

SEPTEMBER MEETING, 2011

*The University of Michigan
Ann Arbor
September 15, 2011*

The regents met at 3:00 p.m. in the Regents' Room. Present were President Coleman and Regents Darlow, Deitch, Ilitch, Newman, Richner, Taylor, and White. Also present were Vice President and Secretary Churchill, Vice President Forrest, Provost Hanlon, Vice President Harper, Chancellor Little, Vice President May, Chancellor Person, Vice President Rudgers, Vice President Scarnecchia, Executive Vice President Slottow, and Vice President Wilbanks. Regent Maynard was absent.

Call to Order and President's Opening Remarks

President Coleman called the meeting to order. She reported on the outstanding qualifications and background of the freshman class and of the new faculty members. She noted that everyone on campus would be following the progress of the Solar Car Team, which is participating in the World Solar Challenge in Australia. President Coleman invited students to attend the welcome-to-campus open house at the President's House the following week.

Presentation: "Snapshots of UM Sustainability"

President Coleman introduced Andrew Berki, manager of the Office of Campus Sustainability. He introduced three students, Samantha Schiebold, Matthew Friedrichs, and Jose Alfaro. Ms. Schiebold described the project that she and five other students worked on through the course, "Environment 391," which involved writing and distributing the booklet, "How to be a Green Wolverine." Mr. Friedrichs, who is a Graham Environmental Sustainability Scholar, described a project he undertook in the course, "Sustainable Neighborhoods," which involved

conducting an urban planning case study of neighborhoods in southwest Detroit. Ph.D. student Jose Alfaro described “Sustainability Without Borders,” a project he co-founded that works in Liberia, in western Africa, to implement “circular economies,” and that is expanding to develop a community of practitioners who will “live” sustainability and train others in these practices.

Mr. Berki observed that a structure of strong administrative support has developed on campus that encourages collaboration among students, faculty, staff, and the administration to develop a strong and continuing focus on sustainability.

Annual Report on Development

Vice President May reported that private support in FY 2011 increased by 7%, for a total of \$273 million. The number of individual donors has increased, and contributions from foundations have increased by 35%. Vice President May pointed out that in FY 2011, \$53 million was transferred to the endowment. Total contributions to the endowment for scholarship support have reached \$785 million, with a market value of about \$1.5 billion. In FY2011, a total of \$78 million in private support was distributed for financial aid, assisting 11,200 students.

Vice President May then introduced Bill and Dee Brehm, describing the immense philanthropic impact they have had on the University of Michigan. These include the Brehm Scholars program, the Brehm Center for Diabetes Research, and the Brehm Tower, a clinical and research facility, among other gifts. A conversation with the Brehms then ensued, in which they explained how they became motivated to pursue their various philanthropic endeavors at the University of Michigan.

Regents Newman and Ilitch expressed the sentiments of the board by thanking the Brehms for sharing their personal stories and connections to the University and for bringing the experience of donors so “close to home.” President Coleman noted that the programs sponsored

by the Brehms through the Brehm Center for Diabetes Research have set a singular example of what individuals can do to change a paradigm in the area of scientific research.

Committee Reports

Finance, Audit and Investment Committee. Regent White, chair of the Finance, Audit and Investment Committee, reported that the committee had met that morning with Executive Vice President Slottow. Regent Maynard was absent, and Regent Richner and President Coleman were present for part of the meeting. Agenda topics included a review of external audit results and financial performance with external auditors Rick Stover and Chris Hoffman from PricewaterhouseCoopers. Associate Vice President Rowan Miranda, Interim Health System CFO Robin Damschroeder, Controller Cheryl Soper, and Executive Director of University Audits Carol Soper were also in attendance for this item and the following item. The committee also reviewed the Sarbanes-Oxley work plan tasks and follow-up items with Brent Haase, internal controls compliance manager. The final agenda item, “emergency notification/business continuity/disaster recovery follow-up,” was reviewed with Associate Vice President Hank Baier, Terry Alexander, executive director of campus sustainability, and Greg O’Dell, executive director of the Department of Public Safety.

