

SEPTEMBER MEETING, 2008

*The University of Michigan
Ann Arbor
September 18, 2008*

The Regents convened at 3:05 p.m. in the Regents' Room. Present were President Coleman and Regents Darlow, Deitch, Maynard, McGowan, Newman, Richner, Taylor, and White. Also present were Vice President and Secretary Churchill, Vice President Forrest, Vice President Harper, Executive Vice President Kelch, Chancellor Little, Vice President May, Chancellor Person, Vice President Scarnecchia, Executive Vice President Slottow, and Provost Sullivan. Vice President Lampe and Vice President Wilbanks were absent.

Call to Order and President's Opening Remarks

President Coleman called the meeting to order. She welcomed Ruth Person, the new chancellor of the University of Michigan-Flint. President Coleman noted that this fall, enrollment on both the Flint and Dearborn campuses had increased significantly, and that the Ann Arbor freshman class had the best academic credentials of any class in recent times. She reviewed highlights of the upcoming academic year, which include a theme semester devoted to the study of energy use, the re-opening of the Museum of Art, and the opening of the new Ross School of Business building.

President Coleman commented on two deaths that had occurred since the Regents last met in July. One was that of David J. Smith, an employee of Schindler Elevator Corporation, who was killed in August at the construction site of the Ross School of Business. The other person who passed away was Peggy Norgren, associate vice president for finance, who had worked closely with many regents and administrators. She noted that "Peggy was an

exceptionally talented, dedicated and kind administrator, and she is missed by so many people at the University.”

Regent McGowan commented that from her perspective as a regent who worked with Peggy quite closely while serving on the Finance, Audit and Investment Committee, “This was one remarkable woman. We all know how talented she was at her day job, but what a lot of people didn’t know about Peggy was her remarkable life. She was a flyer, she was a world backpacker, and the mother of three perfectly wonderful kids. She was, in my view, gutsy, gorgeous, and genuine, and absolutely unforgettable.”

Resolution in Honor of University of Michigan Solar Car Team

President Coleman said that members of the team were in the audience and called them to the front of the room. She announced that the team had taken first place in the North American Solar Challenge in July, and had dominated the competition by finishing 10 hours ahead of the next competitor. She called on Regent White, who read the following resolution:

Regents’ Resolution

The Regents of the University of Michigan congratulate the University of Michigan Solar Car Team for winning the 2008 North American Solar Car Challenge with its car, “Continuum,” on July 22, 2008. This victory marks Michigan’s second consecutive—and fifth overall—national championship, the most of any university team since the race began in 1990.

Continuum won the 2,400 mile race from Dallas, Texas, to Calgary, Alberta, in convincing fashion, finishing about 10 hours before the second place team. This is a testament to the talent and dedication of team members, who came back after competing in the 2007 World Solar Challenge and completely redesigned many of the car’s systems for the North American competition.

In addition to winning the North American Solar Car Challenge (NASCC), the UM team was especially honored to receive the NASCC’s Teamwork Award, recognizing the strong sense of “team” and responsibility, coupled with a healthy and relaxed attitude, that the team displayed throughout the race.

The Regents proudly salute the University of Michigan Solar Car Team for its victory in the 2008 North American Solar Car Challenge. There could be no finer example of the Michigan difference.

A round of applause followed, after which team members introduced themselves and engaged in a discussion with the Regents about the experience of participating in the Solar Car Team.

Emergency Preparedness Update

President Coleman introduced Robert Winfield, the university's chief health officer, who gave an update of the university's emergency preparedness efforts, which are being led by the Department of Occupational Safety and Environmental Health (OSEH). Dr. Winfield stated that the guiding principles of emergency preparedness are to protect life, safety, and university resources, to facilitate recovery in order to resume full functions of the university, and to learn from the experiences of others.

The university takes an all hazards planning approach to determine where to focus resources. The strategic planning effort is led by an all hazards planning team, which in addition to the chief health officer, includes staff from OSEH, DPS, communications, human resources, the provost's office, risk management, student affairs, the health system, and other university units. DPS is in charge of first response for incidents of violence or natural disaster, and OSEH is responsible for incidents involving hazardous materials. Both units cooperate with the cities of Ann Arbor and Ypsilanti, with counties in southeast Michigan, and with state and federal agencies. The University of Michigan Health System Safety and Emergency Management Department is responsible for Health System preparedness, working closely with OSEH. The Dearborn and Flint campuses operate independently but work with OSEH and local officials in emergency planning.

