

SEPTEMBER MEETING, 2009

Approved by the Regents

October 15, 2009

The University of Michigan

Ann Arbor

September 17, 2009

The regents convened at 3:05 p.m. in the Regents' Room. Present were President Coleman and Regents Darlow, Deitch, Ilitch, Maynard, Newman, Richner, Taylor, and White. Also present were Vice President and Secretary Churchill, Chancellor Little, Vice President May, Vice President Lampe, Chancellor Person, Executive Vice President Pescovitz, Vice President Scarnecchia, Executive Vice President Slottow, Provost Sullivan, and Vice President Wilbanks. Regent White left the meeting at about 3:30 p.m.

Call to Order and President's Opening Remarks

President Coleman called the meeting to order. She called attention to some of the campus events that have marked the beginning of the new academic year, including the dedication of the newly renovated Stockwell Hall, the inauguration of an academic theme year focusing on the role of university museums, and the participation of Chief Justice John Roberts in the celebration of the Law School's 150th anniversary. She also commended faculty and staff on the University's historic achievement of \$1 billion in research expenditures.

Life Sciences Institute Update

President Coleman introduced Professor Alan Saltiel, director of the Life Sciences Institute ("LSI"). She noted that in addition to serving as director of the LSI, he is also carrying on an active research career focusing on diabetes, and had recently discovered a gene in mice that has promising possibilities in the area of obesity.

Professor Saltiel announced that the LSI has achieved its goal of recruiting a diverse array of faculty who are working across many complex areas of biology and medicine. It has a full complement of 29 faculty representing 14 academic departments, along with a scientific staff of about 450 scientists and students. He noted that faculty have won a number of awards, have published in major academic journals, and have received over \$150 million in research funding.

Professor Saltiel observed that the most notable characteristic of the LSI faculty is their excitement about and commitment to working together, and this is the most singular feature of the LSI. He gave an example how the active collaboration among a number of researchers working in different labs from across the institute resulted in the discovery of a new discovery that may have implications for the treatment of diabetes and obesity. To bring its collaborative environment to the rest of the campus, the institute has established a number of centers and partnerships on campus and with other institutions. It is also working on spin-off technologies and on translating basic clinical discoveries to clinical application.

President Coleman remarked that the original vision for the Life Sciences Institute has come to fruition, and it is exciting to see that it is functioning exactly as had been envisioned when it was founded.

University/Community Engagement

President Coleman called on Vice President Wilbanks, who noted that the interactions among the various University, city, county, and community entities and individuals takes many forms, including formal interactions by staff from government relations and business and finance. She introduced Jim Kosteva, director of community relations.

Mr. Kosteva noted that the University has an extensive partnership with the city, involving regular meetings with city staff to pursue cooperative ventures in a variety of areas,

including parking, transit, and transportation planning, and direct payments to the city for utilities, construction fees, indirect payment of taxes through clinical and office space rentals, and payments to the AATA to support free transportation for faculty, staff, and students. This payment also benefits the city by providing leverage that enables it to receive additional federal funds for regional transit.

In addition to making financial contributions, the University also is engaged in a multitude of activities in support of business and economic development efforts, public schools, health care, and community service organizations in Washtenaw County. It contributes to regional transportation development efforts and to health and human services agencies through employee contributions to the annual United Way campaign. The University also provides innumerable cultural and athletic attractions and events that contribute to the richness of the Ann Arbor community. Mr. Kosteva concluded by listing some of the current discussions that are underway between the University and city.

Annual Report on Development

Vice President May presented a summary of the year that ended June 30, 2009. He reported that following the end of the Michigan Difference campaign that ended on December 31, 2009, the receipts during the first half of 2010 were down 22% from the previous year. Ongoing fundraising continues to do well, with almost \$266 million raised during the past year. Vice President May reported that a post campaign plan that has been put into place which focuses on excellent customer service, donor stewardship, improving the already highly effective development team, and finding new sources of revenue. Vice President May described some of the efforts that have occurred in each of these areas. He noted that a new donor database is being implemented that will combine donor information from all university-wide resources; this

information had previously resided on separate databases and the new system will immensely enhance the ability to connect with donors.

Vice President May reported that while regular large-gift fundraising activities are continuing, a newer reunion and reunion-giving program has been established which has created a new revenue stream. Another new revenue stream has been created in the area of international fundraising. The overall goal is to create a “culture of philanthropy” at the University of Michigan.

Committee Reports

Finance, Audit and Investment Committee. Regent White reported that attendees at that morning’s meeting had included Regents Ilitch, Maynard, and Darlow, along with Executive Vice President Slottow. For the first agenda item, the FY09 external audit results, participants included Associate Vice President Rowan Miranda, Cheryl Soper, controller and director of financial operations, Dave Morlock, Health System chief financial officer, Carol Senneff, executive director of University audits, and external auditors Rick Stover, John Mattie, and Chris Hoffman, of PricewaterhouseCoopers (PWC). Regent White announced that PWC has issued an unqualified opinion on the University’s 2009 financial statements, which means that the financial statements are fairly presented and free of material misstatements.

