus of \$2.5 million, similar to the current year.

### **Revenue and Expenditure Operating Budgets for FY 2018-2019**

Executive Vice President Hegarty said the final item is the total budget and includes all three campuses. He said that he has reviewed the \$9.3B budget and recommends approval.

There was a motion by Regent White, seconded by Regent Bernstein, to approve the FY2018-19 Revenue and Expenditure Operating Budgets.

Regent Newman said, "I am hopeful that the LEO contract will be resolved and that this budget will help compensate our excellent lecturers. I am also pleased that the budget takes into account retaining and hiring world-class faculty at this institution. There are many parts of the budget I support, but where I continue to have difficulty are tuition increases that make it more and more difficult for the middle class to access a Michigan education. I've said this before and I feel this is the opportunity to make this statement. In the past 10 years, we have raised in-state tuition over 30% for freshman and sophomores, and average of 3.3% a year and more for junior and seniors. The Go

Blue Guarantee, as wonderful as it is, is an expensive proposition, and when we took it on we recognized that, but that just means that we have to tighten the belt in other areas and we can't be all things to all people all the time. We need to not just redistribute savings but sometimes we need not to spend them. We also need to not just raise tuition in line with inflation or the annual growth rate of Michigan family incomes. We need to consider our discretionary funds, our reserves and other programs where we spend money. For this reason, I'm not supporting the budget because of the tuition increases. There are aspects of the budget though, such as the hospital, the Athletic Department, and the Flint and Dearborn campuses, that I would like to support but we are voting for the entire budget and I want to be clear on my concern towards tuition increases."

Regent Richner said, "In this year's budget we are being asked to vote on everything all at once. I think a vote of yes or no can be construed as you're buying into all of it or none of it, and I don't think that's the right way to look at it. We all have things that we like about the budget and things we don't like. If I were voting only on tuition increase, especially for the Ann Arbor campus, I think I would vote no. There are significant opportunities that we could explore to get that tuition down further. But the budget process is a matter of compromise. We work on this over a period of time and we give input but at the end of the day the University must have a budget. I'm going to support the budget and vote yes and continue to work on the challenges and the opportunities we have in terms of reducing cost and looking for alternative revenue sources through the next year as chair."

The regents approved the Revenue and Expenditure Operating budgets for FY 2018-2019 with Regent Behm, Bernstein, Ilitch, Richner, Ryder Diggs, White and Weiser in favor, and Regent Newman opposed.

### **Committee Reports**

**Finance, Audition and Investment Committee.** Regent White, committee chair, reported that she and committee members Regents Bernstein and Weiser met with Kevin Hegarty, executive vice president and chief financial officer; Erik Lundberg, chief investment officer; Nancy Hobbs, associate vice president for finance; Cheryl Soper, director of financial operations and university controller; and Jeff Moelich, executive director of university audits. The committee discussed the investment portfolio and investment outlook, audit reports issued December 2016 through May 2018, open internal audits and internal audit findings, the FY18 external audit, and new Governmental Accounting Standards Board statements that the University is required to implement this year. The committee requested that the full board receive an informal update regarding the University's enterprise strategic risk management efforts.

**Health Affairs Committee.** Regent Ryder Diggs, committee chair, said that she and committee member Regent Behm met with Dr. David Spahlinger, UMHS president and Paul Castillo, chief financial officer, for an overview of operational plan for next fiscal year. They also met with Ann McGinity, the new chief nurse executive. Dr. Spahlinger and Dr. Runge provided an update on the various activities of Michigan Medicine, and Mr. Castillo provided an update on the health system financials.

**Minutes.** Vice President Churchill submitted for approval the minutes of the meeting of May 17, 2018.

**Reports.** Executive Vice President Hegarty submitted the Investment Report, Plant Extension Report and the University Human Resources Report.