Dr. Winfield described the current status of preparedness at the university, noting that an emergency notification system is in place, a pandemic continuity plan has been developed, and current efforts are focusing on cross-unit emergency response planning and business continuity planning. He said that public communications in the event of an emergency would be centrally controlled by the Office of the Vice President for Communications, and that phone centers, web pages, and templates for various contingencies have all been developed. He then described business continuity planning, noting that these efforts span all campus units, including student affairs, business operations, and the Health System.

Dr. Winfield reported that table top exercises took place in May 2007 (pandemic) and May 2008 (active shooter) involving the president, executive officers, and more than 100 administrators. These are theoretical explorations of specific emergency situations and responses whose purpose is to educate campus leadership, evaluate preparedness, and identify gaps. Functional exercises involving simulations of actual events involving mock casualties and other scenarios have also been organized by the Health System and Department of Public Safety.

The table top exercises have shown that the university leadership and units are prepared to handle mass and focused emergencies. Incident management will always be provided by DPS, operational control in major events will be centralized at the Emergency Operations Center utilizing “NIMS” (National Incident Management System), and policy questions will be responded to centrally at the executive officer level. Much has been learned as a result of the table top exercises, but emergency preparedness requires a long-term commitment with regular exercises to reinforce, evaluate, and improve training.

During the discussion that followed, it was noted that city officials and local police, fire, ambulance and other agencies have been and will continue to be involved in exercises. It was

recognized that more involvement on the school and college level is needed, and current efforts are addressing this need. It was pointed out that there are a number of challenges in providing training for emergency situations to students and other nonprofessionals, but options are being considered as part of the long-term planning and preparedness efforts underway.

Annual Report on Development

Vice President May reported that 2007-2008 was an extraordinary year, during which 120,000 donors contributed \$342 million--a record amount and 14% more than the previous year. Of this amount, \$17.4 million was in the category of expendable student support compared to \$8 million in 1999. The endowment increased by \$112 million in new additions, almost double the amount contributed in 1999. Vice President May commented that the "President's Challenges" were one of the key elements that stimulated giving, especially among alumni. Faculty, staff, and retiree donations increased by several million dollars, for a campaign total of \$146 million, and there was also an increase in the number of trusts. He noted that \$57 million in cash was added to facilities during this fiscal year.

Comments from Mayor John Hieftje

Mayor Hieftje addressed the board about concerns that have been raised by citizens and by the Ann Arbor City Council about the University's plans for the development of the Wall Street corridor. He noted that, while the city has been aware of the University's plans for development of that area for some time, he believes that recent conditions, along with the city's status as a leader in the "green" movement, have made reconsideration of current development plans more of an urgent concern. Recognizing the progress that has been made in the development of two local commuter rail systems, along with concerns about the rising cost of gasoline for automobiles, raise questions in the mind of community leaders and citizens about

the need for two new parking structures in that area. He suggested such alternatives as an underground parking structure or a park-and-ride lot at a more remote location, and he urged university officials to re-examine Wall Street development plans in conjunction with city officials and citizens and move forward in a more cooperative fashion.

If the project does go forward as currently envisioned, Mayor Hieftje urged the University to ensure that the residents of the Wall Street area are insulated as much as possible from the effects of having to live in a construction zone for the next few years.

Public Comments on Agenda-Related Topics

The Regents heard comments from the following individuals on the topic of Wall Street development: Kittie Morelock, citizen and board member of Riverside Park Place Condominiums; Stephanie Munz, student; Raymond Detter, alumnus and chair of Ann Arbor Downtown Area Citizens Advisory Council; Rosemary Sarri, professor emerita and research professor; and Eliana Moya-Raggio, lecturer emerita.

Committee Reports

Finance, Audit and Investment Committee. Regent White, chair of this committee, reported that she and fellow committee members Regents Maynard, McGowan, and Deitch, as well as President Coleman, had attended this meeting. The committee discussed the 2008 external audit results with members of the external audit team from PricewaterhouseCoopers LLP, and with Greg Tewksbury, treasurer and interim associate vice president for finance, Cheryl Soper, University controller and director of financial operations, and Dave Morlock, UMHS chief financial officer. Regent White reported that the University had received a clean, unqualified audit report, and she congratulated the team who had worked with the external auditors on the audit.