The second agenda item concerned Sarbanes-Oxley work plan tasks and follow-up, which focuses on internal controls process updates. Participants included Regents Ilitch and Maynard, President Coleman, the same internal staff and external auditors who had participated in the first discussion, and Brent Haase, internal controls compliance manager.

Personnel, Compensation and Governance Committee. Regent Newman reported that the Personnel, Compensation and Governance Committee had met that morning. Participants

had included Regents Taylor, Darlow, and Deitch. The committee received an update from Provost Sullivan on dean and director searches, had a discussion with Dean Ponce de Leon about the A. Alfred Taubman College of Architecture and Urban Planning, and reviewed proposed bylaw changes that will be brought to the board later this year.

Annual review of president. Regent Newman announced that the regents had completed a review of the president over the last few months and gave the following overview of her accomplishments in 2008-2009:

- Successful completion of the \$3.2 billion “Michigan Difference” campaign, raising more private support at a public university than in the history of higher education. This included more than 190 new endowed professorships; 2,045 new endowed scholarships for students; and 22 new buildings, such as the Ross School of Business, the Frankel Family Wing of the U-M Museum of Art, the Computer Science and Engineering Building; and the Walgreen Drama Center and Arthur Miller Theater.
- Acquisition of the former Pfizer research site, now the North Campus Research Complex. With 174 acres and 30 buildings, it is one of the largest physical expansions in U-M’s 192-year history, and will expand the university’s research capacity – already among the broadest in the nation – by 10 percent.
- Strong management of the institution through a severe economic downturn. At a time when other universities are laying off employees and cancelling construction projects, U-M is moving forward. Because of a prudent investment strategy and conservative spending rule, U-M’s endowment is weathering the economic downturn better than most leading universities. U-M has the highest possible credit ratings from Standard & Poor’s (AAA) and Moody’s (Aaa).
- Achievement of more than \$1 billion in research expenditures – a new U-M record. Research spending rose 9.4 percent over the previous fiscal year, totaling \$1.02 billion. While the federal government continues to be the most significant source of support, the University continues to achieve growing support from industry – a particularly strong accomplishment given the economic downturn.
- Vocal and committed support for rebuilding the Michigan economy, including promoting a stronger sense of innovation and entrepreneurship on campus; working to attract new business to the region; and advancing the promising economic sectors of the future, such as alternative energy and biosciences.
- Strong ambassador for the University. President Coleman is strongly engaged at the local, regional and national levels. This ranges from spending evenings making phone

calls to prospective freshmen, encouraging them to select U-M, to representing the University at the first-ever National Summit, a gathering a national leaders to discuss and debate America's economic future. The Michigan Roundtable for Diversity and Inclusion recognized her with its Humanitarian of the Year Award.

- U-M continues to be a "hot" school. For the third consecutive year, prospective freshmen applied for admission in record numbers; this year, nearly 30,000 students applied for 5,900 openings.

Regent Newman reported that despite all of her accomplishments, President Coleman had requested that the board not consider raising her salary this year. Regent Newman said the board had respected this wish, and that "we thank you for your graciousness in allowing us to compliment you on everything you've done. We support you, we're glad you're here, and thank you for all you've done."

President Coleman thanked the board for their support, and thanked her executive officer colleagues for the parts they've played in the University's success during her administration. "It's been a great team, it's been a great honor, and it's been terrific to have the support from the board," she said. "It means a lot and it helps us do what we need to do." President Coleman also pointed out that none of the deans or executive officers had received salary increases for 2009-2010.

Public Comments

Regent Richner noted that one of the public comments speakers, Judge Michael Warren, of the Oakland County Circuit Court, had requested that he and his colleague be allowed to address the board at this time, rather than at the scheduled time at the end of the meeting. There being no objections, the Regents heard comments from Hon. Michael Warren and David Weissman, alumni, on the subject of Patriot Week.

President Coleman then turned to the consent agenda.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of July 16, 2009.

Reports. Executive Vice President Slottow submitted the Investment Report, Plant Extension Report, and the University Human Resources Report.

Litigation Report. Vice President Scarnecchia submitted the Litigation Report.

Research Report. Vice President Forrest submitted the Report of Awards Established, July 1 – August 31, 2009. He announced that the University's research expenditures for FY2009 totaled more than \$1 billion (\$1.016 billion) for the first time in history, a 9.4% increase over last year. He pointed out that this is the result of a huge team effort from across the University. He noted that \$655 million of the funding came from the federal government, an increase of 7% over the previous year, and within that category, funding from the Department of Energy rose by 24% and funding from NIH was up 7.2%. Industry funding increased by 1%, which is remarkable given the fact that the GDP has declined significantly during the same period. He pointed out that federal stimulus funding was not a significant proportion of the total expenditures in 2009.

