

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

ACTION REQUEST

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	SECON <i>Newman</i>
	APPROVED BY THE REGE
NOTE	<i>JUL 21 2003</i>

Subject: License Agreement between the University of Michigan and Avidimer Therapeutics, Inc.

Action Requested: Approval of License Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement which then triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was developed by the Board and agreed to by the parties involved in this plan.

This proposed license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor James Baker, Jr. is both an employee of the University of Michigan ("University") and a partial owner of, Chief Scientific Officer for and Chairman of the Board of Directors for Avidimer Therapeutics, Inc. ("Avidimer"). The law permits such an Agreement provided it is disclosed to the executive officers and approved in advance by a 2/3 vote of the Regents of the University of Michigan.

Background:

Dr. James Baker, Professor of Internal Medicine, is the principle owner of three Ann Arbor start-up companies. These companies are: Nanobiologics LLC, NanoBio Corporation and Avidimer. Licenses with NanoBio have already been reviewed by the Medical School Conflict of Interest Board.

Avidimer, formerly known as NanoCure Corporation ("NanoCure"), is a wholly owned subsidiary of NanoBiologics LLC. In November 2003, the University entered into a license with NanoCure for the following files:

- UM OTT File No. 0927p2, entitled: "Bioactive and/or Targeted Dendrimer Conjugates" (William Kruper, Jolanta Kuk, Rui Yin, Don Tomalia, Anna Bielinska, and James Baker)
- UM OTT File No. 0927p1, entitled: "Bioactive and/or Targeted Dendrimer Conjugates" (Bielinska, Jolanta Kukowska-Latallo and James Baker)
- UM OTT File No. 1264, entitled: "Hyper Comb-Branched Polymer Conjugates" (Kukowska-Latallo and Baker)
- UM OTT File No. 1712, entitled: "Multifunctional Nanodevice Platform" (Donald Tomalia and Baker)
- UM OTT File No. 1712p1, entitled: "Oligonucleotide Clustered Dendrimer Nanodevice" (Baker)
- UM OTT File No. 1676, entitled: "Application of biocompatible Membrane based Dendrimer DNA Compositions" (Blake Roessler, and Bielinska)

UM OTT File No. 2004, entitled: "New Dendrimer Compositions with Improved Biocompatibility" (Roessler, Baker, Bielinska, Istvan Majoros and Tomalia)
UM OTT File No. 2083, entitled: "Ballistic Transfection of Cells using PAMAM Dendrimers/DNA Compositions" (Bielinska, Roessler and Baker)
UM OTT File No. 2021, entitled: "New Core Xylylenediamine for PAMAM Synthesis." (Majoros)

Avidimer would now like to amend and revise the license to include the following additional files:

UM OTT File No. 2908, entitled: "Multi-functional Engineered Nano-devices" (Majoros, Thommey Thomas and Baker)
UM OTT File No. 2914, entitled: "Process for the Production of Highly Pure Dendrimers" (Goel)
UM OTT File No. 3125, entitled: "Targeted Delivery of Imaging Agents and/or Therapeutics to Prostate Cancer Cells" (Rameshwer Shukla, Bernell Williams and Baker)

With the exception of File Nos. 2021 and 2914, Dr. Baker is an inventor on each of these patent applications. Other University inventors named on these patent applications will share royalties per standard University distribution policy but will have no involvement in Avidimer.

Parties to the Agreement:

The Regents of the University of Michigan and Avidimer

License Terms Include:

License terms include giving Avidimer an exclusive license with the right to grant sublicenses. Avidimer 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 contract may be amended by consent of the parties.

Pecuniary Interest:

The pecuniary interest of Dr. Baker arises from his ownership interest in Avidimer. He has waived any personal participation in the sharing of revenue received by the University.

Net Effect:

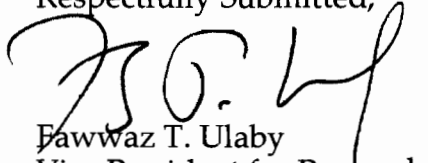
The Office of Technology Transfer has negotiated and finalized the terms of a world-wide exclusive license agreement for patents related to the file numbers listed above in all fields.

Avidimer will obtain use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board and a plan has been developed to manage the potential risks associated with the conflict of interest. In light of this disclosure and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve the License Agreement between the University and Avidimer.

Respectfully Submitted,



Fawwaz T. Ulaby
Vice President for Research

July 2005