

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents
July 17, 2008

ACTION REQUEST

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

Action Requested: Approval of Amendment

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 then developed and approved by this Board and agreed to by the parties involved.

This proposed amendment ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor James R. Baker, Jr. is both an employee of the University of Michigan 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, the Director of the Michigan Nanotechnology Institute for Medicine and Biological Sciences, Professor in the Departments of Internal Medicine and Biomedical Engineering, is the principle owner of three Ann Arbor start-up companies. These companies are: Nanobiologics LLC, NanoBio Corporation and Avidimer Therapeutics, Inc. Licenses with NanoBio and Avidimer have already been reviewed by the Medical School Conflict of Interest Board.

Avidimer (formerly known as NanoCure Corporation) is a wholly owned subsidiary of NanoBiologics LLC, and was formed to commercialize dendritic polymer conjugates for therapeutic and diagnostic uses. In December, 2007, the University entered into a license agreement with Avidimer and now wishes to add the following files to this license:

UM OTT File No. 3955, entitled: "Peptide Targeted Nano Polymer Cancer Therapeutic" (J. Baker, E. Hill, R. Shukla)

UM OTT File No. 4006, entitled: "Multi-Functional Delivery Platforms Produced Via Combinatorial Synthesis" (J. Baker, M. Banaszak Holl, Xue-min Cheng, Istvan Majoros, Baohua Huang, D. McNerny, D. Mullen)

Parties to the Agreement:

The Regents of the University of Michigan and Avidimer Therapeutics, Inc.

Agreement Terms Include:

Agreement terms include granting 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 Agreement may be amended by consent of the parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Dr. Baker arise from his ownership interest in Avidimer.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an amendment to the world-wide exclusive license agreement for patents related to UM OTT File Nos. 3955 and 4006 in the fields of use of dendritic polymer conjugates in therapeutic or diagnostic applications in human and/or veterinary medicine. Field of use specifically excludes in vitro diagnostic uses of dendritic polymer conjugates that are associated with carried materials.

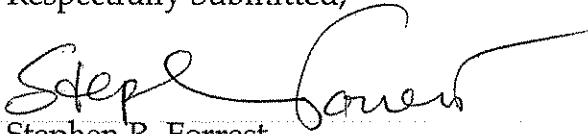
Avidimer will obtain use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. 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 Agreement between the University and Avidimer.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Stephen R. Forrest". The signature is written in black ink and is positioned above the printed name.

Stephen R. Forrest
Vice President for Research

July 2008