University of Michigan Health System. Executive Vice President Pescovitz reported that the Health System achieved an operating margin of 1% during FY2009, which was better than had been expected. The budget for FY2010 is 1.8%.

Division of Student Affairs. There was no additional report from the Division of Student Affairs.

University of Michigan-Flint. Chancellor Person reported that enrollment is up 7.7% in headcount and 9.5% in credit hours, and the campus is within 200 students of reaching its goal of

8,000 by the end of next year. She introduced Mary Jo Finney, the newly appointed dean of the School of Education and Human Services,.

University of Michigan-Dearborn. Chancellor Little reported that 1,638 new undergraduate students are enrolled on the Dearborn campus this fall, and 30 students have enrolled in the newly approved doctoral programs. He announced that this is the 50th anniversary of the founding of the Dearborn campus and a number of activities have been planned to celebrate this landmark occasion.

Michigan Student Assembly Report. There was no report from Michigan Student Assembly this month.

Voluntary Support. Vice President May noted that the reports of voluntary support for June, July, and August, 2009.

Personnel Actions/Personnel Reports. Provost Sullivan highlighted the request by her and Executive Vice President Slottow to appoint Laura Patterson as associate vice president and chief information officer. In this position, she would lead the new information and technology services organization, which combines what were previously 3 different IT organizations.

Retirement Memoirs. Vice President Churchill submitted 6 faculty retirement memoirs. Provost Sullivan called attention to the retirement of Kenneth Lieberthal, Arthur F. Thurnau Professor, professor of political science, Willialm Davidson Professor of Business Administration, and professor of business administration.

Memorials. Vice President Churchill submitted a memorial statement for Elizabeth A. Young, M.D., professor of psychiatry and research professor.

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

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

University of Michigan Financial Statements for the Year Ended June 30, 2009

Executive Vice President Slottow submitted for information the consolidated financial statements for fiscal year 2009 and the separate audited financial statements for the hospitals and health centers, intercollegiate athletics, and the Veritas Insurance Corporation.

FY 2009-2010 All Campus Budget Book

Executive Vice President Slottow submitted the FY 2009-2010 All Campus Budget Book, which provides details of the budget approved in June 2009.

Report of University Internal Audits, May and June 2009

Executive Vice President Slottow submitted the bimonthly report of the Office of University Audits activities for the period May through June 2009.

Alternative Asset Commitments

Executive Vice President Slottow informed the regents of follow-on investments that have been made with the following previously approved private equity and energy partnerships: \$20 million to Francisco Partners III, L.P., and \$10 million to 4D Global Energy Investments PLC.

Absolute Return Investment

On a motion by Regent Maynard, seconded by Regent Ilitch, the Regents unanimously approved a commitment of up to \$20 million from the long Term Portfolio to Lone Star Partners VII, L.P.

Building Access Control Project

Executive Vice President Slottow explained that this project will enhance the electronic access to over 100 buildings on the central, north, and south campuses. On a motion by Regent Darlow, seconded by Regent Newman, the regents unanimously approved the Building Access Control Project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Player Development Center for Intercollegiate Basketball

Executive Vice President Slottow introduced University Planner Sue Gott, who reviewed the site plan for the area on South Campus where the player development center is to be constructed. She noted that another, more comprehensive overview of South Campus planning will be presented at a later date.

Ms. Gott introduced Don Dethlefs, CEO of Sink Combs Dethlefs Architects, who presented the schematic design for the player development center. He noted that the key component of the center is a double practice court that will be two stories high and will fit below the concourse level in Crisler Arena to allow for possible future additions to Crisler Arena. Mr. Dethlefs displayed diagrams of each floor of the facility and displayed renderings of the exterior, noting that because it will be built into the hill it will have a low profile. He said that the roof has a flexible design which will enable it to accommodate an addition to Crisler on top of it, or to serve as a roof deck, or as a public gathering space, and commented that the facility meets the highest national standards for a player development facility. On a motion by Regent Newman, seconded by Regent Taylor, the regents unanimously approved the schematic design for the Player Development Center for Intercollegiate Basketball Project as presented at the meeting.

Intercollegiate Soccer Stadium

On a motion by Regent Darlow, seconded by Regent Newman, the Regents unanimously approved issuing the Intercollegiate Soccer Stadium Project for bids and awarding construction contracts providing that bids are within the approved budget.

Regent Newman noted that the athletic campus had undergone a phenomenal transformation over the past ten years. She requested that a presentation be scheduled detailing the how this area of campus has changed over the course of the last decade.

