

JULY MEETING, 2012

*The University of Michigan
Ann Arbor
July 19, 2012*

The regents convened at 3:00 p.m. in the Rogel Ballroom, Michigan Union. Present were President Coleman and Regents Darlow, Deitch, Ilitch, Maynard, Newman, Richner, and White. Regent Taylor was absent. Also present were Vice President and Secretary Churchill, Vice President Forrest, Provost Hanlon, Vice President Harper, Chancellor Little, Vice President May, Chancellor Person, Executive Vice President Pescovitz, Vice President Rudgers, Interim Vice President Kowich, Executive Vice President Slottow, and Vice President Wilbanks.

Call to Order and President's Opening Remarks

President Coleman called the meeting to order, and welcomed Regent Deitch, chair, and Regent Newman, vice chair, into their new roles.

President Coleman reported that the National Science Foundation (NSF) provided funding for the Innovation Corps, which supports researchers who receive training in how to move their discoveries from the lab to the marketplace. The NSF has selected Michigan as one of three universities in the country to train researchers in the ways of entrepreneurship.

The Olympic Summer Games begin next Friday in London, and representing the University will be 26 students, coaches and alumni participating in nine different sports. In addition, there will be one recent alum racing in the Paralympic Games, which follow the Olympics.

President Coleman said that the U-M Solar Car Team is once again participating in the Solar Car Challenge. The University's team is the most successful in North America, having won six national titles since the race began in 1990.

President Coleman welcomed members of U-M Autonomy Team, winners of the gold medal in the RoboBoat Competition, a race for unmanned robotic boats, with their boat, named Serenity. This is the second time in four years that Michigan has earned the gold medal. Three students who participated in the competition introduced themselves: Nikki Kudzia, Raghav Ramkumar and Jakob Hollerbau.

Presentation: Building Blocks for Social Research

President Coleman introduced Professor George Alter, director of the Inter-university Consortium for Political and Social Research (ICPSR), which is part of the Institute for Social Research (ISR), home of the largest archive of digital social science data in the world. ISR is made up of five centers with over 20 disciplines. Professor Alter described ongoing research projects, including studies of consumers sentiment, monitoring the future, national elections, income dynamics, health and retirement, and the risks and resilience of military personnel.

Committee Reports

Finance, Audit and Investment Committee. Regent White, chair of the Finance, Audit and Investment Committee, reported that she and Regent Richner met with Executive Vice President Slottow, outgoing executive director of internal audits Carol Seneff, and incoming executive director of internal audits Jeffrey Moelich, and reviewed the May-June 2012 internal audit report. They also reviewed the human capital report with Laurita Thomas, associate vice president for human resources, and Tom Palmer, enterprise resource planning senior business

analyst, and reviewed the president's travel and hosting expenses with associate vice president Rowan Miranda.

Personnel, Compensation and Governance Committee. Regent Ilitch, chair of the Personnel, Compensation and Governance Committee, reported that she and Regent Newman were joined by Vice President Churchill and Provost Hanlon for an update on the current dean searches in the School of Dentistry, the College of Literature, Science, and the Arts, and the University Library. The committee received an update on the University of Michigan-Dearborn, and Joseph Piersante, deputy chief, Department of Public Safety, provided an update on campus security.

Health Affairs Committee. Regent Darlow, chair of the committee, reported that she was joined by committee members Regents Maynard and Deitch, and that Regent White had also participated in a portion of the meeting. Other participants included President Coleman, Executive Vice President Pescovitz, Executive Vice President Slottow, Interim Vice President Kowich, Dean Woolliscroft, and legal counsel. The U-M Hospitals and Health Centers were recently ranked 17th in the *U.S. News & World Report* National Honor Roll, and number one in the state of Michigan. Appreciation was expressed to all Health System faculty and staff for this accomplishment. Other matters were discussed, including considerations regarding the strategic plan.