The second agenda item concerned Sarbanes Oxley work plan tasks and involved Interim Associate Vice President Tewksbury, Executive Director of University Audits Carol Senneff, Brent Haase, internal controls compliance manager, and members of the Pricewaterhouse-Coopers audit team. She noted that staff is on schedule in completing the tasks set forth in the Sarbanes Oxley work plan, and the committee is pleased with the progress to date.

President's Salary. Regent Richner moved that the president's base salary be increased by 4% for this academic year, to a total of \$553,500, effective August 1, 2008. Regent Newman seconded the motion. He made the following comments:

The Personnel, Compensation and Governance Committee, consisting of Regents Darlow, Newman, Taylor, and myself, reviewed market comparison data, including salaries of presidents of public and private university peers, our athletic conference peers, public universities in Michigan, as well as compensation of faculty, deans, staff, and executive officers. The salary increase we are proposing is consistent with this data and is intended to reflect the full and unqualified support that this board wishes to express for the performance of President Coleman in leading our university.

By any objective measure, the university is doing exceedingly well under the leadership of President Coleman. As we heard earlier from Vice President May, the Michigan Difference campaign is surpassing all expectations in what is one of the most significant public university fundraising successes ever. President Coleman's efforts, along with those of the strong leadership team she has assembled, have resulted in dramatically increased financial aid for our students, new endowed chairs, hiring of new faculty, more graduate fellowships, and new and renovated facilities.

We have seen continued progress with the University of Michigan Health System, including C.S. Mott Children's and Women's Hospital construction and the opening of the Kellogg Eye Center; athletic campus improvements and financial sustainability; renovated residence halls and new dining facilities; continued progress on the North Quad Residential and Academic Complex, North Campus enhancements; and the opening of residential housing in Flint and Dearborn.

This year, University of Michigan research expenditures amounted to a record \$825 million. Economic development activities included the formation of the Michigan Innovation and Entrepreneurship Initiative and opening of the Business Engagement Center, which have helped recruit companies to Michigan, as well as further development of the University Research Corridor.

President Coleman has shown excellent stewardship of our financial resources that have put the University in a strong financial position in the face of challenging economic times. We have experienced exceptional investment returns on our endowment and another AAA bond rating. Cost-cutting efficiencies, energy conservation measures, and significant efforts to contain rising health care costs have helped in relieving some of the burdens placed on our students.

We recognize the academic and intellectual leadership President Coleman has shown, including successes in recruitment of the highest achieving faculty and students and efforts to enhance diversity and expanding the University's financial focus.

In short, it's been a terrific year, and a job well done.

President Coleman thanked the board for their confidence in her leadership. The vote was then taken, and the motion to increase the president's salary to \$535,500 was approved unanimously.

Personnel, Compensation and Governance Committee. Regent Richner, chair of this committee, reported that the committee had received a report from Provost Sullivan on compensation of tenure track faculty for 2007-2008. Provost Sullivan also gave her regular report on dean and senior leadership issues, and reported on quality assessment issues. Dean Terry McDonald attended the meeting to present an overview of the natural science division in the College of Literature, Science, and the Arts.

President Coleman then turned to the consent agenda.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of July 17, 2008.

Reports. Executive Vice President Slottow submitted the Investment Report, the Plant Extension Report, and the University Human Resources Report. He noted that agreements had been reached with the skilled trades and nurses bargaining units.

Litigation Report. Vice President Scarnecchia submitted the Litigation Report.

Research Report. Vice President Forrest submitted the Report of Projects Established, July 1 – August 31, 2008. He reported that the Large Hadron Collider had been turned on recently in Switzerland, and the University of Michigan has one of the largest teams at the site, led by physics professor and former interim president Homer Neal. He also announced that the University's research volume had recently reached \$876 million, an increase of 6.4% from 2006-2007. Of particular note is that industry support has risen by 11%, to \$43 million.

University of Michigan Health System. There was no additional report from the University of Michigan Health System.

Division of Student Affairs. Vice President Harper reported that the fall move-in had been successful, with 100% occupancy in the residence halls. She noted that the grand opening ceremony for the new Hill Dining Center and the renovated Mosher Jordan residence hall is being held September 25, and that the new facility has been very well received by students.

University of Michigan-Dearborn. Chancellor Little reported that the Dearborn campus has the largest freshman class in its history this term, and a total of 1,670 new undergraduate students. He commented on a partnership that had been formed with a Detroit public television station meant to help students get involved in the presidential election.

