

JULY MEETING, 2014

*The University of Michigan
Ann Arbor
July 17, 2014*

The regents met at 3:08 p.m. in the Anderson Room, Michigan Union. Present were President Schlissel and Regents Bernstein, Darlow, Deitch, Diggs, Ilitch, Newman and Richner. Also present were Vice President and Secretary Churchill, Vice President Harper, Interim Vice President Hu, Chancellor Little, Vice President Lynch, Vice President May, Chancellor Person, Provost Pollack, Vice President Rudgers, Interim Executive Vice President Strong and Vice President Wilbanks. Regent White and Interim Executive Vice President Johns were absent.

Call to Order and President's Opening Remarks

President Schlissel called to order his first meeting as president and said, "It sounds good to say that. I'm delighted to be here." He said that his first official appointment was with Governor Snyder, and that he had a busy week attending a number of Ann Arbor events. He acknowledged the new board leadership and said that Regent White, who will serve as chair, is absent due to her commitment to the U.S. Army reserves. Regent Shauna Diggs is the new vice chair. He also welcomed to the table Doug Strong, interim executive vice president and chief financial officer.

President Schlissel said that this is the final board meeting for UM-Flint Chancellor Ruth Person, thanked her for her leadership of the Flint campus, and offered his personal best wishes.

Regent Diggs read the following:

Regents' Resolution

The Regents of the University of Michigan extend their appreciation to Ruth J. Person, chancellor of the University of Michigan-Flint as she leaves her administrative role and returns to the classroom.

Appointed in 2008, Chancellor Person has been instrumental in strengthening the Flint campus. She helped grow student enrollment, improve retention rates and diversity, expand program offerings, and assure the financial stability of the Flint campus. She built relationships throughout Genesee County with K-12 school districts, foster youth programs and veterans. Her work led to recognition by the Carnegie Foundation for the Advancement of Teaching's 2010 Community Engagement Classification, and 13 consecutive years as "Best in the Midwest" designation from the Princeton Review. Her outreach to veterans made UM-Flint a leading, nationally recognized, veteran friendly campus. The establishment of the campus' first Ph.D. program in physical therapy is unique in the state and addresses a national faculty shortage in this important field.

Chancellor Person will continue to contribute to a strong UM-Flint Campus when she returns to her faculty appointment as a professor of management, in the School of Management in April, 2015.

The Regents thank Ruth J. Person for her service and leadership as Chancellor, and wish her well in all of her future endeavors.

Chancellor Person thanked the regents for the recognition, noting that she appreciated the opportunity to serve her alma mater. She said that in spite of a number of challenges over the past six years, the campus has flourished. She thanked her colleagues and the regents for their support.

President Schlissel continued and commented on the University's many influential alumni. He said, "None has made a more lasting impact than Raoul Wallenberg, who graduated in 1935. We should never forget his heroics in saving thousands of Hungarians Jews from death during the Holocaust." He said that Wallenberg was recently awarded the Congressional Gold Medal, the nation's highest civilian award, and that President Gerald Ford is the only other Michigan graduate has received this honor.

President Schlissel spoke of the Third Century Initiative as an exciting and important investment in teaching and research for the university's next 100 years, and he invited Provost Pollack to introduce the presentation.

Provost Pollack said that the Third Century Initiative was established to inspire innovative programs, that develop creative approaches to the world's greatest challenge. She noted one successful project, REFRESH, is developing solutions to access to clean water, reliable energy and fresh food. The second example, Technology Aided Access to Courts through Enhance Online Functionality, will assist people charged with minor offenses in navigating the court system. She welcomed Professor J. J. Prescott from the Law School.

Presentation: Third Century Initiative Global Challenge

Professor Prescott said that Technology-Aided Access to Courts Through Enhanced Online Functionality was developed with the courts in an effort to improve the legal system outcomes and the efficiency that exists today. The end result is a methodology that uses technology that produces fair and just decisions based on accurate and complete information, made quickly by judges. This reduces court expenses and results in more satisfied clients.

Committee Reports

Finance, Audit and Investment Committee. Regent Bernstein, chair of the Finance, Audit and Investment Committee, said that he and Regent Darlow met with Interim Vice President Strong, and Jeff Moelich, executive director of university audits, who provided an update on the status of audit reports issues and completed follow-up reviews. They met with Nancy Hobbs, interim associate vice president for finance, for a review of the President's travel and hosting expenses for FY2013, and with Hank Baier, associate vice president for facilities and operations, and Kimberly Kiernan, administrative director for facilities and operations, for an update on major/deferred maintenance status and strategy. The committee also met with Laura

Patterson, and Sol Bermann, privacy officer and IT policy and enterprise continuity strategist, for a report on IT security and enterprise risk.