President Coleman then turned to the consent agenda.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of June 21, 2012.

Reports. Executive Vice President Slottow submitted the Investment Report, the Plant Extension Report, and the Regents Report on Non-Competitive Purchases over \$5,000 from Single Sources, March 16, 2012 through June 15, 2012. He noted that the Law School's South Hall has been awarded the Leadership in Energy and Environmental Design (LEED) Gold rating, in recognition of the sustainability features of the structure. There was no University Human Resources Report.

Litigation Report. Interim Vice President Kowich submitted the Litigation Report.

Research Report. Vice President Forrest submitted the Report of Projects Established, July 1, 2011 – May 31, 2012. Forrest spoke of the significant role U-M played in the recent discovery of the Higgs boson particle at the European Organization for Nuclear Research, or CERN. The University had a large contingent at CERN and was instrumental in developing the statistics that led to the discovery of this key particle.

University of Michigan Health System. Executive Vice President Pescovitz had no additional report.

Division of Student Affairs. Vice President Harper had no additional report.

University of Michigan-Dearborn. Chancellor Little shared news of the newly expanded collaborative education agreement with four additional Chinese universities which is expected to bring more than 130 students from China to the University of Michigan-Dearborn in fall, 2012.

University of Michigan-Flint. Chancellor Person reported on a newly penned articulation agreement allowing Alpena Community College nursing students to complete a bachelor of science in nursing degree at the University of Michigan-Flint.

Central Student Government Report. Mr. Omar Hashwi, vice president, presented the report of the Central Student Government. He spoke of efforts to ensure that students are aware of, and understand, their rights and responsibilities and indicated that CSG would continue to work on health and safety issues. He commented on the importance of international student programming and partnerships, given that 12.6% of the student body comes from abroad.

Voluntary Support. Vice President May noted that this report will be deferred until the September meeting.

Personnel Actions/Personnel Reports. Provost Hanlon submitted a number of personnel actions and personnel reports.

Retirement Memoirs. Vice President Churchill submitted 11 faculty retirement memoirs.

Memorials. No deaths of active faculty members were reported this month.

Degrees. Provost Hanlon submitted the final degree list for the April 2012 Commencements, and also a list of changes to previously approved degrees.

Approval of Consent Agenda. On a motion by Regent Newman, seconded by Regent White, the regents unanimously approved the consent agenda.

Sale of Gifted Real Estate

Executive Vice President Slottow reported on the sale of gifted real estate in Carlton, Michigan, in accordance with section 3.07 of the bylaws of the Board of Regents.

Alternative Asset Commitment

Executive Vice President Slottow informed the regents of a follow-on commitment of C\$20 million that has been made to the previously approved partnership of ARC Energy Fund 7, L.P.

Nichols Arboretum Exchange of Land

On a motion by Regent Maynard, seconded by Regent White, the regents unanimously authorized the transfer of ownership of land at the Nichols Arboretum, and approved acceptance of the land from the owner of 5 Geddes Heights Drive, Ann Arbor, Michigan, as described in the Regents Communication. Executive Vice President Slottow explained that this involved a small, inconsequential exchange of land, near the property line, interrupted by a stone fence. This will fully resolve any future dispute over the property line.

Institute for Social Research Addition

On a motion by Regent White, seconded by Regent Maynard, the regents unanimously approved the revised project scope and budget for the Institute for Social Research Addition Project as described in the Regents Communication.

School of Nursing New Building

Joe Lang, principal, RDG Planning and Design, and Michael McKinnell, principal, Kallman McKinnell and Wood Architects, presented the schematic design for the new School of Nursing building, noting that it addresses space for classrooms, clinical simulations, and offices for faculty and administration. The design considers the positioning of the building on the site, as well as the relationship with neighboring facilities.

On a motion by Regent White, seconded by Regent Maynard, the regents unanimously approved the schematic design for the School of Nursing New Building Project as described in the Regents Communication.