Personnel, Compensation and Governance Committee. Regent Taylor, chair of the Personnel, Compensation and Governance Committee, reported that he and Regent Ilitch reviewed with President Coleman the annual executive officer evaluation report and the annual conflict of interest disclosures from the president and executive officers. The committee also reviewed with Provost Hanlon the extra efforts made by the University to retain and attract outstanding faculty members and received a regular update from Provost Hanlon on other academic matters.

Health Affairs Committee. Regent Darlow, chair of the Health Affairs Committee, reported that Regents Deitch and Newman had joined her at the meeting, along with Executive Vice President Pescovitz, Health System CEO Doug Strong, and Medical School dean Woolliscroft. The Medical School update included reports from Steven Kunkel, senior associate dean for research, on the robust state of faculty research at the Medical School, and Senior Associate Dean Joseph Kolars on the upcoming Medical School reaccreditation. The second agenda item was a report from the executive vice president for medical affairs. Participants in addition to Dr. Pescovitz included Associate Vice President Baier, and Health System administrators Deborah Childs, Tony Denton, and Marge Calarco.

President's Salary

Regent Taylor reviewed some of President Coleman's accomplishments in 2010-2011, noting that she has redoubled the University's economic development efforts and has expanded the University's reach across the state, the nation, and the world. Under her direction, major capital building projects have been completed on budget and on time, and a campus-wide sustainability effort has been undertaken. He said that she has continued to push the envelope of academic excellence by creating new interdisciplinary clusters of faculty and hiring additional faculty members to maintain appropriate class size. Regent Taylor pointed also to President Coleman's efforts at maintaining the physical plant through numerous building renovations that have occurred across campus in recent years. Nationally, President Coleman continues to be a leader in higher education, including her upcoming service as chair of the executive committee of the Association of American Universities.

Regent Taylor commented that all of these activities "put us in the place where we like to be—the leaders and the best." Therefore, he moved the President Coleman's salary be increased

by 2.75%, or \$15,678, effective August 1, 2011. Regent White seconded the motion, and it was approved unanimously.

President Coleman stated that she is “deeply grateful, but that none of this happens without the tremendous team that I’ve got.” Noting that she and her husband had recently received thank you letters from three students who had benefitted from the Coleman’s scholarship for global travel, she announced that they have decided to donate the entire salary increase to this University of Michigan scholarship program. “This is the thrill of my life to be here,” she said, “and I really enjoy it.”

President Coleman then turned to the consent agenda.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of July 21, 2011.

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

Litigation Report. Vice President Scarnecchia submitted the Litigation Report.

Research Report. Vice President Forrest submitted the Report of Awards Established, July 1, 2011 – August 31, 2011.

University of Michigan Health System. Executive Vice President Pescovitz read the following statement:

“We’ve been in negotiations with the University of Michigan Professional Nurse Council and the Michigan Nurses Association since April to reach agreement on a new contract. While the parties have reached tentative agreement on many issues, there have been some significant ones remaining. We have an overall interest in reaching an agreement that is market and cost competitive, and that allows us to continue to recruit and retain the highest caliber nursing staff to care for our patients. This past Tuesday, the nursing union leadership petitioned the Michigan Employment Relations Commission to engage in fact finding, a formal process available to assist the teams in reaching resolutions on the issues. We do welcome this process, and look forward to a successful conclusion of the negotiations.”

I'd like everyone to know that we value and respect our exceptional nurses. They are critical to providing the ideal patient care experience at the University of Michigan Health System.

Division of Student Affairs. Vice President Harper acknowledged the “terrific work” done by all concerned to make the nighttime game against Notre Dame “safe and fun.” She also commented on the opening of the newly renovated Couzens Hall, and on efforts being made to improve safety in the wake of a series of as yet unsolved sexual assaults in Ann Arbor. Regent Deitch commended Vice President Harper on her continuing leadership, which he said is largely responsible for providing “the great experience that our students have” at the University.

University of Michigan-Flint. Chancellor Person commented on the successful start to the fall semester. She called attention to the appointment of David Gordon as dean of the School of Health Professions and Services.

University of Michigan-Dearborn. Chancellor Little reported on the positive enrollment numbers and high quality of incoming students on the Dearborn campus, and on recent and upcoming events.