Health Affairs Committee. Regent Diggs reported that she and committee members Regents Ilitch and Deitch received a quality and safety update from Dr. Skip Campbell, chief medical officer for Hospitals and Health Centers (HHC), and an overview of the patient satisfaction survey tool, which is part of the Affordable Care Act. Patient satisfaction scores continue to show improvement. Tony Denton, interim UMHHC CEO, gave an overview of the June Hospitals and Health Centers Executive Board meeting, and an update on the Northville Health Center opening, a new facility located in the I-275 corridor with 42 primary and specialty care services.

David Spahlinger, senior associate dean for clinical affairs at the medical school and executive director of the Faculty Group Practice provided an update on the first year activities of the Mid-Michigan/UMHS relationship. CFO Paul Castillo presented the year end UMHS financial results. The committee also reviewed a fact sheet on Outpatient Care at UMHS, noting that there were just under 2 million outpatient appointments last fiscal year.

Personnel, Compensation and Governance Committee. Regent Richner, chair of the Personnel, Compensation and Governance Committee, and Regent Newman met with Vice President Churchill and received an update from Chancellor Little on the UM-Dearborn campus. Provost Pollack gave an update of searches currently underway. The committee received a presentation from Dean of Libraries, James Hilton, on digital education strategies, and also reviewed the committee calendar.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of June 19, 2014.

Reports. Interim Executive Vice President Strong submitted the Investment Report as of June 30, 2014 and the Plant Extension Report, and the Regents Report on Non-Competitive Purchases over \$5,000 from Single Sources, March 16-June14, 2014. There was no University Human Resources Report.

Litigation Report. Vice President Lynch submitted the Litigation Report.

Research Report. Interim Vice President Hu submitted the Report of Projects Established, July 1 – June 30, 2014. He said that the total awards last year was down by 8 %, due primarily to a December 2012 award of about \$95 million. If that award is removed, the year-to-year is very comparable.

University of Michigan Health System. There was no additional report.

Student Life. Vice President Harper said that orientation sessions are coming to a close and progress is being made in terms of housing for the new freshman class.

University of Michigan-Flint. Chancellor Person commented on the pending agreement with the federal government for leasing space to the DEA in the Northbank Center. With this lease, and another that is underway, the building will be 90% occupied. She spoke to the appointment of Robert W. Barnett, dean, School of Education and Human Services.

University of Michigan-Dearborn. Chancellor Little shared a milestone for the College of Arts, Sciences and Letters, noting a signed letter of understanding with the China University of Geosciences for programs in water ecology.

Central Student Government Report. Central Student Government (CSG) Vice President Meagan Shokar welcomed President Schlissel on behalf of the student body and said she looks forward to working with him.

Voluntary Support. Vice President May said that because this is the end of the fiscal year, his report will be presented in September. He continued by announcing a gift from the Tisch family, noting that the late Bob Tisch and his wife Joan have supported numerous gifts. John Tisch, who is currently a board member and alumna at Tufts, and his wife Lizzy, a UM alumna, recently announced a \$5 million gift which will be broken down into a gift of \$3 million for scholarships in the School of Music, Theatre and Dance, and \$2 million for internships in the College of Literature, Science and the Arts.

Personnel Actions/Personnel Reports. Provost Pollack had no report.

Retirement Memoirs. Vice President Churchill submitted 16 faculty retirement memoirs.

Memorials. Vice President Churchill reported that no deaths of active faculty members were reported this month.

Degrees. There was no report.

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

Alternative Asset Commitments

Interim Executive Vice President Strong reported on the University's follow-on investments with previously approved partnerships with a commitment of \$14.5 million to Matrix Partners China III, L.P., a commitment of \$25 million to Sequoia Capital U.S. Growth

Fund VI, L.P., Sequoia China Growth Fund III, L.P., and Sequoia India IV, L.P., and a commitment of £ 10 million (~\$17 million) to Moorfield Real Estate Fund III, L.P.