Wall Street East Parking Structure

Neil Martin, associate principal, S/L/A/M Collaborative, Inc., presented the schematic design for the Wall Street East Parking Structure. He noted that the design considered

community input, and is in accordance with the Medical Center Master Plan and the city's Northeast Area Master Plan. It includes a vegetated courtyard, maximizing green space, provides easy pedestrian access, and has a pleasing façade that includes a number of trees. It is designed to enhance the pedestrian experience. The six-story structure will provide 725 parking spaces.

Regent White thanked the architects for listening to the community concerns; Regent Maynard concurred.

On a motion by Regent White, seconded by Regent Maynard, the regents unanimously approved the schematic design for the Wall Street East Parking Structure Project as described in the Regents Communication.

Glenn E. Schembechler Hall Entrance and Museum Renovation

Michael Corby, executive vice president, Integrated Architecture, presented the schematic design for the new entrance and museum renovation for the Glenn E. Schembechler Hall. He displayed renderings illustrating the interior and exterior of the new space, noting that the new entrance will be north of the existing entrance on South State Street. The renovated museum will feature a statue of Schembechler and will highlight the team's celebrated history and its status as one of the most successful collegiate football programs in the United States.

On a motion by Regent Richner, seconded by Regent Ilitch, the regents unanimously approved the schematic design for the Glenn E. Schembechler Hall Entrance and Museum Renovation Project as described in the Regents Communication.

Michigan Stadium Marquee

Mr. Brandon referred to the schematic design and added that the marquee will be easily viewed from Stadium Boulevard, as it will be situated between Michigan Stadium and the Crisler

Center. It will feature the latest technology, and is designed to create excitement while promoting athletic programs and students. Located directly across the street from the golf course, the marquee will have an audio component, for game day programming and special events, but primarily will feature video messaging.

Regent Richner asked about traffic volume compared with a site on Main Street. Mr. Brandon responded that Main Street was not an option due to the close proximity of the stadium to Main Street.

Regent Ilitch asked that the University consider programming promoting the activities of non-profit events, when not in use by athletics. Mr. Brandon said that the University will look into this, while being careful to manage the potential large number of requests from non-profits and community events.

On a motion by Regent Maynard, seconded by Regent Ilitch, the regents unanimously approved the Michigan Stadium Marquee Project as presented, and authorized issuing bids for the project and awarding construction contracts, providing that bids are within the approved budget.

Conflict of Interest Items

President Coleman announced that the agenda includes 11 conflict of interest items, each of which requires six votes for approval. Regent Deitch recused himself from voting on two items (agenda items #9 and #13). On a motion by Regent White, seconded by Regent Newman, the regents present unanimously approved the following nine items:

Lease Agreement and Relationship Agreement between the University of Michigan and Alertwatch, LLC

The regents approved a lease agreement with Alertwatch, LLC for space in the North Campus Research Complex start-up accelerator, located at 1600 Huron Parkway, second floor of

building 520, Ann Arbor, and a relationship agreement defining the relationship between the University of Michigan and Alertwatch, LLC at the accelerator. Because Kevin Tremper, University of Michigan employee, is also an owner and officer of Alertwatch LLC, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and Alertwatch LLC.
2. The service to be provided is the lease of space in the North Campus Research Complex start-up accelerator on the second floor of Building 520, located at 1600 Huron Parkway, Ann Arbor, Michigan with access to common area space within the building. The duration of the lease is one year with options for two one-year renewals. The lease will begin in summer 2012, and will use the standard University of Michigan accelerator lease template. Tenant will pay the standard rates of: \$250 per month for each office (maximum of 8); \$100 per month for each cubicle (maximum of 8); and \$2,250 per month for each lab portion (maximum of 2). If the renewal options are exercised, rates will increase up to \$300 per month; \$150 per month, and \$2,450 per month respectively. In the first year, the tenant is leasing three offices. Alertwatch LLC will be responsible for providing monthly updates concerning its business progress to the University of Michigan 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 Kevin Tremper, a University of Michigan employee, is an owner and officer of Alertwatch LLC.

