

MARCH MEETING, 2013

*The University of Michigan
Ann Arbor
March 21, 2013*

The regents convened at 3:12 p.m. in the Anderson Room, Michigan Union. Present were President Coleman and Regents Bernstein, Darlow, Ilitch, Newman, Richner and White. Regents Deitch and Diggs were absent. Also present were Vice President and Secretary Churchill, Vice President Forrest, Provost Hanlon, Vice President Harper, Chancellor Little, Vice President Lynch, Vice President May, Chancellor Person, Executive Vice President Pescovitz, Vice President Rudgers, Executive Vice President Slottow and Vice President Wilbanks.

Call to Order and President's Opening Remarks

President Coleman announced that the University had received a \$50 million gift for the graduate program in creative writing from alumna Helen Zell, the largest gift ever to the College of Literature, Science, and the Arts. She expressed her deep gratitude to Helen and the Zell Family Foundation for their support.

Dick Costolo, the CEO of Twitter will be the speaker for the spring commencement program. He is one of seven individuals recommend for honorary degrees on the agenda.

She noted the many student-athletes are currently competing in various sports for NCAA championships including men's basketball, women's basketball, women's swimming and diving, and wrestling.

President Coleman continued, saying that this is an exciting day for the Health System and for the entire University. She recognized the ongoing generosity of the late Jean and Samuel Frankel, and welcomed their son, Stanley, as well as family friend Arthur Weiss.

Sam and Jean Frankel were Michigan students whose name is well known on campus because of their philanthropy. In particular, the Jean and Samuel Frankel Center for Judaic Studies and the Frankel Institute of Advanced Judaic Studies, are leading programs of their kind in the United States.

Today they are publicly recognized, for the first time, for their exceptional gift to the Cardiovascular Center (CVC), and the Regents are asked to recognize their generosity by naming the CVC the Samuel and Jean Frankel Cardiovascular Center.

Ora Pescovitz, executive vice president for medical affairs, welcomed the leadership team from the CVC. The Frankel's first gift, in 2007, given anonymously, guaranteed a new way of approaching the diagnosis and treatment of patients with cardiovascular disease. This second gift, also for \$25 million, makes the CVC the national leader in cardiovascular care. She thanked the Frankel family for their investment in the future of healthcare, and for partnering to redefine excellence through innovation. She also thanked the development team, led by Vice President for Development Jerry May, for their contribution to this partnership.

Vice President May thanked Stanley, his family, and Arthur Weiss, for continuing their great legacy of supporting Jewish education, philanthropy, and health care.

Regent Newman expressed thanks on behalf of all of the Regents, and said she was pleased that Stanley was present so that he could be thanked personally. She added, "through your generosity here you show the real *Michigan Difference*, and we are so grateful."

Regent Ilitch echoed Newman's comments, and said "Thank you. This is a wonderful way to start a meeting. My cup runneth over. If there were a Stanley Cup of philanthropy, I would present it to you."

Regent Bernstein said he was pleased to make his first comments at a public Regents' meeting about the Frankel family. He continued, "since I was 19 or 20 I used to schlep to Troy to have breakfast, as president of the Hillel, and Stanley was the president of the Board of Trustees. I knew about his philanthropic leadership and his intelligence, and passion for the university. So it's a great honor to be here to observe this and celebrate it."

Stanley Frankel said that he learned from his parents to "say little and do much. We are just the facilitators. The doers are the faculty and staff and the leadership of the CVC and that's what is important. We look forward to continuing."

On a motion by Regent Newman, seconded by Regent White, the Regents unanimously approved the naming of the University of Michigan Samuel and Jean Frankel Cardiovascular Center.

Next, Provost Phil Hanlon and Vice Provost Martha Pollack gave a presentation on affordability and the value of a Michigan education.

Presentation: "Affordability and Value of UM Education"

Vice Provost Pollack said that value and affordability are at the forefront of discussions about a university education. Currently, the University of Michigan has 99 graduate programs in the top 10 nationally, is ranked #12 in world reputation, and has the number one public research portfolio. The challenges are significant: the average annual increase in tuition revenue during the past decade has been 5.09%, due to a reduction in state appropriations, the University's investment in financial aid, and cost increases. In one decade the state of Michigan has dropped from 14th to 39th in terms of appropriation per student. The University has responded with an emphasis on financial aid, covering 100% of demonstrated need for in-state students. At the

same time, efforts to control costs, increase philanthropic priorities and explore alternative revenue sources continue.