**Litigation Report.** Vice President Lynch had no report.

**Research Report.** Vice President Hu submitted the Report of Projects Established through April 30, 2018.

**University of Michigan Health System.** Executive Vice President Runge had no report.

**Student Life.** Vice President Harper had no report.

**University of Michigan-Dearborn.** Chancellor Little said that students in the College of Engineering and Computer Science have developed a video game for children with disabilities to protect them from online predators. The college also created a peer mentoring program working with middle school students in Westland to expose them to engineering and computer science careers and opportunities. He also noted that the Natural Sciences Building contains a low maintenance orchard and garden, with crops that include blueberries, cranberries, ginger, Kiwi and apples. It will eventually contribute fruit to the student food pantry.

**University of Michigan-Flint.** Chancellor Borrego said that nursing student Jason Flowers invented a contest winning minimally invasive tracheal tube and the Radiation Therapy program acquired simulation equipment that provides virtual 3D images. She also noted that the Governor's Service Award for outstanding community service was presented to the Flint Urban Safety Corp.

**Central Student Government Report.** Central Student Government (CSG) President Greene said that CSG continues to build relationships with student governments from other schools and will host the 2018 meeting for the Big Ten Schools. The agenda will include empowering student voice in a polarized national dialogue. This has divided communities and this campus. He said that freedom of speech is a foundation for improving the future. The Bias Response Team seeks to empower voices that may otherwise be inhibited. It serves all students and seeks to transfer any act of hate into an opportunity for change.

Regent Ilitch asked what the regents could do to assist this dialogue and Mr. Greene invited them to attend CSG or any of the student governance meetings on campus. They are held on Tuesdays at 7:30 pm at the Michigan League.

**Voluntary Support.** Vice President May submitted the reports of voluntary support for May 2018.

**Personnel Actions/Personnel Reports.** Provost Philbert presented a number of personnel actions and reports. He also brought forward the recommended appointment of Michael J. Solomon, dean, Horace H. Rackham School of Graduate Studies, and vice provost for academic affairs-graduate studies, Office of the Provost and Executive Vice President for Academic Affairs, effective July 1, 2018 through June 30, 2023.

**Retirement Memoirs.** Vice President Churchill submitted eight retirement memoirs.

**Memorials.** Vice President Churchill submitted a memorial statement for Homer A. Neal, Ph.D., interim president emeritus, vice president emeritus for research,

Samuel A. Gouldsmit Distinguished University Professor of Physics, and professor of physics; and Vanessa Prygoski, MILS, senior associate librarian, UM-Flint.

Provost Philbert said, “It is with appreciation and gratitude that I recognize Homer Neal’s many contributions to physics, science education and advocacy, and higher education. His deep commitment to teaching, mentoring and diversity will bring benefits to society far into the future. As a scholar and leader, Dr. Neal strengthened the University and contributed much to the common good. We shall miss him greatly.”

**Degrees.** Provost Philbert presented the April 2018 degrees list.

**Approval of Consent Agenda.** On a motion by Regent Newman, seconded by Regent Behm, the regents unanimously approved the consent agenda, including the supplemental personnel item.

#### **Alternative, Absolute Return, and Equity Commitments**

Executive Vice President Hegarty reported on the University’s follow-on investments with previously approved partnerships with a commitment of €55 million (~\$64 million) to EQT VIII, L.P.; a commitment of \$25 million to Silversmith Capital Partners II-A, L.P.; a commitment of \$5 million (with an option to upsize to \$10 million) to H. Barton Venture Select III, LLC; a commitment of \$25 million to Roark Capital Partners V, L.P.; a commitment of \$5 million to the CREA Partners I Co-Investment Limited Partnership; a commitment of \$23 million to Battery Ventures XII, L.P. and \$12 million to Battery Ventures XII Side Fund, L.P.; a commitment of \$50 million to Emet Municipal Real Estate Strategy Fund II, L.P.; an investment of \$7 million with Coliseum Capital Management, LLC; and an investment of \$50 million to Project Wrangler.

### **Absolute Return Commitment**

On a motion by Regent Behm, seconded by Regent Richner, the regents unanimously approved a commitment of \$50 million from the University's investment pool for working capital to MidOcean Tactical Credit Fund II, L.P.

### **Absolute Return Commitment**

On a motion by Regent White, seconded by Regent Weiser, the regents unanimously approved a commitment of €25 million from the University's Long Term Portfolio to Kreos Capital Fund VI, L.P.