Alternative Asset Commitments

On a motion by Regent Newman, seconded by Regent Ilitch, the regents unanimously approved a commitment of up to \$25 million from the Long Term Portfolio to Castanea Partners Fund IV, L.P.

On a motion by Regent Newman, seconded by Regent Ilitch, the regents unanimously approved and a commitment of \$10 million from the Long Term Portfolio to BlueRun Ventures, L.P.

380 Parkland Plaza, Scio Township, Washtenaw County, Michigan

On a motion by Regent Newman, seconded by Regent Bernstein, the regents unanimously approved the acquisition of the property at 380 Parkland Plaza in Scio Township, Washtenaw County, Michigan at the negotiated price of \$108,000, subject to the university satisfying itself with the environmental condition of the site and otherwise completing due diligence.

David M. Dennison Building Renovation

On a motion by Regent Ilitch, seconded by Regent Newman, the regents unanimously approved the David M. Dennison Building Renovation project as described and authorized commissioning Diamond Schmitt Architects for its design.

University of Michigan Golf Course New Clubhouse

On a motion by Regent Deitch, seconded by Regent Bernstein, the regents unanimously approved the University of Michigan Golf Course New Clubhouse project as described and authorized commissioning Partners & Sirny Architects for its design.

Building Naming

Vice President May noted that this naming was in compliance with the naming policy standards.

On a motion by Regent Deitch, seconded by Regent Richner, the regents unanimously approved designating the new clubhouse at the University of Michigan Golf Course on the Stephen M. Ross Athletic Campus as the Richard L. Postma Family Clubhouse.

Stephen M. Ross School of Business Kresge Business Administration Library Renovation, Computer and Executive Education Building Demolition, New Academic Building, and Exterior Cladding Project

On a motion by Regent Newman, seconded by Regent Ilitch, the regents unanimously authorized issuing the Stephen M. Ross School of Business Kresge Business Administration Library Renovation, Computer and Executive Education Building Demolition, New Academic Building, and Exterior Cladding Project for bids and awarding construction contracts providing that bids are within the approved budget.

James and Anne Duderstadt Center Roof Replacement

On a motion by Regent Ilitch, seconded by Regent Bernstein, the regents unanimously approved the James and Anne Duderstadt Center Roof Replacement project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

University of Michigan-Flint Northbank Center United States Drug Enforcement Administration Lease Buildout

On a motion by Regent Newman, seconded by Regent Diggs, the regents unanimously approved the University of Michigan-Flint Northbank Center United States Drug Enforcement Administration Lease Buildout project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

W. K. Kellogg Eye Center Renovations for Clinical Research

On a motion by Regent Deitch, seconded by Regent Ilitch, the regents unanimously approved the W. K. Kellogg Eye Center Renovations for Clinical Research project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Michigan Stadium

Regent Newman moved, and Regent Richner seconded approval of the close proximity fireworks displays as described for the football games on September 13, 2014, and October 11, 2014.

Regent Diggs asked for more information on the type of fireworks, and what time of day they would be deployed.

Hank Baier, associate vice president for facilities and operations, explained that they would be close proximity fireworks. One game is a day game and one is a night game. For both games, they would be used during the game, and in the case of the night game, at the end of the game.

Regent Newman asked about safety concerns. Mr. Baier said the Fire Marshall had reviewed the plans, which include emergency response personnel. Similar fireworks were used during the Big Chill, and the Winter Classic, and another football game last year.

Regent Deitch asked about the limits of the vendor's insurance coverage, and said that even if the vendor is insured, that does not leave the university unexposed.

Interim Vice President Strong noted that this has been vetted through the Office of Risk Management.

Regent Ilitch asked why there would be fireworks throughout the game.

Mr. Baier said that the idea is that after a touchdown, for example, there would be fireworks deployed. There would be a dry run in advance of each game.

Regent Newman asked if this had come to the board before.

Mr. Baier said that it had, as licensing is required, and that takes board approval.

Regent Richner asked if there was anything unique about how these fireworks will be launched, compared to the past, and that could pose any unique risk.

Mr. Baier said that the plans were very similar to those used in the past, and the same controls and reviews would be in place. There have been no issues with previous displays.

Regent Deitch said, "I've considered this proposal over the course of the past week, and I've heard both from close friends and total strangers who are opposed to this idea. I have concluded that they are right, and accordingly I will vote no. The basis for my opposition can be explained in terms of three concepts: one, the plan's risk outweighs its rewards; two, the plan is disrespectful to our neighbors; and three, the plan is inconsistent with the UM tradition and culture. Let me explain.