Agreement between the University of Michigan and Valley View Farms

The regents approved an agreement between the University of Michigan LSA Psychology Department and Valley View Farms to provide sheep to be used in research projects. Because Douglas Doop, a University of Michigan employee, is also owner of Valley View Farms, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and its LSA Department of Psychology and Valley View Farms.
2. The agreement is for housing sheep on an as needed basis. The estimated cost is \$14,500.

3. The pecuniary interest arises from the fact that University of Michigan employee, Douglas Doop, is the owner of Valley View Farms.

Authorization for the University of Michigan to transact with Arbor Research Collaborative for Health

The regents authorized the University of Michigan to transact with Arbor Research Collaborative for Health for specific database services from the Scientific Registry of Transplants Recipients (SRTR) database. Because Dr. Robert Merion, University of Michigan employee, is also president of Arbor Research Collaborative for Health, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The parties to the agreement are the Regents of the University of Michigan and its Department of Internal Medicine-Gastroenterology, and Arbor Research Collaborative for Health.
2. The agreement is for database services specific to data from the SRTR database for a period of one year at a cost of \$44,875.
3. The pecuniary interest arises from the fact that University of Michigan employee, Dr. Robert Merion, is president of Arbor Research Collaborative for Health.

Contract between the University of Michigan and Possibilities for Change, LLC

The regents approved a contract between the University of Michigan and its Community Health Programs and Services, and Possibilities for Change, LLC to provide programming changes to the existing databases within Rapid Assessments for Adolescent Preventative Services (RAAPS) which is being used by the Regional Alliance for Healthy Schools (RAHS) program. Because Jennifer Salerno, University of Michigan employee, is also owner of Possibilities for Change, LLC, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and its Community Health Programs and Services, and Possibilities for Change, LLC.
2. The agreement is for a one-time transaction for programming changes to the existing database within RAAPS which is being used by the RAHS program. The total cost of the agreement is \$1,200.
3. The pecuniary interest of Jennifer Salerno arises from her ownership of Possibilities for Change, LLC.

Authorization for the University of Michigan to transact with Michigan Precision Instruments, LLC

The regents authorized the Medical School Departments of Anesthesiology and Neurology and the Cardiovascular Center, and the College of Literature, Science, and the Arts to transact with Michigan Precision Instruments, LLC (“Michigan Precision”), for custom built mechanical devices and prototypes to be used in research and course projects. Because Toby Donajkowski, University of Michigan employee, is also owner of Michigan Precision, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The parties to the agreement are the Regents of the University of Michigan, its Medical School Departments of Anesthesiology and Neurology, the Cardiovascular Center, and the College of Literature, Science, and the Arts, and Michigan Precision Instruments, LLC.
2. The agreement is for custom built mechanical devices and prototypes to be used in research and course projects at a total cost of \$6,400.
3. The pecuniary interest of Toby Donajkowski arises from his ownership interest in Michigan Precision Instruments, LLC.

License Agreement Between the University of Michigan and AlertWatch, LLC

The regents approved a license agreement between the University of Michigan and Alertwatch, LLC to obtain a license from U-M to the following U-M technologies: UM OTT File No. 3498, entitled: “Intensive Care Unit Manager,” and UM OTT File No. 4513, entitled: “RiskWatch – Real-Time Visual Alert Display for Use During Anesthesia or Critical Care,” and AlertWatch LLC. Because Dr. Kevin Tremper, Dr. James Bagian, Ms. Jan Gombert, Mr.