### **State Building Authority Financing of University of Michigan Project**

On a motion by Regent White, seconded by Regent Behm, the regents unanimously approved the resolution for the conveyance of the property and authorize the appropriate officers to execute the quitclaim deed for the conveyance of the property back to the University, the lease amendment to redefine the property lines of the project, and any other documentation required for the conveyance of the property back to the University. (INSERT RESOLUTION)

### **Michigan Investment in New Technology Startups ("MINTS")**

On a motion by Regent Behm, seconded by Regent White, the regents unanimously approved the amendments to paragraph five of the MINTS Guidelines.

### **Conflicts of Interest**

Regent Newman said, "We've seen this before where faculty are performing contracts in other areas of the University. I noticed there was one today where a faculty member in the School of Music, Theatre & Dance is being paid to produce a film at the

school. It is \$4,900 so it's not the amount but I'm curious about the policy. Why would a faculty member, who teaches film, I assume, would be paid to produce a film separate from his/her responsibilities?"

Provost Philbert said he would look into it.

On a motion by Regent Newman, seconded by Regent Behm, the regents unanimously approved the following conflict of interest items that fall under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

**Authorization for the University to transact with Adaptive Strategies, LLC**

An agreement with Adaptive Strategies, LLC was approved.

1. The parties to the contract are the Regents of the University of Michigan and Adaptive Strategies, LLC.
2. The agreement is to provide consulting services for the Detroit Metropolitan Area Communities Study (DMACS) from July 1, 2018 through December 31, 2020 for a total cost of \$151,454. Adaptive Strategies, LLC will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services' standard templates for other similar contracts entered into by the regents.
3. The pecuniary interest arises from the fact that University of Michigan employee Conan Smith is a partner in Adaptive Strategies, LLC.

**Authorization for the University to transact with EMAG Technologies Inc.**

An agreement with EMAG Technologies Inc. was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Department of Biomedical Engineering and EMAG Technologies Inc.
2. The agreement is for development and fabrication of modified MRI control room radio frequency boards with a total cost of \$9,284. EMAG Technologies Inc. will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services' standard templates for other similar contracts entered into by the regents.
3. The pecuniary interest arises from the fact that University of Michigan employee Kamal Sarabandi is director and stockholder of EMAG Technologies Inc.

**Authorization for the University to transact with FreezerNanny**

An agreement with FreezerNanny was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Molecular & Behavioral Neuroscience Institute and FreezerNanny.

2. The agreement is for the purchase of wireless monitoring devices, probes and service for ultra-low freezers for three years with a total cost of \$35,000. FreezerNanny will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services' standard templates for other similar contracts entered into by the regents.
3. The pecuniary interest arises from the fact that University of Michigan employees Manhong Dai, Tom Dixon, Fan Meng and Ruth Freedman are partners of FreezerNanny.

#### **Authorization for the University to transact with Give and Take Inc.**

An agreement with Give and Take Inc. was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Stephen M. Ross School of Business Executive Education and Kresge Library, its Institute for Healthcare Policy and Innovation, and Give and Take Inc.
2. Give and Take Inc. will provide a license for the Givitas platform for a one-year period at a total cost of \$8,100. Give and Take Inc. will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services' standard templates for other similar contracts entered into by the regents.
3. The pecuniary interest arises from the fact that University of Michigan employee Wayne Baker is director and stockholder of Give and Take Inc.

#### **Authorization for the University to transact with John U. Bacon, LLC**

An agreement with John U. Bacon, LLC was approved.

1. The parties to the contract are the Regents of the University of Michigan, its College of Literature, Science, and the Arts and John U. Bacon, LLC.
2. The agreement is for a speech at the Kessler Scholars end of year celebration in Ann Arbor, Michigan for a total cost of \$5,000. John U. Bacon, LLC will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services' standard templates for other similar contracts entered into by the regents.
3. The pecuniary interest arises from the fact that University of Michigan employee John Bacon is owner of John U. Bacon, LLC.

#### **Authorization for the University to transact with Andy Kirshner Films, LLC**

An agreement with Andy Kirshner Films, LLC was approved.