University of Michigan-Flint. Chancellor Person reported that the new residence hall has 100% occupancy and a waiting list. She thanked the Regents for their support of this project.

Michigan Student Assembly Report. Ms. Sabrina Shingwani, president of MSA, reported on some of the assembly's current activities, including the "disabilities design challenge," the "Block M Project" to display support at football games, and a celebration of Hispanic heritage, among other projects.

Voluntary Support. Vice President May commented on the proposed establishment of the Edward J. Frey Dean of Business in the Stephen M. Ross School of Business.

Personnel Actions/Personnel Reports. Provost Sullivan submitted a number of personnel actions and personnel reports. She highlighted the appointments of Laura Lein as dean of the School of Social Work, Benjamin Kuipers as professor of electrical engineering and computer science, J. Kevin Graffagnino as director of the William L. Clements Library, and John Tropman as interim dean of the School of Social Work.

Vice President Forrest highlighted the recommendation of Daniel Atkins as associate vice president for research cyberinfrastructure.

Regent Maynard called attention to the appointment of Louis Burgio as the first person to be appointed as Harold R. Johnson Professor of Social Work.

Executive Vice President Slottow made note of the appointment of Greg Tewksbury as interim associate vice president for finance.

Retirement Memoirs. Vice President Churchill submitted 10 faculty retirement memoirs. Provost Sullivan highlighted the accomplishments of retiree Ada Sue Hinshaw, former dean of the School of Nursing.

Memorials. Vice President Churchill submitted a memorial statement for Sharon L. Betz, clinical assistant professor of pathology.

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

Approval of Consent Agenda. On a motion by Regent White, seconded by Regent McGowan, the Regents unanimously approved the Consent Agenda.

University of Michigan Financial Statements for the Year Ended June 30, 2008

Executive Vice President Slottow noted that the Regents have received the audited financial statements under separate cover and formal adoption would be requested in October.

FY2008-2009 All Campus Budget Book

Executive Vice President Slottow submitted for information the FY2008-2009 All Campus Budget Book, which includes details of the University budgets that were approved at the June 2008 meeting.

Report of University Internal Audits, May and June 2008

Executive Vice President Slottow submitted for information the bimonthly report of the Office of University Audits activities for the period May 1, 2008 through June 30, 2008.

Alternative Asset Commitments

Executive Vice President Slottow informed the Regents about the following follow-on investments that have been made with previously approved partnerships: \$20 million to Sentient Global Resources Fund II, L.P.; €20.0 million to Orion European Real Estate Fund III, C.V.; \$25 million to SSC III, L.P.; \$20 million to IDG Accel China Capital, L.P.; \$25 million to TPG Biotechnology Partners III, L.P.; and \$50 million to The Värde Fund IX, L.P.

William W. Cook Legal Research Library Elevator Replacement

On a motion by Regent White, seconded by Regent Maynard, the Regents unanimously approved the William W. Cook Legal Research Library Elevator Replacement Project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Wall Street Office Building, East Parking Structure, and Transit Center

Executive Vice President Slottow commented that the University would continue to have full discussions with the city and the community as these plans proceed. When the schematic design is completed, there will be a full public presentation and discussion of how this project is addressing environmental, transportation, design, and façade issues that have been raised while meeting the needs of the Health System and the Business Engagement Center. The transit center will be evaluated to insure it is consistent with the goals of the strategic parking and

transportation plan that is meant to encourage multiple modes of transportation and reduce single occupancy vehicle trips to campus.

Regent Darlow expressed appreciation to the mayor and community members who had so thoughtfully addressed the board, and said she appreciated that Executive Vice President Slottow had confirmed that attention would be paid to environmental and traffic issues as we go forward. She noted that the current proposal for approval of the project and appointment of the architect is the first of three times that this issue will come before the board. Regent Darlow also pointed out that the Regents have received and reviewed in depth a considerable amount of information about this project in addition to what has been provided with the agenda materials, and this review will continue.

Regent Darlow moved approval of the Wall Street Office Building, East Parking Structure and Transit Center Project as described, and authorization for commissioning Walker Parking Consultants and the S/L/A/M Collaborative for its design. Regent Richner seconded the motion.