"The risk: as one of eight owners of the stadium, I have concluded that it is not prudent to have close proximity fireworks in a crowded, bowl style stadium, where if something went wrong, panic could ensue, with limited opportunity for a flight to safety. I reached that conclusion before I knew this would happen mid-game, when several hundred people would be on the field. I recognize that the risk may be minimal, and this is done in baseball stadiums and other venues regularly, but if a catastrophe occurred, ACE Pyro's insurance would be woefully inadequate, I bet, since I don't know the number, to cover the financial exposure of the University of Michigan. Even if these fireworks are specially engineered for close proximity, I simply think it is not responsible to put innocents in harms way for little tangible pay off.

“Thirty-six years ago I was on a beach on July fourth when a fireworks display went awry. Flames and sparks were shooting everywhere. I grabbed my four-year-old daughter and ran to safety, while helping my pregnant wife to do the same. We were okay, but I will never forget that night. I expect to hear somebody say that you approved the same thing twice. True. But those were special occasions, and I have now concluded that I was wrong. Moreover, the more times that you do something inherently dangerous, the more chance you have for an accident. I ask, what’s the up side?”

“Two, the harm to the community: Everyone knows the importance of the university in Ann Arbor. Everyone also knows that we are not bound by its ordinances. However, that doesn’t mean that we shouldn’t tread lightly whenever possible. In particular, the Penn State game will end late on a Saturday night. The stadium is adjacent to a wonderful, densely populated residential neighborhood. There simply is no reasonable justification for the kind of disturbance to the stadium’s neighbors that fireworks would cause for two regular, in-season football games.

“Last, our culture and values: The action request states that the request is being made to ‘further enhance the fan experience for these important games.’ I am a fan. I have religiously attended Michigan football games for 50 years. I can honestly tell you that I have not found that experience wanting for lack of fireworks. Michigan football has always been special and different. It’s been about class, dignity, tradition, and great performance by great athletes. It’s about the winged helmet, it’s about the marching band, it’s about the victors, it’s about Bo and Woody, it’s about Lloyd Carr, it’s about Desmond Howard and Charles Woodson, it’s about beating Michigan State and Ohio State, it’s about playing for a trip to the Rose Bowl, it’s about our community dressed in yellow and blue. What I as a fan want is tough, exciting winning football. That’s it. I have confidence in Coach Hoke and his staff. I have confidence in our team. They can and will deliver great memories and that will be enough for this fan. I note thought that I’m not opposed to bringing some flare and new stuff to our games, and Director Brandon is to be complimented for many creative ideas. Who can forget 100,000 yellow pom-poms when we played Notre Dame in our first night game. I love a good fly-over. I also really liked that trained eagle. But somehow, this doesn’t feel right to me. It doesn’t feel consistent with our culture; it feels like a night at Disney World, and not in keeping with the traditions and dignity of this great university.”

President Schlissel called on Mr. Baier who reported the vendor’s insurance coverage was \$5 million per occurrence.

Regent Deitch said, “that is ridiculously low for 100,000 people in an enclosed stadium.”

Regent Richner said that he appreciated the comments from Regent Deitch, but fireworks are a common occurrence at sporting events, kids like them, and he is okay with them when done in a responsible and limited way.

Regent Ilitch said that she enjoys fireworks at the end of the game, but thinks that having fireworks throughout the game changes the nature of the event.

Regent Newman said that if there is a values question, it should be discussed in terms of the university and athletics in general. She said, “I think the appropriate questions are whether this is responsible and is it safe. Fireworks are common at sporting events. As long as they are

done in a responsible manner, and are appropriate, there will be people who like them and people who don't. We did get correspondence from people on many issues, and I think too much is being made out of this."

Bernstein said "I thought this was a bad idea from the beginning, and learning that this was going to be throughout the game, made it even worse. I very much respect and admire the department, and its leadership, and I also respect their willingness to be creative and stretch a little bit and try new things. I look forward to supporting later this fall a significant investment in facilities because that is about supporting athletes, and their activities. This fireworks proposal has sparked important discussion. The big issues here are about the academic enterprise, our research, our healthcare system, access, affordability, and diversity. This is a symbolic issue. I love fireworks, but not at a Michigan football game. We are not Comerica Park or the Super Bowl or Disney World or a circus, and shouldn't try to be. At a certain point, enough is enough. That explains a not insignificant expression from fans. I love Michigan football for what it is: tradition, pageantry, the team, the band, and also for what it is not. It remains an experience, a place that resists the excesses of our culture, to be intentionally simple. It is not pro football or pro baseball. Finally, I was thinking about what my grandfather would say. He would say, 'is it necessary?' I would answer that it is not necessary. The fireworks should be on the field not above it. That is why I am going to vote against this."