1. The parties to the contract are the Regents of the University of Michigan, its School of Music, Theatre & Dance and Andy Kirshner Films, LLC.
2. The agreement is for Andy Kirshner Films, LLC to provide actors to perform in the feature film "The Last Words of Henry Ford" for a total cost of \$4,900. Andy Kirshner Films, LLC will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services' standard templates for other similar contracts entered into by the regents.
3. The pecuniary interest arises from the fact that University of Michigan employee Andrew Kirshner is a member of Andy Kirshner Films, LLC.

#### **Authorization for the University to transact with Mark Tucker Creative, LLC**

An agreement with Mark Tucker Creative, LLC was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Museum of Natural History and Mark Tucker Creative, LLC.
2. The agreement is for the design, development, manufacture, painting and installation of a 10-part papier-mâché sculpture resembling a realistic triceratops to be installed at the Museum of Natural History at a total cost of \$38,272. Mark Tucker Creative, LLC will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services' standard templates for other similar contracts entered into by the regents.
3. The pecuniary interest arises from the fact that University of Michigan employee Mark Tucker is owner of Mark Tucker Creative, LLC.

### **Authorization for the University to transact with Newline Builders**

An agreement with Newline Builders was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Department of Human Genetics and Newline Builders.
2. The agreement is for the leasing of eight wireless temperature sensors and tablet platforms for monitoring patients for two years at a total cost of \$64,000. Newline Builders will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services' standard templates for other similar contracts entered into by the regents.
3. The pecuniary interest arises from the fact that University of Michigan employee Fred Bayoff is owner of Newline Builders.

### **Authorization for the University of Michigan to Enter into a Lease Agreement with a Venture Accelerator Firm Located at the North Campus Research Complex**

An agreement with Phenomics Health, Inc. was approved.

1. The parties to the contract are the Regents of the University of Michigan and Phenomics Health, Inc.
2. The service to be provided is the lease of space in the North Campus Research Complex Venture Accelerator located at 1600 Huron Parkway, Ann Arbor, Michigan with access to common area space within the building. The lease durations including all options for renewal are outlined in the spreadsheet. The lease will use the standard University of Michigan Venture Accelerator lease template. The tenant company will pay the rates as stipulated in the attached spreadsheet for the current term and option years as indicated. The tenant company will be responsible for providing monthly updates concerning its business progress to the University of Michigan's Office of Technology Transfer and will have access to Office of Technology Transfer personnel for advice concerning obtaining technology assessment, business consulting, technical assistance, capital raising, or other business services.
3. The pecuniary interest arises from the fact that University of Michigan employees Brian Athey and Gerald Higgins are owners and/or officers of Phenomics Health, Inc.

### **Authorize Execution of Investment Agreements Under the MINTS Program for CubeWorks, Inc.**

An agreement with CubeWorks, Inc. was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Department of Electrical Engineering and Computer Science and CubeWorks, Inc.
2. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreements. Agreements standard for venture capital investing will be executed.
3. The pecuniary interest arises from the interest of University of Michigan employees ZhiYoong Foo, David Blaauw, Dennis Sylvester and David Wentzloff in CubeWorks, Inc.

### **License Agreement between the University of Michigan and CubeWorks, Inc.**

A license agreement with CubeWorks, Inc. to license from the University of Michigan the University's rights associated with the following technologies was approved: UM OTT File No. 5655 entitled, "Ultra-Low-Power Crystal-Less Ultra-Wide Band Transceiver with Digital Baseband"; UM OTT File No. 5953 entitled, "ESD Clamp Circuit for Ultra-Low Power Applications"; UM OTT File No. 6057 entitled, "On-Chip CMOS Wake-up Timer Using a Constant Charge Subtraction Scheme"; UM OTT File No. 6083 entitled, "Self-Oscillating Switched-Capacitor DC-DC Converter"; UM OTT File No. 6107 entitled, "Ultra Low Power Temperature Insensitive Current Source with Line and Load Regulation"; UM OTT File No. 7129 entitled, "A Variation-Tolerant Voltage Reference"; UM OTT File No. 7236 entitled, "A Low Power High Gain Radio Frequency Amplifier Technique"; and UM OTT File No. 7825 entitled, "Self-Oscillating Switched-Capacitor DC-DC Converter."