Michigan Student Assembly Report. Mr. DeAndree Watson, president of the Michigan Student Assembly, described MSA’s successful efforts to engage the campus community during Welcome Week. He also reported that more than 8,000 students had attended the MSA-sponsored tailgate held prior to the Notre Dame game, and commented about recent MSA initiatives in the area of environmental sustainability.

Voluntary Support. Vice President May submitted the reports of voluntary support for June, July, and August, 2011.

Personnel Actions/Personnel Reports. Provost Hanlon submitted a number of personnel actions and personnel reports. He highlighted the recommended reappointment of Susan R. Collins as dean of the Gerald R. Ford School of Public Policy.

Retirement Memoirs. Vice President Churchill submitted memoirs for 10 retiring faculty members.

Memorials. Vice President Churchill submitted two memorials for active faculty members.

Degrees. There were no actions with respect to degrees this month.

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

University of Michigan Financial Statements for the Year Ended June 30, 2011

Executive Vice President Slottow distributed the University's consolidated financial statements for fiscal year 2011, as well as separate audited financial statements for the Hospitals and Health Centers, Intercollegiate Athletics, and the Veritas Insurance Corporation.

FY2011-2012 All Campus Budget Book

The regents received the All Campus Budget Book for fiscal year 2011-2012.

Report of University Internal Audits, May and June 2011

The regents received the report of the Office of University Audits activities for the period May and June 2011.

Alternative Asset Commitments

Executive Vice President Slottow informed the regents of the following follow-on investments in new funds sponsored by previously approved partnerships: \$40 million to Berkshire Fund VIII, L.P.; €20 million to EQT VI, L.P., and \$25 million to Sentient Global Resources Fund IV, L.P.

Naming of the Golf Practice Facility in Honor of the Weisfeld Family

On a motion by Regent White, seconded by Regent Ilitch, the regents unanimously approved formally designating the Golf Practice Facility as the Weisfeld Family Golf Center.

George Granger Brown Memorial Laboratories Renovation

Executive Vice President Slottow noted that this project is part of the fiscal year 2011 capital outlay request to the State of Michigan, and that once construction is authorized by the state legislature, the state will fund approximately \$30 million and the University will fund the balance. On a motion by Regent Richner, seconded by Regent Darlow, the regents unanimously approved the George Granger Brown Memorial Laboratories Renovation Project as described, and authorized commissioning Integrated Design Solutions LLC for its design.

Crisler Arena Expansion

Executive Vice President Slottow commented that the first phase of the project—major renovation of the mechanical systems and replacing the seating—is in progress. The second phase, involving enhanced fan amenities, will be completed in the winter of 2014. On a motion by Regent Ilitch, seconded by Regent White, the regents unanimously approved issuing the Crisler Arena Expansion Project for bids and awarding construction contracts providing that bids are within the approved budget.

University of Michigan-Dearborn Science Building and Computer Information Science Building Renovation

On a motion by Regent White, seconded by Regent Richner, the regents unanimously approved the University of Michigan-Dearborn Science Building and Computer Information Science Building Renovation Project as described and authorized commissioning SHW Group for its design.

University of Michigan-Flint William R. Murchie Science Building Renovation

On a motion by Regent Richner, seconded by Regent Ilitch, the regents unanimously approved the University of Michigan-Flint William R. Murchie Science Building Renovation Project as described, and authorized commissioning SmithGroup for its design.

716 Oakland Avenue, Ann Arbor, Michigan

On a motion by Regent Richner, seconded by Regent Ilitch, the regents unanimously approved acquiring the property at 716 Oakland Avenue, Ann Arbor, Michigan, at the negotiated price of \$730,000, subject to the University satisfying itself with the environmental condition of the site and otherwise completing due diligence. Investment proceeds will be used to complete the purchase.

University of Michigan Hospitals and Health Centers River Place Offices Leasehold Improvements for Ophthalmology

On a motion by Regent White, seconded by Regent Richner, the regents unanimously approved the University of Michigan Hospitals and Health Centers River Place Offices Leasehold Improvements for Ophthalmology project as described.