Regent Deitch said that he would support the motion, noting that it has been under discussion for some time. He recognized the thoughtful comments that had been made by community members, and stated that it would be important to take their concerns into consideration as the project proceeds. At the same time, he noted that “the medical center is one of the spires of excellence of the university, and its continued growth and health are important for the overall growth and health of the community.” He expressed agreement with previous comments on the importance of continuing consultation with the community, and encouraged university staff to continue seeking this input as the design is developed.

The vote was then taken, and the motion was approved unanimously.

University of Michigan Hospitals and Health Centers Domino's Farms Leasehold Improvements for the Division of Metabolism, Endocrinology and Diabetes

On a motion by Regent White, seconded by Regent Richner, the Regents unanimously approved the University of Michigan Hospitals and Health Centers Domino's Farms Leasehold Improvements for the Division of Metabolism, Endocrinology and Diabetes Project as described.

University of Michigan Hospitals and Health Centers A. Alfred Taubman Health Center Level B1 Medical Observation Unit

On a motion by Regent White, seconded by Regent McGowan, the Regents unanimously approved the University of Michigan Hospitals and Health Centers A. Alfred Taubman Health Center Level B1 Medical Observation Unit Project as described, authorized commissioning the architectural firm of Integrated Design Solutions, LLC, for its design, 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 Inpatient Adult Psychiatry Renovation

On a motion by Regent McGowan, seconded by Regent Newman, the Regents unanimously approved the University of Michigan Hospitals and Health Centers University Hospital Inpatient Adult Psychiatry Renovation Project as described, authorized commissioning the architectural firm of Hobbs and Black 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 13 conflict of interest items, each of which requires 5 votes for approval. These would be considered as a block, in one vote.

On a motion by Regent White, seconded by Regent Maynard, the Regents unanimously approved the following agreements:

Lease Amendment Agreement with First Properties Associates Limited Partnership

The Regents approved an amendment to the lease agreement for 63,920 square feet of property located at 2301 Commonwealth Boulevard, Ann Arbor, Michigan, leased from First Properties Associates Limited Partnership. The amendment to the lease is for leasehold improvements to renovate approximately 4,750 square feet for the Department of Urology. Because William C. Martin, a University of Michigan employee, is also a partner in First Properties Associates Limited Partnership, 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 lease agreement are the Regents of the University of Michigan and First Properties Associates Limited Partnership.
2. The service to be provided is the lease of 63,920 square feet in a building at 2301 Commonwealth Boulevard, Ann Arbor, Michigan, for three years, beginning July 1, 2008 through June 30, 2011, at a monthly rate of \$101,207 for the first year, \$105,202 for the second year, and \$109,197 for the third year. Tenant will be responsible for gas and electric usage plus janitorial service. Approximately \$77,350 of leasehold improvements will be needed, to be constructed by the landlord and reimbursed by the University.
3. The pecuniary interest arises from the fact that William C. Martin, a University of Michigan employee, is a partner of First Properties Associates Limited Partnership.

Use Agreement with and Payment to Michigan Information Technology Center

The Regents approved a three-year conference center use agreement with the Michigan Information Technology Center (MITC) and approved a payment to MITC for a prior facility rental. Because John L. King, Douglas E. Van Houweling, Donald J. Welch, and Barbara S. Nanzig, University of Michigan employees, are also board members of MITC, 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 Health System Human Resources and Michigan Information Technology Center.
2. The use agreement details facility use and rental by any University of Michigan department for a three-year contract period of July 1, 2008 through June 30, 2011 with a contract total not to exceed \$750,000. Health System Human Resources seeks approval to pay \$12,856.53 to MITC for a prior facility rental from February 21, 2008 through February 27, 2008
3. The pecuniary interest arises from the fact that Kenneth C. Fischer, Stephen Forrest, and Kenneth Nisbet, University of Michigan employees, are executive committee board members of An Arbor SPARK.

Purchase from Michael Udow

The Regents approved a purchase by the Music Library of music scores for course use from Michael Udow. Because Michael Udow is also a University of Michigan employee, this contract 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 its Music Library and Michael Udow.
2. The purchase is for approximately 225 percussion music scores for a total cost of \$2,176.30.
3. The pecuniary interest arises from the fact that Michael Udow, a University of Michigan employee as a professor in the School of Music and head of the percussion department, will receive payment as an individual.