1. The parties to the contract are the Regents of the University of Michigan and CubeWorks, Inc.
2. Agreement terms include granting CubeWorks, Inc. an exclusive license with the right to grant sublicenses. CubeWorks, Inc. will pay a royalty on sales and reimburse patent costs. The University may receive additional equity in CubeWorks, Inc., along with the right to purchase more equity. The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement. Standard disclaimers of warranties and indemnification apply, and the agreement may be amended by consent of the parties, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employees Dennis Sylvester, David Blaauw, David Wentzloff and ZhiYoong Foo are part owners of CubeWorks, Inc.

### **Research Agreement between the University of Michigan and Eli Lilly and Company**

A research agreement with Eli Lilly and Company to amend a research agreement previously approved by the regents to include the proposal entitled, “CTSU\_NSS Lilly Protocol I7S-MC-HBEH LY3154207 PRESENCE Study Amendment One” (ORSP #18-PAF07300) was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Department of Neurology and Eli Lilly and Company.
2. The terms of the amendment conform to University policy. The period of performance for the project is approximately two (2) years. The amount of funding support will be increased by \$53,413 and will not exceed \$483,699. Since research projects are often amended, this agreement includes a provision for changes in time and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employee Dr. Marschall Runge is a paid member of the board of directors of Eli Lilly and Company.

### **Research Agreement between the University of Michigan and Eli Lilly and Company**

A research agreement with Eli Lilly and Company to fund a project entitled, “Commensal mucin-degrading enzymes as targets for IBD therapeutics” (ORSP #18-PAF06919) was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Department of Microbiology and Immunology and Eli Lilly and Company.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately two (2) years. The amount of funding support will not exceed \$287,583. Since research projects are often amended, this agreement includes a provision for changes in time and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employee Dr. Marschall Runge is a paid member of the board of directors of Eli Lilly and Company.

### **Option Agreement between the University of Michigan and Endectra, LLC**

An option agreement with Endectra, LLC to option from the University of Michigan the University’s rights associated with the following technology was

approved: UM OTT File No. 7385 entitled, “SiPM Array-Based Multispectral Optical Probes for Image-Guided Radiotherapy.”

1. The parties to the contract are the Regents of the University of Michigan and Endectra, LLC.
2. Agreement terms include granting Endectra, LLC an option with the right to negotiate an exclusive license. The University will retain ownership of the optioned technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement. Standard disclaimers of warranties and indemnification apply, and the agreement may be amended by consent of the parties, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employees Roy Clarke and Nicholas Cucinelli are part owners of Endectra, LLC.

### **Option Agreement between the University of Michigan and FibrosiX LLC**

An option agreement with FibrosiX LLC to option from the University of Michigan the University’s rights associated with the following technology was approved: UM OTT File No. 6202 entitled, “Inhibitors of Myocardin-Related Transcription Factor and Serum Response (Mrtf/Srf)-Mediated Gene Transcription and Methods for use of the Same.”

1. The parties to the contract are the Regents of the University of Michigan and FibrosiX LLC.
2. Agreement terms include granting FibrosiX LLC an exclusive option. FibrosiX LLC will reimburse the University for patent costs. The terms of the option are that under any future license agreement with the University, FibrosiX LLC will pay a royalty on sales, pay back-patent expenses and continue to reimburse all future patent expenses. Moreover, under any such future license agreement, the University may receive equity in FibrosiX LLC along with the right to purchase more equity. The University will retain ownership of the optioned technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement. Standard disclaimers of warranties and indemnification apply, and the agreement may be amended by consent of the parties, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employee Scott Larsen is part owner of FibrosiX LLC.

### **Subcontract Agreement between the University of Michigan and FibrosiX LLC**

A subcontract agreement with FibrosiX LLC to fund a NIH (prime) SBIR Phase I project entitled, “Demonstrating the feasibility of CCG-257081 as a preventive

therapy to inhibit bleomycin-induced lung fibrosis in mice” (ORSP #18-PAF06361) was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Department of Medicinal Chemistry and FibrosiX LLC.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately six (6) months. The amount of funding support will not exceed \$20,487. Since research projects are often amended, this agreement includes a provision for changes in time and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employee Scott Larsen is part owner of FibrosiX LLC.