Regent Newman commented, "A lot of responsibility is placed on the state. When I came on the board the budget was close to \$2 billion, and today it's \$6 billion. Decisions to grow the university and to grow the budget, add programs and build buildings are our decisions. We have made them irrespective of what the state appropriation is. If we want to take into account each year not to do something because of state appropriations, or declining appropriation, we need to manage that. I'm not suggesting that the state couldn't do more, but we also make decisions and have some responsibility for that too."

Committee Reports

Finance, Audit and Investment Committee. Regent Richner, member of the Finance, Audit and Investment Committee, said that he and Regent Bernstein met with Executive Vice President Slottow. The committee first heard a presentation regarding emergency notification/emergency preparedness and enterprise risk from Hank Baier, associate vice president for facilities and operations, Joe Piersante, interim executive director of University Public Safety and Security, and Terry Alexander, executive director, Office of Campus Sustainability. Next, they heard about the external audit for FY2012 A-133 Audit required for federal grants. They also discussed prior year's Comments and Observations and plans for the FY13 audit with outside auditors PricewaterhouseCooper (PWC). Included in these discussions were Rowan Miranda, associate vice president for finance and treasurer, Jeff Moelich, executive director of university audits, Cheryl Soper, the university controller and director of financial operations, and the PWC audit team.

Health Affairs Committee. Regent Darlow, chair of the Health Affairs Committee, reported that she and committee member Regent Deitch received an update on the Health System finances from Executive Vice President Pescovitz, Dean Woolliscroft, Health System CFO Paul Castillo, and for a portion of the meeting, President Coleman, and Tim Lynch, vice president and general counsel. John Ayanian the inaugural director of the Institute of Health Care Policy and Innovation gave a presentation, including a review of their mission and goals. The committee received their quarterly update from Internal Auditor Jeff Moelich, a quarterly update from Skip Campbell, UMHS chief medical officer, on quality and safety metrics, and held a session on Health System finances and strategic planning with Tom Campbell, director, UMH Health System Planning.

Personnel, Compensation and Governance Committee. Regent Ilitch, chair of the Personnel, Compensation and Governance Committee, met with committee member Regent Newman along with President Coleman, Provost Hanlon and Vice Provost Martha Pollack. They received an update from the provost on current dean searches, and then met with Chancellors Little and Person for an update on their respective campuses. The committee received a report on institutional quality at the Ross School of Business by Dean Davis-Blake, and a report from the Committee on the Economic Status of Faculty (CESF).

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of February 21, 2013.

Reports. Executive Vice President Slottow submitted the Investment Report, the Plant Extension Report, and the University Human Resources Report. He reported that there are tentative agreements currently pending ratification.

Litigation Report. Vice President Lynch submitted the Litigation Report.

Research Report. Vice President Forrest submitted the Report of Projects Established, July 1 – February 28, 2013.

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-Flint. Chancellor Person noted the appointment of Scott Johnson, dean, School of Management.

University of Michigan-Dearborn. Chancellor Little reported on his attendance at the Congressional breakfast, and on the recent Campus Cultural Expo in which over 900 students participated.

Central Student Government Report. Manish Parikh gave a summary of recent projects and activities of the Central Student Government.

Regent Ilitch asked if students were supportive of paying fees to support renovations for recreational facilities? Mr. Parikh said that students agreed these were important undertakings. He feels confident that students would be comfortable with a fee.

Regent Newman urged Mr. Parikh to talk with students more specifically about a fee, and then gauge their support. He replied that he would be happy to commit to doing that.

Voluntary Support. Vice President May thanked the Regents for the great respect paid to the Frankel family. He submitted the report of voluntary support for February 28, 2013.

President Coleman then asked Provost Hanlon to comment on a recent report regarding undocumented students. Provost Hanlon said that he commissioned a task force to review the complexities and challenges of undocumented students. Members of the task force met with

several executive officers this past week. The task force members included chair, Lester Monts, vice provost for academic affairs, Associate General Counsel Donica Varner, and student Kevin Mersol-Barg. He commented on the thoughtfulness and thoroughness of this review. Their work reflects the legal and financial complexity of the situation for Michigan and across the country. Provost Hanlon has asked several leaders to assess the report and bring recommendations to the board for review.

Regent Darlow asked about the time frame for bringing the recommendations to the Regents. Regent Bernstein asked that the recommendations be made with a significant sense of urgency.

Personnel Actions/Personnel Reports.