University of Michigan Hospitals and Health Centers East Ann Arbor Health and Geriatrics Center Renovations for New Infusion Suite

On a motion by Regent Ilitch, seconded by Regent Darlow, the regents unanimously approved the University of Michigan Hospitals and Health Centers East Ann Arbor Health and Geriatrics Center Renovations for New Infusion Suite 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.

University of Michigan Hospitals and Health Centers University Hospital Emergency Power System Improvements

On a motion by Regent Richner, seconded by Regent Maynard, the regents unanimously approved the University of Michigan Hospitals and Health Centers University Hospital Emergency Power System Improvements Project as described, authorized commissioning the engineering firm of X-nth, 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 22 conflict of interest items, each of which requires 6 votes for approval. Regent Richner requested that he be recused from voting on two of the items, due to a conflict of interest. Therefore, two separate votes were taken on these items, with Regent Richner participating in the first vote but not the second vote.

On a motion by Regent Newman, seconded by Regent Newman, the regents unanimously approved the following 20 agreements:

Authorization to enter into a contract with SwirlTech LLC

The regents approved entering a contract with SwirlTech LLC for maintenance of the Michigan Daily website. Because Michael Hess, a University of Michigan employee, is also the owner of SwirlTech, 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 contract are the Regents of the University of Michigan and its Michigan Daily student newspaper and SwirlTech.
2. The service provided is annual maintenance support for an online content management system over 5 years not to exceed a total of \$175,000.
3. The pecuniary interest arises from the fact that Michael Hess, a University of Michigan employee, is owner of SwirlTech.

Authorization to enter into an agreement with Cielo MedSolutions LLC

The regents approved entering a payment with Cielo MedSolutions, LLC ("Cielo") to provide for future software installations, maintenance and upgrade to existing software licenses, development and modifications to the software for research and connectivity purposes and operation of Cielo servers within the University of Michigan Health System ("UMHS"). Because Donald Nease, Jr. and James D. Price, University of Michigan employees, are also members of Cielo, 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 contract are the Regents of the University of Michigan and UMHS and Cielo.
2. The scope of the agreement is to provide the technical support, modifications and overall maintenance of the Cielo Clinic software package and related technologies through 2012 and not to exceed a total of \$975,000.
3. The pecuniary interest arises from the fact that Dr. Donald Nease, Jr. and James D. Price, University of Michigan employees, are members of Cielo.

Authorization to enter into an agreement with Studio Works Partnership

The regents approved the College of Architecture and Urban Planning ("TCAUP") entering into an agreement with Studio Works Partnership ("Studio Works") to provide rental and facilitation services for a credit course offered during the spring term in Beijing, China. Because Mary-Ann Ray, a University of Michigan employee, is also a partner of Studio Works, 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 agreement are the Regents of the University of Michigan and TCAUP and Studio Works.
2. The agreement is for four years through 2012 for two months of rental fees in May and June (currently \$6,000) and 24-hour on-site services (currently \$6,000) at Studio Work's Beijing Architecture Studio Enterprise facility. The estimated total cost is not to exceed \$55,000.
3. The pecuniary interest arises from the fact that Mary-Ann Ray, a University of Michigan employee, is a partner of Studio Works.

License Agreement between the University of Michigan and Accord Biomaterials, Inc.

The regents approved a license agreement with Accord Biomaterials, Inc. for licensing of the following technology from the University: UM OTT File No. 1937p1c1d1, "Sensor for Detecting Nitrosothiols." Because Professor Emeritus Robert Bartlett, a University of Michigan employee, is also a partial owner of MC3, of which Accord Biomaterials Incorporated (formerly known as MC3 Biomaterials) is a wholly owned subsidiary, 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 amendment agreement are the Regents of the University of Michigan and Accord Biomaterials Incorporated.
2. Terms include giving Accord Biomaterials Incorporated ("Company") an exclusive license with the right to grant sublicenses to the added technology. The Company 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. 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 Dr. Bartlett arise from his ownership interest in MC3. For this specific file (1937plc1d1), Dr. Bartlett is not an inventor and will not be considered for any share of revenue received by the University.

Termination of research agreement between the University of Michigan, ACSI, LLC, CFI Group USA, LLC, and the American Society for Quality, Inc. and reimbursement of University of Michigan expenses by ACSI, LLC

The regents approved a termination of research agreement and agreement for reimbursement of University of Michigan expenses ("agreements") involving ACSI, LLC, CFI Group USA, LLC and the American Society for Quality, Inc. Because Professor Claes Fornell, a University of Michigan ("University") employee, is also the partial owner of the companies ACSI, LLC and CFI Group USA, LLC, this agreement and expense reimbursement fall under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the amendment agreement are the Regents of the University of Michigan; ACSI, LLC; CFI Group USA, LLC; and American Society for Quality, Inc ("ASQ").
2. Agreement terms include terminating the existing research agreement between CFI, ASQ, and the University. The parties to the research agreement will be released from any obligations related to operating the American Customer Satisfaction Index ("ACSI"). ACSI, LLC will pay the University amounts sufficient to cover any unreimbursed expenses it incurred in operating the NQRC. The University will grant ACSI, LLC the right to maintain a copy of research data collected and developed by the University's National Quality Research Center in maintaining the ACSI, LLC.
3. Claes Fornell's pecuniary interest arises from his partial ownership of ACSI, LLC and CFI Group USA, LLC.