**License Agreement between the University of Michigan and GreenMark Biomedical Inc.**

A license agreement with GreenMark Biomedical Inc. to license from the University of Michigan the University’s rights associated with the following technology was approved: UM OTT File No. 6799 entitled, “Orally Administered Sensing Particles.”

1. The parties to the contract are the Regents of the University of Michigan and GreenMark Biomedical Inc.
2. Agreement terms include granting GreenMark Biomedical Inc. an exclusive license with the right to grant sublicenses. GreenMark Biomedical Inc. will pay a royalty on sales and reimburse patent costs. The University may receive equity in GreenMark Biomedical Inc. along with the right to purchase more equity. The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement. Standard disclaimers of warranties and indemnification apply, and the agreement may be amended by consent of the parties, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employee Joerg Lahann is a member of the board of directors of GreenMark Biomedical Inc.

**Subcontract Agreement between the University of Michigan and Mekanistic Therapeutics LLC**

A subcontract agreement with Mekanistic Therapeutics LLC to fund a NIH (prime) SBIR Phase II project entitled, “SBIR Phase II Development of MTX-211 for the Treatment of KRAS Mutant Colorectal Cancer” (ORSP #18-PAF06495) was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Department of Radiology and Mekanistic Therapeutics LLC.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately two (2) years. The amount of funding support will not exceed \$498,554. Since research projects are often amended, this agreement includes a provision for changes in time and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employees Judith Leopold and Christopher Whitehead are part owners of Mekanistic Therapeutics LLC.

### **Research Agreement between the University of Michigan and NanoMedicine Innovation Center, LLC**

A research agreement with NanoMedicine Innovation Center, LLC to fund a project entitled, “Formulation Based Paclitaxel Tumor and Tissue Localization by Mass Spectrometry Imaging in non-carrier stain (FVB) and PyMT transgenic mouse model of Breast Cancer” (ORSP #18-PAF07396) was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Department of Clinical Pharmacy and NanoMedicine Innovation Center, LLC.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately two (2) years. The amount of funding support will not exceed \$551,201. Since research projects are often amended, this agreement includes a provision for changes in time and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employee Duxin Sun is part owner of NanoMedicine Innovation Center, LLC.

### **License Agreement between the University of Michigan and NOTA Laboratories LLC**

A license agreement with NOTA Laboratories LLC to license from the University of Michigan the University’s rights associated with the following technology was approved: UM OTT File No. 6315 entitled, “S-Nitrosothiol Based Flush Solutions or Aerosol Sprays for Treatment and Prevention of Rhinosinusitis.”

1. The parties to the contract are the Regents of the University of Michigan and NOTA Laboratories LLC
2. Agreement terms include granting NOTA Laboratories LLC an exclusive license with the right to grant sublicenses. NOTA Laboratories LLC will pay a royalty on sales and reimburse patent costs. The University may receive equity in NOTA Laboratories LLC along with the right to purchase more equity. The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement.

Standard disclaimers of warranties and indemnification apply, and the agreement may be amended by consent of the parties, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

3. The pecuniary interest arises from the fact that University of Michigan employees Mark Meyerhoff, Dr. Mark Zacharek and Dr. Marc Hershenson are part owners of NOTA Laboratories LLC.

### **Option Agreement between the University of Michigan and NOTA Laboratories LLC**

An option agreement with NOTA Laboratories LLC to option from the University of Michigan the University's rights associated with the following technology was approved: UM OTT File No. 7304 entitled, "Electrochemical Nitric Oxide Generation for Inhalation Therapy."