Provost Hanlon commented on the appointment of Laurie McCauly, dean, School of Dentistry; Dr. Al Franzblau, vice provost for academic and budgetary affairs; James P. Holloway, vice provost for global and engaged education; and Thomas Fineholt, acting dean, School of Information.

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

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

Degrees. President Coleman submitted the recommendations for recipients of honorary degrees: William Brehm, Doctor of Laws; Richard (Dick) Costolo, Doctor of Laws; Suzanne Farrell, Doctor of Fine Arts; Rosabeth Kanter, Doctor of Humane Letters; Dale Kildee, Doctor of Laws; David McCullough, Doctor of Humane Letters; and Jeffrey Sachs, Doctor of Science. These individuals will receive their degrees at the Spring 2013 Commencement.

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

Winter Classic 2014

In February 2012, the regents approved use of the Michigan Stadium for the NHL Winter Classic, which was scheduled to take place on January 1, 2013. Because of the NHL lockout, this event did not occur. The Winter Classic has now been rescheduled, and will take place on January 1, 2014, with an alternate date of January 2, 2014.

On a motion by Regent Richner, seconded by Regent White, the regents unanimously reaffirmed the prior approval of the Winter Classic set for January 2, 2014, with January 2, 2014 as an alternate date.

Alternative Asset Commitment

Executive Vice President Slottow reported on the University's follow-on investments with the previously approved investment managers: \$25 million with Morgan Stanley Private Equity Asia IV, L.P.; \$30 million with GSO Capital Solutions Fund II, L.P.; and C\$20 million with JOG Limited Partnership No. VI.

Alternative Asset Commitments

On a motion by Regent Newman, seconded by Regent Ilitch, the Regents approved a commitment of \$10 million to Canyon Midstream Partners LLC, and a commitment of C\$5 million to Modern Resources, Inc.

Absolute Return

On a motion by Regent Bernstein, seconded by Regent Richner, the regents unanimously approved a commitment of \$25 million from the University's investment pool for working

capital to BioPharma Secured Investments III, S.à.r.l, and a commitment of \$30 million from the Long Term Portfolio to the Athyrium Opportunities Fund LP.

South Quadrangle Renovation

On a motion by Regent Richner, seconded by Regent Darlow, the regents unanimously authorized issuing the South Quadrangle Renovation project for bids and awarding construction contracts providing that bids are within the approved budget.

Softball Center New Facility

Scott Vyn, director of design, Integrated Architecture, presented a schematic design for approval of the new facility, which includes a revised budget. He reviewed the site plan, which calls for the demolition of the existing building and constructing a new facility using nearly the same footprint.

On a motion by Regent Richner, seconded by Regent White, the regents unanimously approved the schematic design and revised project budget for the Softball Center New Facility project as presented, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the budget.

A. Alfred Taubman Health Sciences Library Renovation

Design Principal, Todd Drake, of Ballinger, whose architects and engineers are working together with TMP Associates, presented a schematic design for the renovation of approximately 137,000 square feet of space.

On a motion by Regent White, seconded by Regent Ilitch, the regents unanimously approved the schematic design for the A. Alfred Taubman Health Sciences Library Renovation project as presented.

University of Michigan Hospitals and Health Centers Domino's Farms Leasehold Improvements for Wound Care Program Expansion

On a motion by Regent Newman, seconded by Regent Richner, the regents unanimously approved the University of Michigan Hospitals and Health Centers Domino's Farms Leasehold Improvements for Wound Care Program Expansion project as described.

University of Michigan Hospitals and Health Centers 2205 Commonwealth Boulevard, Ann Arbor, Michigan, Leasehold Improvements for Pediatric Speech Language Pathology, Physical Therapy, and Occupational Therapy

On a motion by Regent Richner, seconded by Regent Darlow, the regents unanimously approved the University of Michigan Hospitals and Health Centers 2205 Commonwealth Boulevard, Ann Arbor, Michigan, Leasehold Improvements for Pediatric Speech Language Pathology, Physical Therapy and Occupational Therapy project as described.

Earl V. Moore Building Roof Replacement

On a motion by Regent Darlow, seconded by Regent Newman, the regents unanimously approved the Earl V. Moore Building Roof Replacement project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

North Campus Research Complex Building 10 Air Handling Unit Replacement

On a motion by Regent Richner, seconded by Regent White, the regents unanimously approved the North Campus Research Complex Building 10 Air Handling Unit 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 Hospitals and Health Centers, University Hospital Communication Closet Upgrades

On a motion by Regent White, seconded by Regent Bernstein, the regents unanimously approved the University of Michigan Hospitals and Health Centers University Hospital Communication Closet Upgrades project as described, authorized commissioning the engineering firm of MA Engineering 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 said the agenda includes 10 conflict of interest items, each of which requires six votes for approval, and which would be approved via a single motion.

