

The University of Michigan Regents Communication

Request for Action

Subject: Regental Action Required Under the State of Michigan Conflict of Interest Statute

Action Requested: Authorization for the University of Michigan to Enter into a License Agreement with an Innovation Partnerships Startup Incubator Firm Located at the North Campus Research Complex

Background:

The University of Michigan wishes to enter into a license agreement for space in the North Campus Research Complex Innovation Partnerships Startup Incubator located at 1600 Huron Parkway, Ann Arbor, Michigan, with JoinLu International. The space will be utilized for research and business operations.

The proposed license agreement falls under the State of Michigan conflict of interest statute as Yugo Ashida is a University of Michigan employee and party to the license agreement by virtue of their share of the ownership of the licensee company, membership on licensee board of directors, and acting as an officer in the licensee company. However, the statute allows university employees to participate in such license agreements if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the license agreement to the official body which has power to approve the license agreement, which disclosure shall be a matter of record in its official proceedings.
- b) The license agreement is approved by a vote of not less than two-thirds of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the license agreement.
 - ii) The terms of the license agreement, including duration, financial consideration between the parties, facilities or services of the public entity included in the license agreement, and the nature and degree of assignment of employees of the public entity for fulfillment of the license agreement.
 - iii) The nature of any pecuniary interest.

The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the license agreement are the Regents of the University of Michigan and JoinLu International.

- ii) The service to be provided is the license of one half-time office for 2.5 days per week with access to common area space in the North Campus Research Complex Innovation Partnerships Startup Incubator for one year, beginning July 1, 2026, through June 30, 2027, at a monthly rate of \$395.00. A \$250.00 security deposit will be held in escrow. JoinLu International may expand its operations during the term to include additional laboratory and office space at the following monthly rates: full-time 50 square foot cubicle \$440.00, half-time cubicle equal to 2.5 days per week \$220.00, full-time 100 square foot office \$790.00, full-time 240 square foot lab bench in shared lab \$2,590.00, time-shared lab bench in shared lab in increments of 20% time equal to one day per week \$520.00, full-time whole 720 square foot lab with three benches \$6,220.00. The license will use the standard University of Michigan Innovation Partnerships Startup Incubator license agreement template. The term of the license agreement may be renewed for three additional terms of one year. The renewal term rates shall increase approximately 10% in the first two renewal years and approximately 4% in the third renewal year. JoinLu International will be responsible for providing monthly updates concerning its business progress to the University of Michigan's Innovation Partnerships and will have access to Innovation Partnerships personnel for advice concerning obtaining technology assessment, business consulting, technical assistance, capital raising, or other business services.
- iii) The pecuniary interest arises from the fact that Yugo Ashida is a University of Michigan employee and owner and/or officer of JoinLu International.

All have met state law requirements with the disclosure of their pecuniary interest and formal appointment arrangements with the University of Michigan.

We recommend that the Board of Regents approve the license agreement between the University of Michigan and the Innovation Partnership Startup Incubator firm JoinLu International, subject to the requirements, if any, of a conflict management plan required by the respective employees' supervisor, and any requirements imposed by the conflict-of-interest committee of the Office of the Vice President for Research.

Respectfully submitted,



Robert A. Hewlett III
Interim Executive Vice President
and Chief Financial Officer

May 2026