University of Michigan Hospitals and Health Centers Med Inn Electrical Substation and Riser Upgrades

On a motion by Regent White, seconded by Regent Ilitch, the regents unanimously approved the University of Michigan Hospitals and Health Centers Med Inn Electrical Substation Riser Upgrades Project as described, authorized commissioning the architectural firm of Berbiglia Associates Inc. for its design, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Conflict of Interest Items

President Coleman announced that the agenda includes 14 conflict of interest items. Each of these items requires 6 votes for approval. On a motion by Regent White, seconded by Regent Richner, the regents unanimously approved the following 14 items:

Authorization for an Agreement with Cornell Farms, LLC

The regents approved an agreement with Cornell Farms, LLC for housing and caring for sheep used in research projects. Because Marie S. Cornell, a University of Michigan employee, is also an owner of Cornell Farms, 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 Departments of Orthopaedic Surgery and Biomedical Engineering, and Cornell Farms, LLC.
2. The agreement is for housing and caring for sheep for a three-year period not to exceed a total cost of \$63,752.
3. The pecuniary interest arises from the fact that Marie S. Cornell, a University of Michigan employee, is an owner of Cornell Farms, LLC.

Authorization for the University to Transact with Civionics, Inc.

The regents approved purchase by the Department of Civil and Environmental Engineering from Civionics, Inc. of twelve (12) Narada USB base station sensors. Because Jerome P. Lynch, a University of Michigan employee, is also owner of Civionics, Inc., this transaction falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties involved in the agreement are the Regents of the University of Michigan and its Department of Civil and Environmental Engineering and Civionics, Inc.
2. The agreement is for the purchase of twelve (12) Narada USB base station sensors at a total cost of \$2,410.95.
3. The pecuniary interest arises from the fact that Jerome P. Lynch, a University of Michigan employee, is owner of Civionics.

Agreement with NeuroNexus Technologies, Inc.

The regents approved purchase by the Department of Psychology of electrodes from NeuroNexus Technologies, Inc., and entering into a 3-year product purchase agreement to purchase neurophysiological recording devices. Because Daryl Kipke, a University of Michigan employee, is also owner and director of NeuroNexus Technologies, Inc., 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 contract are the Regents of the University of Michigan and NeuroNexus Technologies, Inc.
2. The agreement is to purchase electrodes totaling \$4,290 and to enter into a 3-year product purchase agreement beginning September 16, 2011. The contract value of \$25,000 per year is not to exceed \$75,000.
3. The pecuniary interest arises from the fact that Daryl Kipke, a University of Michigan employee, is owner and director of NeuroNexus Technologies, Inc.

Research Agreement between the University of Michigan and Inmatech, Inc.

The regents approved an agreement with Inmatech, Inc. (“Company”) that will allow the Company to fund research in the University under the direction of Levi Thompson, with Saemin Choi serving as principal investigator for the work to be conducted at Inmatech. Because Levi Thompson, Paul Rasmussen, and Saemin Choi, University of Michigan employees, are also co-founders and officers 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 Inmatech, Inc.
2. The terms of the agreement conform to University policy. The agreement provides funding for a project to be directed by Dr. Thompson over an initial six-month period at an estimated cost of \$42,450 as a subcontract under the NSF SBIR program. Since research projects are often amended, this agreement includes provisions for changes in time, amount, and scope of the project. University procedures for approval of these changes will be followed and additional conflict of interest review will be conducted as appropriate.

3. The pecuniary interest arises from the fact that Levi Thompson, Saemin Choi, and Paul Rasmussen, University of Michigan employees, are also co-founders and owners of Inmatech, Inc.

Research Agreement between the University of Michigan and Vortex Hydro Energy, LLC

The regents approved a research agreement with Vortex Hydro Energy, LLC (“Vortex”) that will allow Vortex to fund a project in the College of Engineering under the direction of Professor Robert Beck, with Professor Michael Bernitsas serving as a co-investigator on the University subcontract. Because Professor Bernitsas, a University of Michigan employee, is also an owner of Vortex, 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 research amendment agreement are the Regents of the University of Michigan and Vortex Hydro Energy, LLC.
2. The terms of the agreement will conform to University policy. The period of performance for the project is approximately 12 months. The amount of funding support will not exceed \$112,000.
3. The pecuniary interest arises from the fact that Michael Bernitsas, a University of Michigan employee, is also an owner of Vortex Hydro Energy, LLC.