On a motion by Regent White, seconded by Regent Bernstein, the regents unanimously approved the following 10 items:

Authorization for the University of Michigan to Enter into Lease Amendment Agreement with Milcom Inc.

The regents approved a lease agreement for 2,523 square feet of property located at 320 West Commerce Road, Milford, Michigan, to be leased from Milcom Inc. (the "Company".) The space will be utilized for ophthalmology services patient care.

Because Robert C. Arends, University of Michigan employee, is also 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 Milcom Inc.
2. The service to be provided is the lease of 2,523 square feet in a building at 320 West Commerce Road, Milford, Michigan, for two years beginning February 1, 2013 through January 31, 2015, at a monthly rate of \$4,929.00. Tenant will be responsible for gas and electric usage plus janitorial service.

3. The pecuniary interest arises from the fact that Robert C. Arends, A University of Michigan employee, is the owner of Milcom Inc.

Authorization for the University of Michigan to Transact with Astronautical Development, LLC

The regents unanimously approved a Product Purchase Agreement with Astronautical Development, LLC (the "Company") for Li-1 transceiver radios and related custom products for use in the University satellite projects.

Because James Cutler, University of Michigan employee, is a partner with 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 Aerospace Engineering Department and Astronautical Development, LLC.
2. The agreement is for Li-1 transceiver radios and related custom products not to exceed a total cost of \$50,000. The term of the agreement is from March, 2013 through August, 2014.
3. The pecuniary interest arises from the fact that University of Michigan employee James Cutler is a Partner with Astronautical Development, LLC.

Authorization for the University to transact with Civionics, LLC

The regents unanimously approved a contract with Civionics, LLC (the "Company") to purchase twelve custom +/- 6g tri-axial accelerometer modules to be used in a research project with MDOT.

Because Jerome P. Lynch, University of Michigan employee, is also 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 Civil and Environmental Engineering Department and Civionics, LLC.
2. The agreement is for twelve custom +/-6g tri-axial accelerometer modules at a total cost of \$1,911.48.

3. The pecuniary interest arises from the fact that University of Michigan employee Jerome P. Lynch, is the owner of Civionics.

License Agreement between the University of Michigan and Atterocor, Inc.

The Regents unanimously approved an agreement with Atterocor, Inc. (the “Company”) to obtain an exclusive license to the University’s rights associated with the following technology: UM OTT File No. 5104, entitled: “Methods and Compositions for the Treatment of Adrenal Disorders.”

Because Drs. Gary Hammer and Thomas Kerppola, University of Michigan employees, are 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 Atterocor, Inc.
2. Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company will pay a royalty on sales, milestone payments, and reimburse patent costs. The University will retain ownership of the 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.

Pursuant to the Michigan Investment in New Technology Startups program (“MINTS”) approved by the Regents on December 15, 2011, the University may invest up to \$1,000,000 per qualifying financing round up to, for purposes of this approval, a total of \$2.5 million in this Company.
3. The pecuniary interests of Drs. Hammer and Kerppola arise from their ownership interest in Atterocor, Inc.

Authorization to enter into a Master Agreement between the University of Michigan and Diapin Therapeutics, LLC

The Regents unanimously approved an agreement with Diapin Therapeutics, LLC (the “Company”) to use facilities of the University for projects related to research and development of previously licensed relevant technologies.

Because Professors Yuqing (Eugene) Chen, 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 Diapin Therapeutics, LLC.
2. The Master Agreement with the Company 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 \$1,000,000. The University will use standard sponsored project accounting procedures to determine the cost of each project under this Master Agreement. 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 the 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 review by the Medical School Conflict of Interest Board will be done on a project-by-project basis.
3. The pecuniary interests of Dr. Chen arises from his ownership interest in Diapin Therapeutics, LLC.

Research Agreement between the University of Michigan and Imago BioSciences, Inc.

The Regents unanimously approved an agreement with Imago BioSciences, Inc. (the "Company") to support a research project directed by Dr. James Engel in the University's Department of Developmental Biology entitled "Testing derivatives of tranlycypromine that inactivate LSD1 at lower concentrations with fewer side effects" (ORSP# 13-PAF02650). UM personnel will provide technical and material support for the evaluation.