1. The parties to the contract are the Regents of the University of Michigan and NOTA Laboratories LLC.
2. Agreement terms include granting NOTA Laboratories LLC an exclusive option to the technology. NOTA Laboratories LLC will reimburse ongoing patent costs, perform technical diligence and provide a business plan that describes NOTA Laboratories LLC's intention and ability to develop and commercialize the technology. Terms of the subsequent license agreement would include a royalty on sales and a reimbursement of patent costs. The University will retain ownership of the optioned technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement. Standard disclaimers of warranties and indemnification apply, and the agreement may be amended by consent of the parties, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employees Mark Meyerhoff, Dr. Mark Zacharek and Dr. Marc Hershenson are part owners of NOTA Laboratories LLC.

### **Subcontract Agreement between the University of Michigan and Rydberg Technologies LLC**

A subcontract agreement with Rydberg Technologies LLC to amend a subcontract agreement previously approved by the regents to include the proposal entitled, "Vapor-cell development for Rydberg-atom-based sensors for electromagnetic fields" (ORSP #18-PAF07603) was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Department of Physics and Rydberg Technologies LLC.
2. The terms of the amendment conform to University policy. The period of performance for the project is extended to August 31, 2018. The amount of funding support will be increased by \$21,068 and will not exceed \$93,068. Since research

projects are often amended, this agreement includes a provision for changes in time and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

3. The pecuniary interest arises from the fact that University of Michigan employee Georg Raithel is part owner of Rydberg Technologies LLC.

### **Subcontract Agreement between the University of Michigan and Sarcoma Alliance for Research through Collaboration**

A subcontract agreement with Sarcoma Alliance for Research through Collaboration to fund a NIH (prime) sponsored U01 Phase I project entitled, “A Collaborative approach to analyze and target the EWS-FLI1 transcription factor in patients with Ewing sarcoma” (ORSP #18-PAF06885) was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Department of Internal Medicine and Sarcoma Alliance for Research through Collaboration.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately four (4) years. The amount of funding support will not exceed \$153,804. Since research projects are often amended, this agreement includes a provision for changes in time and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employee Denise Reinke is the president and chief executive officer of Sarcoma Alliance for Research through Collaboration.

### **Option Agreement between the University of Michigan and Shenzhen Inlight Technology Co., Ltd**

An option agreement with Shenzhen Inlight Technology Co., Ltd to option from the University of Michigan the University’s rights associated with the following technologies was approved: UM OTT File No. 3395 entitled, “Wire-grid Polarizers Fabricated by Web-based Imprinting”; UM OTT File No. 4016 entitled, “A Spin On Curable SIO Containing Polymer Based Resist for Micro and Nanoimprinting Lithography”; UM OTT File No. 4628 entitled, “Multifunctional Thin Film Stack Based Plasmonic Color Filters”; UM OTT File No. 5000 entitled, “Fabry-Perot Color Filter to Minimize Angle Dependence for Viewing Display”; and UM OTT File No. 5692 entitled, “Angle-Insensitive Spectrum Filters.”

1. The parties to the contract are the Regents of the University of Michigan and Shenzhen Inlight Technology Co., Ltd.
2. Agreement terms include granting Shenzhen Inlight Technology Co., Ltd an option to further evaluate the subject technologies and, upon meeting specific milestones, the ability to negotiate an exclusive license with the right to grant sublicenses. Shenzhen Inlight Technology Co., Ltd will pay an option fee to the University and reimburse patent costs that incur during the term of the agreement. The University will retain ownership of the optioned technology and may continue to further develop it and use it internally as well as in collaborations with other research institutions. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement. Standard disclaimers of warranties and indemnification apply, and the agreement may be amended by consent of the parties, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employee Lingjie Jay CGuo is part owner of Shenzhen Inlight Technology Co., Ltd.

### **License Agreement between the University of Michigan and Smart Production Systems LLC**

A license agreement with Smart Production Systems LLC to license from the University of Michigan the University's rights associated with the following technology was approved: UM OTT File No. 2018-417 entitled, "Programmable Manufacturing Advisor for Smart Production Systems."

1. The parties to the contract are the Regents of the University of Michigan and Smart Production Systems LLC
2. Agreement terms include granting Smart Production Systems LLC an exclusive license with the right to grant sublicenses. Smart Production Systems LLC will pay a royalty on sales and reimburse patent costs. The University may receive equity in Smart Production Systems LLC along with the right to purchase more equity. The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement. Standard disclaimers of warranties and indemnification apply, and the agreement may be amended by consent of the parties, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employee Semyon Meerkov is part owner of Smart Production Systems LLC.