Authorization for purchase from Wesley B. Tanner

The Regents approved the purchase by the Special Collections Library of a limited edition book, *The Red Wheelbarrow*, from Wesley B. Tanner. Because Wesley B. Tanner is also a University of Michigan employee, 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 Special Collections Library and Wesley B. Tanner.

2. The purchase is one of a limited 25 editions of *The Red Wheelbarrow* by Jack Spicer and Wesley B. Tanner. The cost of this 44 page handmade book is \$2,000 plus shipping.
3. The pecuniary interest arises from the fact that Wesley B. Tanner, a University of Michigan employee, will receive payment as an individual.

Authorization for purchase from Twila Tardif

The Regents approved a purchase of books from Twila Tardif by the Center for Human Growth and Development. Because Twila Tardif is also a University of Michigan employee, this purchase 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 contract are the Regents of the University of Michigan and its Center for Human Growth and Development and Twila Tardif.
2. The purchase is 1,000 copies of the book, *User's Guide and Manual for the Chinese Communicative Development Inventories (English Edition)*, co-authored by Ms. Tardif. The books will be purchased at a cost of \$5,400 plus shipping and handling.
3. The pecuniary interest arises from the fact that Twila Tardif, University of Michigan employee, will receive payment as an individual.

Authorization for payment to Ann Arbor SPARK

The Regents approved a payment by the Office of Technology Transfer to Ann Arbor SPARK for facility use and resources. Because Kenneth C. Fischer, Stephen Forrest, and Kenneth Nisbet, University of Michigan employees, are also executive committee board members of SPARK, 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 Office of Technology Transfer and Ann Arbor SPARK
2. The payment is for facility use and services for the TechStart intern program from May 1, 2008 through April 30, 2010 for \$15,000 per year.
3. The pecuniary interest arises from the fact that Kenneth C. Fischer, Stephen Forrest, and Kenneth Nisbet, University of Michigan employees, are also executive committee board members of Ann Arbor SPARK.

Research Agreement between the University of Michigan and Sakti3, Inc.

The Regents approved a research agreement with Sakti3, Inc. for support of a research contract at the University of Michigan. Because Ann Marie Sastry, a University of Michigan employee, is also partial owner and chief executive officer of Sakti3, 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 agreement are the Regents of the University of Michigan and Sakti3, Inc.
2. The terms of the proposed agreement will conform to University policy. Dr. Christian M. Lastoskie, associate professor in the Department of Civil & Environmental Engineering and Department of Biomedical Engineering, who is Dr. Sastry's spouse, will direct the project over an initial three-year period at an estimated cost of \$500,000. The agreement will include a provision allowing extension and modification of the project upon mutual agreement of the parties. University procedures for approval of the changes will be followed and additional conflict of interest review will be done as appropriate. The project does not involve human subjects.
3. Ann Marie Sastry's pecuniary interest arises from her status as partial owner and chief executive officer of Sakti3.

Subcontract Agreement between the University of Michigan and Soar Technology, Inc.

The Regents approved a subcontract agreement with Soar Technology, Inc., to enable it to fund a project in the College of Engineering. Because John Laird, a University of Michigan employee who will serve as principal investigator for the portion of the work subcontracted to the University, is also an owner and director of Soar Technology, 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 agreement are the University of Michigan and Soar Technology, Inc.
2. The terms of the agreement will be negotiated so as to conform to University policy. The period of performance for the project is anticipated to be twenty-four (24) months and the amount of funding support is anticipated to be \$225,000.
3. John Laird's pecuniary interest arises from his status as an owner and director of Soar Technology, Inc.

Option Agreement between the University of Michigan and Biomatrix Photonics, Inc.

The Regents approved an option agreement with Biomatrix Photonics, Inc., (“Company”) for commercialization of the following technologies: UM OTT File No. 2591, “Raman Spectroscopic Method and Apparatus for Osteoporosis Diagnosis”; UM OTT File No. 2947, “Spectroscopic Analysis of Normal and Abnormal Cartilage”; UM OTT File No. 3117, “Raman Analysis of Ocular Tissue”; UM OTT File No. 3152, “Subsurface Raman Mapping with a Fiber Optic Array”; UM OTT File No. 3240, “Biomarker of Extracellular Matrix Turnover”; and UM OTT File No. 3997, “Method for Assessing Bone Quality.” Because Michael Morris, Blake Roessler, and Steven Goldstein, University of Michigan employees, are also partial owners of Biomatrix Photonics, 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 agreement are the Regents of the University of Michigan and Biomatrix Photonics, Inc.
2. Agreement terms include granting the Company an exclusive option to obtain an exclusive license with the right to grant sublicenses. The Company will pay an option fee and reimburse ongoing 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.
3. The pecuniary interests of Drs. Morris, Goldstein, and Roessler arise from their ownership interest in Biomatrix Photonics, Inc.