Subcontract Agreement between the University of Michigan and Alluvium Biosciences, Inc.

The regents approved a subcontract agreement with Alluvium Biosciences, Inc. ("Company"), which will enable the Company to subcontract a portion of the work it expects to receive from an NIH grant to the University, under the direction of Dr. David Sherman. Because Dr. Sherman and Dr. Jeffrey Kittendorf, University of Michigan employees, are also, respectively, founder, member of the board of directors, scientific advisory board and consultant (Sherman) and employee and part owner (Kittendorf), 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 agreement are the Regents of the University of Michigan and Alluvium Biosciences, Inc.
2. The terms of the agreement will conform to University policy. Under the project, total funding of \$94,000 is anticipated to cover a period of twelve months. In the event of an amendment, the agreement will provide for changes in time, amount, and scope of the project. 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 Dr. Sherman and Dr. Kittendorf arise from their status as founder, member of the board of directors, scientific advisory board and consultant (Sherman) and employee and part owner (Kittendorf) of the company.

Amendment to License Agreement and Gift Agreement between the University of Michigan and Arbor Networks, Inc.

The regents approved an amendment to a license agreement and a gift agreement with Arbor Networks, Inc. Because Farnam Jahanian, a University of Michigan employee, is also a partial owner of Arbor Networks, 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 agreements are the Regents of the University of Michigan and Arbor Networks, Inc.
2. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreements. 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 Dr. Jahanian arise from his ownership interest in Arbor Networks, Inc.

Option Agreement between the University of Michigan and Ascentage Pharma Group Corporation, Ltd.

The regents approved an option agreement with Ascentage Pharma Group Corporation, Ltd. ("Company"), for an exclusive option for the following technologies from the University: UM OTT File #2784, "Apogossypolone and the Method of Use of Treatment for Human Cancer"; UM OTT File #4139, "Bivalent diazo bicyclic smac mimetics and the uses thereof "Treatment of Cancer"; UM OTT File #4241, "Stat3 Inhibitors and Therapeutic Methods using the Same." Because Shaomeng Wang, a University of Michigan employee, is also a 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 agreements are the Regents of the University of Michigan and Ascentage Pharma Group Corporation, Ltd.
2. Agreement terms include giving the Company an option to obtain an exclusive license with the right to grant sublicenses. The Company will pay an option fee and reimburse patent costs. The University will retain ownership of the optioned 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. Additional review by the Medical School Conflict of Interest Board will be done as appropriate.
3. The pecuniary interest of Dr. Wang arises from his ownership interests in Ascentage Pharma Group Corporation, Ltd.

Research Agreement between the University of Michigan Baker-Calling, LLC

The regents approved a research agreement with the Baker-Calling, LLC in support of research at the University related to high performance piezoelectric MEMS microphones. Because Karl Grosh, a University of Michigan employee, and Robert Litrell, a doctoral student and fellow in the Department of Mechanical Engineering, are also partial owners of Baker-

Calling, LLC, 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 Baker-Calling, LLC.
2. The terms of the proposed agreement conform to University policy. The project will be directed by Dr. Katsuo Korabayashi, associate professor of mechanical engineering, over an initial one-year period at an estimated cost of \$45,000. Since research projects are often amended, these agreements include provisions for changes in time, amount, and scope of each supported project. The University will use standard sponsored project accounting procedures in administering the project. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. Karl Grosh's and Robert Litrell's pecuniary interest arises from their status as partial owners of Baker-Calling, LLC.

Master Roundtable Research Agreement between the University of Michigan and the Center for Healthcare Research and Transformation

The regents approved a master roundtable research agreement ("Agreement") between the University of Michigan and the Center for Healthcare Research and Transformation ("CHRT"). Because CHRT, a 501(c)(3) organization that is a joint venture between the University and Blue Cross Blue Shield, is housed at the University of Michigan and CHRT staff are University of Michigan employees, 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 CHRT.
2. Dr. Gary Freed, professor of pediatrics, will be the principal investigator for the first project funded under the master agreement at the University. The master agreement is for various projects to be funded over a five-year period with the total authorization not to exceed \$5,000,000. The subcontract includes a provision for extensions of the time period and scope of work and is likely to be expanded to include additional projects. 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 and/or Medical School Conflict of Interest Board will be done on a project-by-project basis.
3. There is no pecuniary interest for the parties involved in this agreement.

Master Roundtable Research Agreement between the University of Michigan and Coherix, Inc.