Regent Diggs said that there is a difference between fireworks and pyro techniques, and a difference between fireworks at 2 pm and at 11 pm. She asked to separate the two dates for two separate votes.

Moved by Regent Richner, seconded by Regent Newman to amend the motion to vote on each game separately.

Vote to support fireworks during the day at the Miami-Ohio football game on September 13:

In favor, Regents Newman, Richner, and Diggs. Opposed, Regents Deitch, Darlow, Ilitch, and Bernstein. The motion failed.

Vote to support fireworks during the night at the Penn State football game on October 11:

In favor, Regents Newman, and Richner. Opposed, Regents Deitch, Darlow, Diggs Ilitch, and Bernstein. The motion failed.

President Schlissel said the agenda includes 13 conflict of interest items, each of which requires six votes for approval. On a motion by Regent Newman, seconded by Regent Deitch, the regents unanimously approved the following items:

Authorization for the University to transact with Mouko, LLC

The Regents approved an agreement to transact with Mouko, LLC (the “Company”), to create a research project website that will consist of two parts: a project webpage with curriculum downloads for K-12 teachers, and a mathematical modeling graphing tool webpage for K-12 students to use to create graphs of tree growth trends.

Because University of Michigan employees Alex Ade and Justin Laby, are also 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. Parties to the agreement are the Regents of the University of Michigan and its School of Natural Resources and Environment and Mouka, LLC.
2. The agreement is for the creation of a research project website that will consist of a project webpage with curriculum downloads for K-12 teachers as well as a mathematical modeling graphing tool webpage for K-12 students to use to create graphs of tree growth trends. The total cost of the project is \$4,500.
3. The pecuniary interest arises from the fact that University of Michigan employees, Alex Ade and Justin Laby are owners of Mouko, LLC.

Authorization for the University to transact with ElectroDynamic Applications, Inc.

The Regents unanimously approved an agreement with ElectroDynamic Applications, Inc. (the “Company”) to purchase Lab Management Services.

Because Dr. Alec Gallimore and Brian Gilchrist, University of Michigan employees, are also the 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. Parties to the agreement are the Regents of the University of Michigan and its Department of Aerospace Engineering and ElectroDynamic Applications, Inc.
2. The agreement is to purchase Lab Management Services to support lab activities in the Plasma Electrodynamics and Propulsion Laboratory. The duration of the agreement is for 24 months with an option for one additional year. The cost will be based on an estimate between full time and half time effort over the 24 month period. The total cost including the optional third year is not to exceed \$411,500.
3. The pecuniary interest arises from the fact that University of Michigan employees, Dr. Alec Gallimore and Mr. Brian Gilchrist are owners of ElectroDynamic Applications, Inc.

Authorization for the University to transact with Igo Computer Consulting, Inc.

The Regents unanimously approved an agreement with Igo Computer Consulting, Inc. (the “Company”) for database programming services in support of the project “Mathematical Analysis of the Folk Costumes of European Cultures.”

Because Jeffrey Igo, University of Michigan employee, is also the owner 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. Parties to the agreement are the Regents of the University of Michigan and its Dearborn Department of Mathematics and Statistics, at the College of Arts, Sciences and Letters and Igo Computer Consulting, Inc.
2. The agreement is to purchase database programming services in support of the project “Mathematical Analysis of the Folk Costumes of European Cultures,” for a total cost of \$3,000.

3. The pecuniary interest arises from the fact that University of Michigan employee, Jeffrey Igo, is also the owner of Igo Computer Consulting, Inc.

Authorization for the University of Michigan to Enter into an Amended Lease Agreement with Lycera Corporation

The Regents unanimously approved an amendment to extend the original lease agreement with Lycera Corporation (the “Company”) for 14,500 gross square feet of property in the North Campus Research Complex located at 2800 Plymouth Road, Ann Arbor, Michigan.