Because Professor Engel, University of Michigan employee, is also shareholder 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 Imago BioSciences, Inc.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately one (1) year. The amount of funding support will not exceed \$22,147.
3. The pecuniary interests of Dr. Engel arises from his ownership interest in Imago BioSciences, Inc.

Research Agreement between the University of Michigan and JV Biolabs, LLC

The Regents unanimously approved an agreement with JV Biolabs, LLC (the “Company”) to support a research project directed by Dr. James Varani in the University’s Department of Pathology entitled “Proposal to evaluate two compounds for activity in cell culture and organ culture” (ORSP# 13-PAF04532). UM personnel will provide technical and material support for the evaluation.

Because Dr. Varani, 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 JV Biolabs, LLC.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately one (1) year. The amount of funding support will not exceed \$72,500.
3. The pecuniary interest of Dr. Varani arises from his ownership interest in JV Biolabs, LLC.

License Agreement between the University of Michigan and OncoFusion

The Regents unanimously approved an agreement with OncoFusion (the “Company”) to obtain a license agreement with the University’s rights associated with the following technologies: UM OTT File No. 4614, entitled: “ERG Binding Peptides as Potential Therapeutics;” UM OTT File No. 4621, entitled: “Potential Inhibitors of Oncogenic Histone Methyltransferases;” UM OTT File No. 5392, entitled: “Small Molecule Inhibitors of Bromodomains;” UM OTT File No. 5433, entitled:

“Small-molecule inhibitors of EZH2-EED interaction;” and UM OTT File No. 5693, entitled: “Small molecule inhibitors of BET Bromodomains.”

Because Professors Chinnaiyan and Wang, 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 OncoFusion.
2. Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company will pay certain milestone payments, royalties on sales and reimburse patent costs. The University will receive equity in the Company, along with the right to purchase more equity. The University will retain ownership of the 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.

Pursuant to the Michigan Investment in New Technology Startups program (“MINTS”) approved by the Regents on December 15, 2011, the University may invest up to \$1,000,000 per qualifying financing round up to, for purposes of this approval, a total of \$2.5 million in this Company.
3. The pecuniary interests of Drs. Chinnaiyan and Wang arise from their ownership interest in OncoFusion.

Research Agreement between the University of Michigan and Optimal Process Technologies, LLC

The Regents unanimously approved an agreement with Optimal Process Technologies, LLC (the “Company”) to support a research project directed by Drs. S. Jack Hu and Tae Hyung Kim, in the University’s College of Engineering, entitled “STTR Phase I: Joining of Dissimilar Materials Using Rivet-Weld Technology” (ORSP# 13-PAF03849). UM personnel will provide technical and material support for the development and demonstration including advanced process control of rivet-weld and evaluation of weld quality.

Because Drs. Hu and Kim, 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 Optimal Process Technologies, LLC.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately one (1) year. The amount of funding support will not exceed \$78,331.
3. The pecuniary interests of Drs. Hu and Kim arises from their ownership interest in Optimal Process Technologies, LLC.

License Agreement between the University of Michigan and ProDevice Medical Supplies and Equipment, LLC

The Regents unanimously approved an agreement with ProDevice Medical Supplies and Equipment, LLC (the "Company") to obtain a license agreement with the University's rights associated with the following technologies: UM File No. 3745, entitled: "Pathology Sample Management System."

Because Professor Albert Shih, 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 ProDevice Medical Supplies and Equipment, LLC.
2. Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company will pay for ongoing patent expenses, perform technical diligence, and provide a business plan that describes the Company's intention and ability to develop and commercialize the licensed technology. Terms of the subsequent license agreement would include a royalty on sales and reimbursement of 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 interest of Dr. Albert Shih arises from his ownership interest in ProDevice Medical Supplies and Equipment, LLC.

Public Comments

Regents heard comments from the following individuals on the topics listed: Louis Mirante, student, on union and recreational sports buildings renovations; Ryan Moody, student, on fossil fuel divestment; Daniel Marcin, student, on fossil fuel stock divestment; David Marvin, student, on fossil fuel stock divestment; Dana Rollison, student, on fossil fuel divestment and renewable energy investment; Chris Takahashi, student, on fossil fuel divestment; Daniel Morales, student, on ending discrimination against undocumented students; Resilda Karafili, student, on tuition equality; Tomas Nunez, citizen, on ending the University's investment in HEI Hotels & Resorts; Sorin Panainte, citizen, United Students Against Sweatshops (USAS), member on reinvestment in HEI Hospitality.

Adjournment

There being no further business, the meeting was adjourned at 5:10 p.m. The next meeting will take place on April 18, 2013.