The regents approved a master roundtable research agreement ("Agreement") between the University of Michigan and the Coherix, Inc. Because Dr. Mohammed N. Islam, a University of Michigan employee, also holds founders stock and is an officer of Coherix, Inc. ("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 Coherix, Inc.
2. Dr. Gary Freed, professor of pediatrics, will be the principal investigator for the first project funded under the master agreement at the University. The master agreement is for various projects to be funded over a five-year period with the total authorization not to exceed \$5,000,000. The subcontract includes a provision for extensions of the time period and scope of work and is likely to be expanded to include additional projects. 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 and/or Medical School Conflict of Interest Board will be done on a project-by-project basis.
3. There is no pecuniary interest for the parties involved in this agreement.

Amendment to Option Agreement between the University of Michigan and ElectroDynamic Applications, Inc.

The Regents approved an amendment to an option agreement with ElectroDynamic Applications ("EDA") to extend the option and add the additional technologies of UM OTT File No. 4119, "Nano-Particle Field Extraction Thruster." Because Alec Gallimore and Brian Gilchrist, University of Michigan employees, are also co-founders and co-owners of EDA, 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 ElectroDynamic Applications, Inc.
2. Terms include giving the Company an option to an exclusive license with the right to grant sublicenses. If the option is exercised, the Company will pay a royalty on sales and reimburse patent costs. The University will retain ownership of the optioned 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. 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 Dr. Alec Gallimore and Dr. Brian Gilchrist arise from their ownership interests in ElectroDynamic Applications, Inc.

Master Research Agreement between the University of Michigan and Lycera, Inc.

The regents approved a master research agreement with Lycera, Inc. ("Company") that will enable the Company to support research projects and use University facilities for projects that will be described from time to time related to research and development of technologies involving the commercialization of benzodiazepene compounds for therapeutic applications. Because Gary Glick, Anthony Opipari, and James Ferrara, 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 Lycera, Inc.
2. The University will enter into a master research agreement with the Company 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. 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 OVPB Conflict of Interest Review Committee and/or Medical School Conflict of Interest Board will be done on a project-by-project basis.
3. The pecuniary interests of Gary Glick, Anthony Opipari, and James Ferrara arise from their ownership interests in Lycera, Inc.

Third Amendment to License Agreement between the University of Michigan and NanoBio Corporation

The regents approved a third amendment to a master agreement with NanoBio Corporation ("Company") to add the following technologies from the University into the existing license: UM File No. 4104, "ITC and Zeta Potential Measurement of Nanoemulsions;" File No. 4137, "Nanoemulsion Activation-Physical and Biochemical Requirements;" File Nos. 4205, 4207, "IL-6 Signaling and Nanoemulsions" and "Uric Acid and Nanoemulsions;" File No. 4162, "Topical Nanoemulsion Therapy for Burn Wounds;" File No. 4367, "Respiratory Syncytial Virus Vaccine Induction with Nanoemulsion Immunization;" File No. 4370, "Streptococcus Adjuvanted with Nanoemulsion;" and File No. 4470, "NE-based Burkholderia Vaccine." Because James R. Baker Jr., a University of Michigan employee, is also owner, director, and officer of NanoBio Corporation, 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 NanoBio Corporation.
2. Agreement terms include giving the Company an exclusive license with the right to grant sublicenses. The Company will pay a royalty on sales and reimburse patent costs. The University will retain ownership of the optioned 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. 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. Baker arises from his ownership interest in NanoBio Corporation.

Master Agreement between the University of Michigan and Nico Technologies, Inc.

The regents approved a master agreement with Nico Technologies, Inc. ("Company") that will allow the University to participate in various projects that the Company will support independently or from grants from federal agencies related to artificial organ technology.

Because Nicholas Kotov, a University of Michigan employee, is also a part owner and member of the board of directors 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 Nico Technologies, Inc.
2. The University will enter into a master agreement with the Nico Technologies 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. 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 conflict of interest review will be done on a project-by-project basis.
3. The pecuniary interest of Dr. Kotov arises from his status as part owner and member of the board of the directors of Nico Technologies, Inc.

Master Transfer Agreement between the University of Michigan and NovoTyr Therapeutics, Ltd.

The regents approved a material transfer agreement with NovoTyr Therapeutics, Ltd. ("Company") that will allow the company to provide research materials to Dr. Luke Peterson, an investigator at the University of Michigan Medical School. Because Dr. Moshe Talpaz, a University of Michigan employee, is also a member of the board of the directors 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 NovoTyr Therapeutics, Ltd.
2. The terms of the agreement conform to University policy.
3. Dr. Talpaz receives no compensation from and has no ownership interest in the Company.

Option Agreement between the University of Michigan and OcuSciences, Inc.