Research Agreement between the University of Michigan and Rolith, Inc.

The regents approved a research agreement with Rolith, Inc. (“Company”), which will allow the Company to fund a project in the College of Engineering under the direction of Professor L. Jay Guo. Because Professor Guo, a University of Michigan employee, is also a 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 Rolith, Inc.
2. The terms of the agreement conform to University policy. The initial period of performance for the project is one (1) year. The amount of funding support is anticipated to be \$47,606. Since research projects are often amended, this agreement includes provisions for changes in time, amount, and scope of the supported projects. 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 L. Jay Guo is a partial owner of the company.

Option Agreement between the University of Michigan and NeuroNexus Technologies, Inc.

The regents approved an option agreement with NeuroNexus Technologies, Inc. (“Company”) which will allow the Company to obtain an option on the following technology: UM File No. 4720, “Microthread Arrays.” Because Daryl Kipke, a University of Michigan employee, is also partial owner, president, CEO and member of the board of directors 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 NeuroNexus Technologies, Inc.
2. Agreement terms include granting the Company an option to obtain an exclusive license. The Company will reimburse 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 interests of Dr. Kipke arise from his ownership interest in NeuroNexus.

Option Agreement between the University of Michigan and Lean Therapeutics

The regents approved an option agreement with Lean Therapeutics (“Company”) which will allow the Company to obtain an option from the University to the University’s rights associated with the following technology: UM File No. 4237, “Systems for Gastric Volume Reduction to Facilitate Weight Loss.” Because Hakan Oral and Elif Oral, 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. Parties to the agreement are the Regents of the University of Michigan and Lean Therapeutics.

2. Agreement terms include granting the Company an option to negotiate an exclusive license with the right to grant sublicenses. 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 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 interests of Drs. Hakan Oral and Elif Oral arise from their ownership interest in Lean Therapeutics.

Materials Transfer Agreement between the University of Michigan and Electric Field Solutions Inc.

The regents approved a materials transfer agreement with Electric Field Solutions Inc. (the “Company”) to allow the Company to obtain several prototype product electric field sensors that were developed in the laboratory at the University of Michigan. Because Nilton Renno and Steven Rogacki, 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 Electric Field Solutions Inc.
2. Agreement terms include approving the transfer of prototype products to Electric Field Solutions Inc. The Company will pay a royalty on sales of these products. 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 interests of Dr. Renno and Mr. Rogacki arise from their ownership interest in Electric Field Solutions Inc.

License Agreement between the University of Michigan and Diapin Therapeutics, LLC

The regents approved a license agreement with Diapin Therapeutics, LLC (the “Company”) to license from the University of Michigan the University’s rights associated with the following technology: UM OTT File No. 4781, “A Novel Tripeptide (Diapin) to Treat

Diabetes and Associated Complications.” Because Yuqing (Eugene) Chen, a University of Michigan employee, is also a 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. The parties to the agreement are the Regents of the University of Michigan and Diapin Therapeutics, LLC.
2. Agreement terms include granting the Company a non-exclusive license with the right to grant sublicenses. The Company will pay a royalty on sales and reimburse patent costs. 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 interests of Dr. Yuqing (Eugene) Chen arise from his ownership interest in Diapin Therapeutics, LLC.

Research Agreement between the University of Michigan and Civionics, LLC

The regents approved a research agreement with Civionics, LLC (the “Company”) to allow the Company to subcontract a portion of the work of a NSF SBIR Phase I project to the University under the direction of Professor Jerome Lynch, a University of Michigan employee. Because Professor Lynch is also a 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. The parties to the agreement are the Regents of the University of Michigan and Civionics, LLC.
2. The terms of the agreement will conform to University policy. The period of performance for the project is approximately one (1) year. The amount of funding support is anticipated to be \$13,136. The agreement includes a provision for extensions of the time period and scope of work. 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 Jerome Lynch arise from his status as partial owner of Civionics, LLC.