### **License Agreement between the University of Michigan and STEL Technologies LLC**

A license agreement with STEL Technologies LLC to license from the University of Michigan the University's rights associated with the following technologies was approved: UM OTT File No. 3565 entitled, "A System and Method for the In-Vitro, Self-Organization of Bone, Ligament and Bone-Ligament Engineered

Construct”; UM OTT File No. 5603 entitled, “Tissue Engineered Flip Plate Bioreactor”; and UM OTT File No. 6677 entitled, “Scaffold-Free Three-Dimensional Engineered Tendon Tissue for Rotator Cuff Repair.”

1. The parties to the contract are the Regents of the University of Michigan and STEL Technologies LLC
2. Agreement terms include granting STEL Technologies LLC an exclusive license with the right to grant sublicenses. STEL Technologies LLC will pay a royalty on sales and reimburse patent costs. The University may receive equity in STEL Technologies LLC along with the right to purchase more equity. The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement. Standard disclaimers of warranties and indemnification apply, and the agreement may be amended by consent of the parties, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employees Lisa Larkin, Ellen Arruda and Dr. Edward Wojtys are part owners of STEL Technologies LLC.

#### **Subcontract Agreement between the University of Michigan and Therapeutic Systems Research Laboratories, Inc.**

A subcontract agreement with Therapeutic Systems Research Laboratories, Inc. to fund a NIH (prime) SBIR Phase IIB project entitled, “Broad Spectrum Antiviral Nucleoside Phosphonate Analogs – Phase IIB” (ORSP #18-PAF07655) was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Department of Medicinal Chemistry and Therapeutic Systems Research Laboratories, Inc.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately three (3) months. The amount of funding support will not exceed \$44,000. Since research projects are often amended, this agreement includes a provision for changes in time and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employees Gordon Amidon and Gregory Amidon are part owner and paid member of the board of directors of Therapeutic Systems Research Laboratories, Inc. respectively.

#### **Henry Russel Awards and Lecturer for 2019**

Provost Philbert announced the Henry Russel Awards and Lecturer for 2019.

#### **Department of Screen Arts and Cultures**

Regent Newman said, “This makes a tremendous amount of sense. I think it’s a good thing that we are doing. We have a lot of people who want to help out in this area

in terms of alumni and they'd always ask where the film or television department is. I hope we can do more collaboration between this department and the School of Music, Theatre & Dance because there is obviously a tremendous overlap there and right now they are very separate.”

On a motion by Regent Newman, seconded by Regent Behm, the regents unanimously approved that the Department of Screen Arts and Cultures be renamed as the Department of Film, Television, and Media, effective September 1, 2018.

#### **Department of Near Eastern Studies**

On a motion by Regent Weiser, seconded by Regent Bernstein, the regents unanimously approved that the Department of Near Eastern Studies be renamed as the Department of Middle East Studies, effective September 1, 2018

#### **Approval of MHC Business Plan**

On a motion by Regent Bernstein, seconded by Regent Weiser, the regents unanimously approved the Michigan Health Corporation Business Plan for FY2019.

#### **Public Comment**

The regents heard public comments from: William V. Haney, alumnus, on Michigan Radio concerns; Anne Jackson, staff, on contract negotiations; Ted McTaggart, staff, on a fair contract for Michigan Medicine nurses; Stephanie Vidaillet Gelderloos, faculty, on LEO negotiations; Melissa Gibney, staff, in support of a fair contract for nurses; Claudia Walters, faculty, on current contract negotiations; Ribka Medhanie, student, on the LEO contract; Michael Mchahwar, student, on a fair contract for LEO lecturers; John Mirsky, alumnus, about aggressive long-term GHG reduction targets; and Erin Lavin, faculty, on a fair contract for LEO lecturers.

**Adjournment**

The meeting was adjourned at 5:00 p.m. The next meeting will take place on July 19, 2018.