The Regents approved an option agreement with OcuSciences, Inc. ("Company") that will grant an option to the Company to license the technology "Modulation of a Caspase in Diseases with Inflammation, Endoplasmic Reticulum Stress, and/or Apoptosis" (UM OTT File No. 4448). Because Howard Petty and Victor Elner, University of Michigan employees, are also partial owners of OcuSciences, 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 OcuSciences, Inc.
2. Option terms include giving the Company an exclusive option to obtain a royalty-bearing license to the technologies. The University will retain ownership of the optioned 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. 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. Elner and Petty arise from their ownership interest in OcuSciences, Inc.

Master Purchase Service Agreement between the University of Michigan and SWOG-Clinical Trials Initiative, LLC

The regents approved a master purchase service agreement with SWOG-Clinical Trials Initiative, LLC ("Company") that will allow the University to participate in various projects that the Company will support independently or from grants from third parties. Because Dr. Laurence Baker, a University of Michigan employee, is also a key person in the organizations that control the Company (employee of the Company as sponsor, president of the Hope Foundation which exercises managerial control over the Company, and chair of the Southwest

Oncology Group), 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 SWOG-Clinical Trials Initiative, LLC.
2. The University will enter into a Master Purchase Service Agreement with the Company 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. 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. Because 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. Dr. Baker does not have a pecuniary interest in this agreement.

Master Agreement between the University of Michigan and Therapeutic Systems Research Laboratories, Inc.

The regents approved a master agreement with Therapeutic Systems Research Laboratories, Inc. ("TSRL") that will allow the University to participate in projects that TSRL will support and which may be related to technology licensed or optioned to TSRL by the University. Because Gordon L. Amidon and Phillip E. Kish, University of Michigan employees, are also an owner (Amidon) and employee (Kish) of TSRL, 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 TSRL.
2. The University will enter into a Master Agreement with TSRL 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. TSRL has supported eight projects at the University

since 2004. The master agreement will allow the University and TSRL 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. Dr. Amidon's and Dr. Kish's pecuniary interest arises from their status as owner (Amidon) and employee (Kish) of TSRL.

License Agreement between the University of Michigan and Tangent Medical Technologies LLC

The regents approved a license agreement with Tangent Medical Technologies LLC ("Company") to license the following technology from the University: UM File No. 4345, "Easy Cath 180;" UM File No. 4346, "Sphynx Catheter Securement Device;" and UM File No. 4347, "Nova-Cath." Because Steven White, a University of Michigan employee, is also a 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 University of Michigan and Tangent Medical Technologies LLC.
2. Terms include giving the Company an exclusive license with the right to grant sublicenses. The Company 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. 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 Steven White arises from his ownership interest in Tangent Medical Technologies LLC.

On a motion by Regent Taylor, seconded by Regent Maynard, the Regents unanimously approved the following two agreements. Regent Richner recused himself from voting due to a conflict of interest.

Option Agreement between the University of Michigan and Crossbar, Inc.

The regents approved an option agreement with Crossbar, Inc. ("Company") which will allow it to exercise its option to take a license from the University to the University's rights associated with the following technologies: "UM OTT File No. 3526, "Non-Volatile Solid State Resistive Switching;" UM OTT File No. 4182, "Silicon-Based Nanoscale Resistive Device with Adjustable Resistance;" and UM OTT File No. 4183, "A Si-Based Nanoscale Crossbar Memory." Because Wei Lu, a 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 University of Michigan and Crossbar, Inc.
2. Terms include giving the Company an exclusive license with the right to grant sublicenses. The Company 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. 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 Dr. Wei Lu arise from his ownership interest in Crossbar, Incorporated.

Material Transfer Agreement between the University of Michigan and Health Media, Inc.

The regents approved a material transfer agreement with Health Media, Inc. to enable graduate student research assistant Maria Souden to perform research on a de-identified dataset entitled "Care For Your Health." Because Victor Strecher, a University of Michigan employee, is also founder and chief science officer of Health Media, 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 Health Media, Inc.
2. Agreement terms conform to University policy.

3. The pecuniary interests of Dr. Strecher arise from his status as founder and chief science officer of Health Media, Inc.

Revisions to Regents' Bylaws Sections 6.02, 11.10, 11.25, 11.26, 13.06

On a motion by Regent Darlow, seconded by Regent Richner, the regents unanimously approved the following "housekeeping" revisions to the Regents' Bylaws (additions are underlined; deletions are crossed out).