Theodore Tremper and Ms. Jenny Mace, University of Michigan employees, are also partial owners of AlertWatch, LLC, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The parties to the agreement are the Regents of the University of Michigan and AlertWatch LLC.
2. The agreement grants AlertWatch LLC an exclusive license with the right to grant sublicenses. AlertWatch LLC will pay royalties and reimburse patent costs, and the University of Michigan 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 of Dr. Kevin Tremper, Dr. James Bagian, Ms. Jan Gombert, Mr. Theodore Tremper, and Ms. Jenny Mace, arise from their ownership interests in AlertWatch LLC.

Research Agreement between the University of Michigan and Ambiq Micro, Inc.

The regents approved an agreement between the University of Michigan and Ambiq Micro, Inc. (“the Company”), to enable the Company to support research at the University of Michigan. Because Dr. Dennis Sylvester and Dr. David Blaauw, University of Michigan employees, are also partial owners of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The parties to the agreement are the Regents of the University of Michigan, and Ambiq Micro, Inc.
2. The terms of the proposed agreement conform to University policy. Dr. David Wentzloff, assistant professor of electrical engineering and computer science, will direct the project over an initial nine-month period at an estimated cost of \$60,000. Since research projects are often amended, these agreements include provisions for changes in time, amount, and scope of each supported project. University procedures for approval of the terms and conditions governing this work will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interests of Dr. Dennis Sylvester and Dr. David Blaauw arise from their ownership interest in Ambiq Micro, Inc.

Research Agreement between the University of Michigan and ePack

The regents approved a research agreement between the University of Michigan and ePack. Because Dr. Khalil Najafi and Mr. Joseph Giachino, University of Michigan employees, are also co-founders of ePack, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The parties to the agreement are the Regents of the University of Michigan and ePack.
2. The terms of the proposed agreement conform to University policy. Dr. Yogesh Gianchandani, professor of electrical engineering, College of Engineering, will direct the Navy STTR project titled “Novel Temperature and Vibration Tolerant Packaging for Inertial Sensors (MEMS).” Professor Najafi and Mr. Giachino will not be participating in this research project and Professor Gianchandani has no stipulated interest in ePack. The period of performance for the project is approximately 12 months. The amount of funding support will not exceed \$48,113. Since research projects are often amended, these agreements include provisions for changes in time, amount, and scope of each supported project. University procedures for approval of the terms and conditions governing this work will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interests of Dr. Khalil Najafi and Mr. Joseph Giachino arise from their status as co-founders of ePack.

Subcontract Agreement between the University of Michigan and the Institute for Social and Environmental Research (ISER)

The regents approved a subcontract agreement between the University of Michigan and the Institute for Social and Environmental Research (ISER) for a proposal submitted to Arizona State University (ASU) titled “CNH: Feedbacks Between Human Community Dynamics and Socio-Ecological Vulnerability in a Biodiversity Hotspot.” Because Dr. Dirgha Ghimire, University of Michigan employee, is also the director, and member of the board of directors of ISER, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The parties to the agreement are the Regents of the University of Michigan and the Institute for Social and Environmental Research.

2. The terms of the proposed agreement will conform to University policy. Dr. Ghimire will serve as the principal investigator at the University of Michigan, with a total subcontract of \$292,884 that is anticipated to cover a period of four years. Since research projects are often amended, these agreements include provisions for changes in time, amount, and scope of each supported project. University procedures for approval of the terms and conditions governing this work will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interests of Dr. Dirgha Ghimire arises from his status as director and member of the board of directors of the Institute for Social and Environmental Research.

On a motion by Regent Newman, seconded by Regent White, the regents approved the following two items, as described in the Regent's Communications. Regent Deitch recused himself from voting.

Investment Agreement between the University of Michigan under the "MINTS" Program and Atterocor Inc., CytoPherx, Inc., NanoBio Corporation, and Tissue Regeneration Systems, Inc.