License Agreement between the University of Michigan and Ascenta Therapeutics, Inc.

The Regents approved a license agreement between the University of Michigan and Ascenta Therapeutics, Inc. (“Ascenta”) to commercialize the following technologies: UM OTT File No. 4028, “SMAC Mimetics”, and UM OTT File No. 4097, “BioMarkers for gossypol chemotherapy and methods of treating disease.” Because Shaomeng Wang and Marc Lippman, University of Michigan employees, are also partial owners of Ascenta and are directors and

members of Ascenta's scientific advisory board, 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 University of Michigan and Ascenta Therapeutics, Inc.
2. License terms include giving Ascenta an exclusive license with the right to grant sublicenses. Ascenta will pay a royalty on sales, certain milestone payments 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 the changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interests of Drs. Wang and Lippman arise from their ownership interests in Ascenta.

Master Agreement between the University of Michigan and Sarcoma Alliance for Research Through Collaboration

The Regents approved a master agreement between the University of Michigan and the Sarcoma Alliance for Research Through Collaboration (SARC) under which the University will participate in various projects that SARC will support independently. Because Laurence Baker, a University of Michigan employee, is also president of SARC, 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 University of Michigan and the Sarcoma Alliance for Research Through Collaboration (SARC).
2. The University will enter into a master agreement with SARC 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 \$500,000. 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. SARC has supported fourteen projects at the University since its inception. The master agreement will allow the University and SARC 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 review by the Medical School Conflict of Interest Board will be done on a project by project basis.

3. Laurence Baker receives no compensation from SARC and has no financial interest in SARC.

Master Agreement between the University of Michigan and Mayaterials, Inc.

The Regents approved a master agreement with Mayaterials, Inc. to enable it to participate in various projects that Mayaterials will support independently or from grants from federal agencies. Because Richard Laine, a University of Michigan employee, is also a part owner of Mayaterials, 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 agreement are the University of Michigan and Mayaterials, Inc.
2. Under the terms of the agreement, the University will enter into a master agreement with Mayaterials 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 \$1,000,000. 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. Mayaterials (the Company) has supported sixteen projects at the University since its inception. 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 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 review by the OVPR Conflict of Interest Review Committee will be done on a project-by-project basis.
3. Richard Laine's pecuniary interest arises from his partial ownership of Mayaterials, Inc.

Research Agreement between the University of Michigan and Biomatrix Photonics, Inc.

The Regents approved a research agreement between the University of Michigan and Biomatrix Photonics, Inc. (the "Company") enabling the Company to support a research contract for further development of inventions licensed to the Company. Because Michael Morris, Blake Roessler, and Steven Goldstein, 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 University of Michigan and Biomatrix Photonics, Inc.
2. The terms of the proposed agreement conform to University policy regarding publication and intellectual property. Jeffrey Innis, professor of human genetics and professor of pediatrics and communicable diseases, will direct the project over an initial one-year period at an estimated cost of \$48,690. Professor Innis has no financial interest in the Company. The contract includes a provision allowing extension and modification of the project upon mutual agreement of the parties. This project involves use of humans and approval will be obtained before the research begins.
3. The pecuniary interest of Michael Morris, Blake Roessler, and Steven Goldstein arises from their ownership interest in Biomatrix Photonics, Inc.

Edward J. Frey Dean of Business

On a motion by Regent Deitch, seconded by Regent Taylor, the Regents unanimously approved establishment of the Edward J. Frey Dean of Business at the Stephen M. Ross School of Business, and a change in title for Robert J. Dolan from dean to Edward J. Frey Dean of Business.

Public Comments on Non-Agenda-Related Topics

The Regents heard comments from Eric Gamberg, citizen, on efficiency in the residency office, Bernard van't Hul, emeritus faculty member, on "the UM, Past and Future," and Gibran Baydoun, student and chair of the Michigan Student Assembly Homecoming Committee, on plans for the 112th homecoming.

There being no further business, the meeting was adjourned at 5:20 p.m. The next meeting is scheduled for October 23, 2008.