Sec. 6.02. Degree Program Definitions (revised September 2004)

Undergraduate degree programs are offered by:

The University of Michigan (Ann Arbor Campus)

- A. Alfred Taubman College of Architecture and Urban Planning
- School of Art and Design
- Stephen M. Ross School of Business
- School of Dentistry
- School of Education
- College of Engineering
- School of Kinesiology
- College of Literature, Science, and the Arts
- School of Music, Theatre & Dance
- School of Natural Resources and Environment
- School of Nursing
- College of Pharmacy

The University of Michigan-Dearborn

- College of Arts, Sciences, and Letters
- School of Education
- School of Engineering
- ~~School of Management~~ College of Business

The University of Michigan-Flint

- College of Arts and Sciences
- School of Health Professions and Studies
- School of Management
- School of Education and Human Services

Graduate degree programs are offered by the schools and colleges on all three campuses through the agency of the Horace H. Rackham School of Graduate Studies, leading to the master's, doctoral, and related degrees. In addition, the A. Alfred Taubman College of Architecture and Urban Planning, the Stephen M. Ross School of Business, the School of Health Professions and Studies, the School of Natural Resources and Environment, and the ~~Schools of Management~~ College of Business at the University of Michigan-Dearborn, and the School of Management ~~at the University of Michigan-Flint~~, and the School of Education and Human Services at the University of Michigan-Flint, are authorized to offer the master's degree in appropriate professional fields and the School of Music, Theatre & Dance, the master's degree in applied music.

Graduate professional degree programs are offered by the:

- School of Dentistry
- College of Pharmacy
- Law School
- School of Public Health

- Medical School
- School of Social Work

Sec. 11.10. The University of Michigan-Dearborn School of Management College of Business Executive Committee

The executive committee will consist of the dean and five faculty members of senate rank to be appointed by the Regents on recommendation by the chancellor and the president. The appointed members will not be eligible for reappointment until after the lapse of one year. The terms will be for three years and will be so adjusted that one vacancy will occur each year. The dean will chair the committee.

Sec. 11.25. The University of Michigan Press

The University of Michigan Press, which promotes scholarly communications, is a unit of the University Library. ~~will be maintained for the purpose of publishing for sale books and other documents on behalf of the University.~~

Sec. 11.26. The University of Michigan Press: Director and Executive Committee

~~The University of Michigan Press will be under a director, responsible to the dean of the graduate school, appointed by the board on recommendation by the president. The director will be assisted by an executive committee consisting of the dean of the graduate school who will be chair of the executive committee, the director of the University of Michigan Press, and nine additional members to be appointed by the board upon recommendation by the president, for terms of three years each. The committee will have the responsibility for promoting publication by and on behalf of the University and the power to determine policies relative to such publications, to supervise such publications and their sale or other distribution, to approve or reject manuscripts offered for publication under the University of Michigan Press imprint, and to approve all expenditures for publication by or on behalf of the University.~~

Sec. 13.06. University Committee on Broadcasting (revised November 1993)

~~The University Broadcasting Service shall be under the direction of a University Committee on Broadcasting which shall be responsible for formulating and carrying out plans and policies governing all University broadcasting activities, both radio and television, as follows:~~

- ~~1. The operation of all educational radio and television activities of the broadcasting service.~~
- ~~2. The use of University owned broadcasting stations and related properties.~~
- ~~3. The provision of such services as may be requested by academic departments and other University approved offices in the way of facilities or personnel to install, operate, service, program, or otherwise participate in closed circuit television or radio installations and activities.~~

~~The committee shall act also for the University in presenting official radio or television programs over other broadcasting outlets, and in considering all requests for official University sponsorship of or participation in radio or television programs other than those for which there is now a fixed policy, such as programs sponsored by the Department of Interscholastic Athletics.~~

~~The University Committee on Broadcasting shall be composed of the following: a representative of the provost and executive vice president for academic affairs; the director of the University Extension Service, ex officio; the director of University communication, ex officio; the director of broadcasting, ex officio, without vote; and six members of the University Senate to be appointed by the Board of Regents on recommendation by the president for terms of three years each, the terms to be so arranged that two vacancies shall occur each year. No senate member in this category may serve more than two consecutive terms.~~

~~The president shall appoint the chair, who shall serve as the executive officer of the committee. The chair shall serve for periods of three years, or until relieved by the president. The director of broadcasting, responsible to the director of university communication, shall be the administrative officer of the broadcasting service.~~

~~The director of broadcasting shall be responsible for the management of the service and for program operations within the policies approved by the committee.~~

New Graduate Degree Program, Education Specialist,” to be offered by the School of Education and Human Services, University of Michigan-Flint

On a motion by Regent Ilitch, seconded by Regent Darlow, the regents unanimously approved a new degree program, “Education Specialist,” to be offered by the School of Education and Human Services at the University of Michigan-Flint.

Public Comments

The regents heard comments from the following individuals, on the topics indicated: Matt Schroeder, citizen and president of Ann Arbor Firefighters Local 693, on proposed City of Ann Arbor Layoffs of firefighters; Douglas Smith, alumnus, on lack of oversight of DPS; and Stephen Hipkiss, staff, on the DPS Oversight Committee.

There being no further business, the meeting was adjourned at 4:50 p.m. The next meeting is scheduled for October 15, 2009.