Because University of Michigan employees, David Canter, Gary Glick and Anthony Opipari, are partial owners, members of the board of directors, or acting as an officer in 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. Parties to the agreement are the Regents of the University of Michigan and Lycera Corporation.
2. The service to be provided is the lease of for 14,500 gross square feet of laboratory and office space in Building 26 at the North Campus Research Complex located at 2800 Plymouth Road, Ann Arbor, Michigan, for an additional two years with options to renew for three additional one year terms. The amended lease will begin on October 1, 2014. The monthly rent is \$48,119.00 with annual increases of 3 percent. The lease is a full service gross lease with all costs covered by the monthly rent.
3. The pecuniary interest arises from the fact that David Canter, Gary Glick and Anthony Opipari are University of Michigan employees, and owners and/or officers of the Lycera Corporation.

Subcontract Agreement between the University of Michigan and Alluvium Biosciences, Inc.

The Regents unanimously approved an agreement with (the “Company”) to fund an NSF (prime) SBIR Phase I project entitled “Biocatalytic production of novel macrolactone compounds for use in drug discovery” (ORSP# 14-PAF06841) in the Life Sciences Institute.

Because University of Michigan employees, Professor David Sherman and Dr. Jeffrey Kittendorf, are co-founders with equity 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. Parties to the agreement are the Regents of the University of Michigan and Alluvium Biosciences, Inc.
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 \$22,500. Since research projects are often amended, these agreements include provisions for changes in time, amount, 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 interests of Professor David Sherman and Dr. Jeffrey Kittendorf arise from their role as co-founders with equity of Alluvium Biosciences, Inc.

Research Agreement between the University of Michigan and AssureRx Health, Inc.

The Regents unanimously approved an agreement with AssureRx Health, Inc. (the “Company”) to fund a project entitled “Impact of GeneSight Psychotropic in Response to Psychotropic Treatment in Outpatients with Major Depressive Disorder” (HUM00083781, 14-PAF03125), in the Department of Psychiatry.

Because Brian Athey, University of Michigan employee, is also partial owner 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. Parties to the agreement are the Regents of the University of Michigan and AssureRx Health, Inc.
2. The terms of the Agreement conform to University policy. The period of performance is expected to be three (3) years, and the amount of funding support is anticipated at \$152,140. 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 these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest of Brian Athey, arises from ownership interest in AssureRx Health, Inc.

Subcontract Agreement between the University of Michigan and Direxus Corporation

The Regents unanimously approved an agreement with Direxus Corporation (the “Company”) to fund an NSF (prime) STTR Phase I project entitled “Positioning Algorithm Based on Set Membership Estimation for Enhanced In-Door Wi-Fi Localization and Consumer Location Services” (ORSP# 14-PAF07071) in the Department of Aerospace Engineering.

Because University of Michigan employee, Professor Ilya Kolmanovsky, is partial owner 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. Parties to the agreement are the Regents of the University of Michigan and Direxus Corporation.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately twelve (12) months. The amount of funding support will not exceed \$75,000. 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 these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest of Professor Ilya Kolmanovsky, arises from his ownership interest in Direxus Corporation.

Subcontract Agreement between the University of Michigan and Ecovia Renewables, LLC

The Regents unanimously approved an agreement with Ecovia Renewables, LLC (the “Company”) to fund an NSF (prime) STTR Phase I project entitled “Cost-effective Production of Biopolymers for Eco-Friendly Erosion Control and Soil Revegetation with Synthetic Microbial Consortia” (ORSP# 14-PAF04906) in the Department of Chemical Engineering.

Because University of Michigan employees, Drs. Nina Lin and Jeremy Minty, are co-founders with equity 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. Parties to the agreement are the Regents of the University of Michigan and Ecovia Renewables, LLC.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately twelve (12) months. The amount of funding support will not exceed \$67,500. 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 these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interests of Drs. Nina Lin and Jeremy Minty, arise from their ownership interest in Ecovia Renewables, LLC.

Subcontract Agreement between the University of Michigan and Omni Sciences, Inc.

The Regents unanimously approved an agreement with Omni Sciences, Inc. (the “Company”) to fund an NSF (prime) STTR Phase I project entitled “Short-Wave Infrared Super-Continuum Laser for 3-D Printing of Plastics and Polymers” (ORSP# 14-PAF06989) in the Department of Biomedical Engineering.