Master Research Agreement between the University of Michigan and Arbor Research Collaborative for Health

The regents approved a master research agreement with Arbor Research Collaborative for Health (“ARBOR”) which will allow the University to support research projects and use facilities of the University for projects that will be described from time to time related to its mission. The roles of the University employees in each project will be described in a project statement and approved conflict of interest management plans. Because Dr. Robert Merion and Dr. Robert Wolfe, University of Michigan employees, are also president and member of the board of directors of ARBOR (Merion) and vice president of biostatistics at ARBOR (Wolfe), 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 Arbor Research Collaborative for Health.
2. The University will enter a Master Agreement with the Company that will cover standard procedures for performance of projects as well as provisions implementing University and federal policies related to intellectual property and publication. The Master Agreement will cover an initial five-year period with a total authorization not to exceed \$15,000,000. The University will use standard sponsored project accounting procedures to determine the cost of each project. Budgets will be reviewed and approved by authorized representatives of each department and school/college where projects are to be performed. The Master Agreement will allow the University and the Company to specify projects that the University will conduct under terms of the master agreement. Since sponsored projects are often amended, the Master Agreement includes provisions for changes in time, amount, and scope of each supported project. University procedures for approval of each project will be followed and additional conflict of interest review will be done as appropriate on a project-by-project basis.
3. Dr. Merion and Dr. Wolfe have no pecuniary interest in this master agreement.

Research Agreement between the University of Michigan and Absolute Nano, Inc.

The regents approved a research agreement with Absolute Nano, Inc. (“Company”) to allow the Company to subcontract a portion of the work of a STTR Phase I project to the University under the direction of Professor Anastasios John Hart, a University of Michigan employee. Because Professor Hart is also a 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:

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1. The parties to the agreement are the Regents of the University of Michigan and Absolute Nano, Inc.
2. The terms of the agreement will conform to University policy. The period of performance for the project is approximately one (1) year. The amount of funding support is anticipated to be \$40,000. Since research projects are often amended, the agreement includes a provision for changes in time, amount, and scope of supported projects. 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 Hart arise from his status as partial owner of Absolute Nano, Inc.

Amendment to Master Agreement between the University of Michigan and Michigan Critical Care Consultants, Inc.

The regents approved an amendment to a master agreement with Michigan Critical Care Consultants, Inc. (“Company”) to enable the University to participate in additional research efforts beyond the funding level approved in November 2007. Because Dr. Bartlett, a University of Michigan employee, is also part-owner and member of the scientific advisory board 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 master agreement are the Regents of the University of Michigan and Michigan Critical Care Consultants, Inc.
2. The University will amend the agreement with the Company that covers standard procedures for performance of projects as well as provisions implementing University and federal policies related to intellectual property and publication. The amendment will increase the total authorization over the initial five-year period not to exceed \$2,000,000. The University will use standard sponsored project accounting procedures to determine the cost of each project. Budgets will be reviewed and approved by authorized representatives of each department and school/college where projects are to be performed. The amendment will allow the University and the Company to continue to specify projects that the University will conduct under the terms of the Master Agreement. Since research projects are often amended, the Master Agreement includes provisions for changes in time, amount, and scope of each supported project. University procedures for approval of each project will be followed and additional conflict of interest review will be done as appropriate.

3. The pecuniary interests of Dr. Bartlett arise from his status as part-owner and member of the scientific advisory board of the Company.

Establishment of the Department of Computational Medicine and Bioinformatics

On a motion by Regent White, seconded by Regent Ilitch, the regents unanimously approved establishment of the Department of Computational Medicine and Bioinformatics within the Medical School, effective January 2, 2012.

Establishment of the Department of Cardiac Surgery

On a motion by Regent Ilitch, seconded by Regent White, the regents unanimously approved establishment of the Department of Cardiac Surgery within the Medical School, effective January 2, 2012.

Public Comments on Non-Agenda-Related Topics

The regents heard comments from the following individuals, on the topics indicated: Jane MacFarlane, citizen, on service dogs; Joan Knoertzer, alumna, on the William L. Clements Library renovations/expansion; Britt Satchwell, citizen, Keri Bokor, staff, and Julia Morrissey, staff, on nursing care at the University of Michigan Health System; and Linda Martinson, alumna, on the trespass warning policy.

Adjournment

There being no further business, the meeting was adjourned at 5:15 p.m. The next meeting will take place October 13, 2011.