The regents approved investment agreements between the University of Michigan and Atterocor Inc., CytoPherx, Inc., NanoBio Corporation, and Tissue Regeneration Systems, Inc. Regent Deitch recused himself from voting due to a conflict of interest. Because Gary D. Hammer, H. David Humes, James R. Baker, Jr., Stephen E. Feinberg, Scott J. Hollister, and Frank La Marca, University of Michigan employees, are also partial owners of these companies, or members of the company board, these agreements fall under the State of Michigan Conflict of Interest statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and Atterocor Inc., CytoPherx, Inc., NanoBio Corporation, and Tissue Regeneration Systems, Inc.
2. The University Investment Office will provide up to a total of \$2.5 million in potential investments per company through one or more rounds of financing subject to the MINTS investment guidelines. The University will receive an equity interest in each entity in return for its investments. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated in the agreements. Under MINTS, the University will co-invest in a financing round together with at least one Qualifying Venture Capital Investment Firm. Agreements standard for venture capital investing will be executed.

3. The pecuniary interest arises from the fact that Gary D. Hammer, H. David Humes, James R. Baker, Jr., Stephen E. Feinberg, Scott J. Hollister, and Frank La Marca, University of Michigan employees, are partial owners, or members of the company board of Atterocor Inc. (Hammer), CytoPherx, Inc. (Humes), NanoBio Corporation (Baker), and Tissue Regeneration Systems, Inc. (Feinberg, Hollister, and La Marca).

Agreement Between the University of Michigan and NanoBio Corporation

The regents approved an agreement between the University of Michigan, Office of the Executive Vice President for Medical Affairs and NanoBio Corporation to contract for consulting services in support of efforts to develop the NCRC pharmaceutical manufacturing facility. Regent Deitch recused himself from voting due to a conflict of interest. Because James R. Baker, Jr., M.D., University of Michigan employee, is also the owner of NanoBio Corporation, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The parties to the agreement are the Regents of the University of Michigan, its Office of the Executive Vice President of Medical Affairs, and NanoBio.
2. The agreement is for consulting services in support of efforts to develop the NCRC pharmaceutical manufacturing facility. The term of the agreement is February 20, 2012, through June 30, 2012, with a value not to exceed \$54,000.
3. The pecuniary interest of James R. Baker, Jr., M.D. arises from his ownership interest in NanoBio.

Program in American Culture

On a motion by Regent White, seconded by Regent Maynard, the regents unanimously approved the recommendation to rename the Program in American Culture as the Department of American Culture, effective September 1, 2012.

Establishment of Department of Biomedical Engineering as a joint Academic Department

Provost Hanlon noted that the proposed joint Department of Biomedical Engineering by the Medical School and College of Engineering would be the first such department at the

University. Executive Vice President Pescovitz said that the new organizational structure is enthusiastically supported.

On a motion by Regent Darlow, seconded by Regent White, the regents unanimously approved the establishment of the joint academic department.

Establishment of Joint Doctor of Physical Therapy (DPT)/Doctor of Philosophy (Ph.D.)

Chancellor Person reported that the proposed joint Doctor of Physical Therapy (DPT)/Doctor of Philosophy (Ph.D.) in Physical Therapy Degree at the U-M Flint was designed to address a shortage of physical therapy faculty.

On a motion made by Regent Deitch, seconded by Regent Ilitch, the regents unanimously approved the establishment of the joint Doctor of Physical Therapy (DPT)/Doctor of Philosophy (Ph.D.) in Physical Therapy degree program within the School of Health Professions and Studies at the University of Michigan-Flint, effective as of Fall, 2013.

Public Comments

The regents heard comments from the following individuals, on the topics indicated: Ronald Moldovan, staff, on the birthday statue from employees and retired workers; Eugene Daneshvar, student, on intellectual property theft, and conflict of interest management; Jordan Fein and William Kingston, citizens, from Unite Here, on Kimpton Hospitality Partners Funds I, II and II; Vickie Patterson, citizen, on informed consent; and Marie Woolen, student, on professor misconduct.

There being no further business, the meeting was adjourned at 4:51 p.m. The next meeting will take place September 20, 2012.