Because University of Michigan employee, Professor Mohammed N. Islam, is the owner 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. Parties to the agreement are the Regents of the University of Michigan and Omni Sciences, Inc.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately twelve (12) months. The amount of funding support will not exceed \$67,541. 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 these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest of Professor Mohammed N. Islam, arises from his ownership interest in Omni Sciences, Inc.

Option Agreement between the University of Michigan and Prehab Technologies, LLC

The Regents unanimously approved an agreement with Prehab Technologies, LLC (the “Company”) to obtain an option from the University of Michigan to the University’s rights

associated with the following technology: UM OTT File No. 5966, entitled: “Michigan Surgical and Health Optimization Program (MSHOP).”

Because Professors Stewart Wang, Michael Englesbe and staff members June Sullivan, Nick Wang and William Palazzo, University of Michigan employees, and 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. Parties to the agreement are the Regents of the University of Michigan and Prehab Technologies, LLC.
2. Agreement terms include granting the Company an exclusive option with the right to use and evaluate technology. The Company will pay an option fee and reimburse patent costs. The University will retain ownership of the optioned technology and may continue to further develop it and use it. 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 interests of Professors Stewart Wang, Michael Englesbe and staff members June Sullivan, Nick Wang and William Palazzo arise from their ownership interest in Prehab Technologies, LLC.

Subcontract Agreement between the University of Michigan and STEL Technologies LLC

The Regents unanimously approved an agreement with STEL Technologies LLC (the “Company”) to fund an NSF (prime) STTR Phase I project entitled “A Closed System Bioreactor for Automating Tissue Engineered ACL Production” (ORSP# 14-PAF06786) in the Department of Mechanical Engineering.

Because University of Michigan employees, Professors Lisa Larkin and Ellen Arruda, are co-founders with equity 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. Parties to the agreement are the Regents of the University of Michigan and STEL Technologies LLC.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately twelve (12) months. The amount of funding support from the Company will not exceed \$79,301. 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 these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interests of Professors Lisa Larkin and Ellen Arruda, arise from their ownership interest in STEL Technologies LLC.

Subcontract Agreement between the University of Michigan and CubeWorks, Inc.

The Regents unanimously approved an agreement with CubeWorks, Inc. (the “Company”) to fund an NSF (prime) SBIR Phase I project entitled “Millimeter-Scale Wireless Sensor Node for Intracranial Pressure Monitoring” (ORSP# 14-PAF07220) in the Department of Electrical Engineering & Computer Science.

Because University of Michigan employees, Professors Dennis Sylvester, David Blaauw, David Wentzloff, Prabal Dutta, and Drs. Yoonmyung Lee and Zhi Yoong Foo, are partial owners with equity 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. Parties to the agreement are the Regents of the University of Michigan and CubeWorks, Inc.
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 \$50,000. 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 these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interests of Professor Dennis Sylvester, David Blaauw, David Wentzloff, Prabal Dutta, and Drs. Yoonmyung Lee and Zhi Yoong Foo, arise from their ownership interest of CubeWorks, Inc.

Agreement between the University of Michigan and Court Innovations

The Regents unanimously approved an agreement with Court Innovations (the “Company”) to complete Phase 2 of the Online Court Project.

Because University of Michigan employee James Jondall Prescott, is the director and part owner 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. Parties to the agreement are the Regents of the University of Michigan and its Law School and Court Innovations.
2. The agreement will provide for completion of Phase 2 of the Online Court Project which will further enhance the database and online technology as well as court use and adoption throughout the state of Michigan. The agreement is for two years and is valued at \$2.1million.
3. The pecuniary interest arises from the fact that University of Michigan employee, James Jondall Prescott, is the director and part owner of Court Innovations.

Honors Program, College of Literature, Science, and the Arts

On a motion by Regent Richner, seconded by Regent Bernstein, the regents unanimously authorized the Honors Program, College of Literature, Science, and the Arts to offer joint faculty appointments.

Public Comments

Regents heard comments from the following individuals on the topics listed: Aaron Schaer, student, our proposal, developments, and steps forward; Diarmaid Ó Foighil, faculty, in support of the proposal from the Law Students for Responsible Divestment from Fossil Fuels; Jim Mogensen, citizen, on local public transportation and the University.

Adjournment

There being no further business, the meeting was adjourned at 4:40 p.m. The next meeting will take place on September 18, 2014.