

**SEPTEMBER MEETING, 2014**

**Approved by the  
Regents  
October 16, 2014**

*The University of Michigan  
Ann Arbor  
September 18, 2014*

The regents met at 3:00 p.m. in the Anderson Room, Michigan Union. Present were President Schlissel and Regents Bernstein, Darlow, Diggs, Ilitch, Newman, Richner and White. Also present were Vice President and Secretary Churchill, Vice President Harper, Interim Vice President Hu, Interim Executive Vice President Johns, Chancellor Little, Vice President Lynch, Vice President May, Chancellor Borrego, Provost Pollack, Vice President Rudgers, Interim Executive Vice President Strong and Vice President Wilbanks. Regent Deitch was absent.

**Call to Order and President's Opening Remarks**

President Schlissel called the meeting to order. He welcomed Susan Borrego, chancellor of UM-Flint, to her first meeting and said that he looked forward to being on the Flint campus for the October Regents' meeting.

President Schlissel thanked the University community for the time, effort, and enthusiasm that went into planning his installation ceremony and said, "It was an important event in the University's history and a very special day for my family and me."

He congratulated Professor Khaled Mattawa who was recently named a MacArthur Fellow, the latest of many prestigious honors he has earned both as a poet and translator of Arabic poetry. Dr. Mattawa is an associate professor in the Department of English and has been with the University since 2004.

President Schlissel announced the pending weekend celebration for the College of Engineering, which is marking the 100<sup>th</sup> anniversary of aerospace engineering. He said, "Michigan was the first university to teach aeronautics, and its graduates have made a strong

impact on flight and space travel. We can claim eight astronauts, two all-Michigan flight crews, the first female aircraft designer, and the founder of Lockheed's legendary 'Skunk Works.' Both our undergraduate and graduate programs are ranked in the top 5 nationally."

President Schlissel turned to Interim EVPMA Johns to introduce the presentation.

### **Presentation: Transplant Program**

Dr. Johns introduced Dr. John Magee, director of the Transplant Program. Dr. Magee provided an overview of the Transplant Program which he said "is life saving and life altering." The first transplant was a kidney in 1964, which was followed by transplants of heart, pancreas, liver and finally lungs in 1991. All were the first of their kind in Michigan, and early on in the world. To date more than 10,000 organs have been transplanted, including over 1,000 pediatric patients. Over time, survival rates and have dramatically increased but the demand continues to surpass the supply. The highly interdependent multi-disciplinary teams continue their leadership role, with their focus on patient center care and value.

### **Enrollment Update**

Provost Pollack presented an overview of freshman enrollment for 2014-15. There were 6,532 new freshmen and 28,483 undergraduates enrolled this semester, which is 307 more freshmen than last year, despite plans to shrink the freshman class. With nearly 50,000 applications received, demand for a UM education continues to grow.

The initial priority was to assure access to first-year courses, especially in Literature, Science and the Arts where additional sections in core classes were quickly added. A faculty-expansion program was already built into this year's budget, which will further ensure high quality education for every student.

The freshman enrollment also challenged student housing and the tradition of first year students living on campus. Staff was able to incentivized returning students with housing contracts for off-campus apartments, without an increase in cost to them, and with full access to on-campus dining and 338 upper level students accepted.

The new enrollment manager will explore more advanced prediction models, and will also set a target below actual, leading to a more intentional use of the waitlist. This change will need to be carefully communicated to applicants.

### **Public Comment**

Regents heard comments from the following individuals on the topics listed: Wes Vear, student, on the Athletics rowing facility; Amber Smith, student, on the Athletics South Competition and Performance Project; Alex Spaulding, student, Athletics South Competition and Performance Project; and Jacob Light, student, on the recreational sports renovations.

**Finance, Audit and Investment Committee.** Regent Bernstein, chair of the Finance, Audit and Investment Committee, said that he and Regents Darlow and White met with Nancy Hobbs, interim associate vice president for finance, Jeff Moelich, executive director of university audits, Cheryl Soper, university controller and director of financial operations, and PricewaterhouseCoopers partners Chris Hoffman and John Mattie for a review of the University's fiscal 2014 financial statements and the results of the related external audit. The committee also met with Hank Baier, associate vice president for facilities and operations and Rich Robben, executive director for plant operations, who provided an update on the University's Utility Financial and Operational Profile and Enterprise Risk.

**Health Affairs Committee.** Regent Diggs reported that she and committee member Regents Ilitch received an update from Skip Campbell, chief medical officer, on the US News

and World Report Ranking System which included background on the survey, and strategies for improvement.

The Committee received an internal audit quarterly update from Jeff Moelich, executive director of university audits with three new reports and five follow-up reports. The committee received an update on recent strategic initiatives, and CFO Paul Castillo presented the August UMHS financial results

Regent Diggs noted a fact sheet on UMHS Medical Students. More than 700 students are currently working toward their MD degree, 100 of which are in a dual-degree program, and the 2014 incoming class is 47% Michigan residents, 53.1% female and 11.9% underrepresented groups in medicine.

Regent Diggs reported that graduate medical education rankings place 20 UMHS programs among the best in the country. The rankings are based on votes from board-certified physicians in 20 different specialties, and place UM among the top 22 in the nation. More than 550 students are working on masters or doctoral degrees in biomedical fields, and UM is a popular training site for other health professional students for hand-on clinical training during the summer.

**Personnel, Compensation and Governance Committee.** Regent Richner, chair of the Personnel, Compensation and Governance Committee, and Regent Newman met with Vice President Churchill and received updates from Chancellor Little on the UM-Dearborn campus, a Chancellor Borrego, on the UM-Flint Campus, and Provost Pollack on searches currently underway. Vice President Churchill reviewed the conflict of interest disclosure reports for the president and executive officers. The committee also reviewed the executive officer evaluation report with President Schlissel.

## **Consent Agenda**

**Minutes.** Vice President Churchill submitted for approval the minutes of the meeting of July 17, 2014.

**Reports.** Interim Executive Vice President Strong submitted the Investment Report as of August 31, 2014 and the Plant Extension Report. There was no University Human Resources Report.

**Litigation Report.** Vice President Lynch submitted the Litigation Report.

**Research Report.** Interim Vice President Hu submitted the Report of Projects Established, July 1 – August 31, 2014.

**University of Michigan Health System.** There was no report.

**Student Life.** Vice President Harper spoke to the action item to improve the intermural sports building, an important center for health, recreation and social interaction that serves over one million visitors per year, and was the first intermural sports facility in the country. This is the first of three facilities that will be bringing forth for improvements.

**University of Michigan-Dearborn** Chancellor Little shared that UM-Dearborn is experiencing record enrollment 9,193 students. Credit hour production is also up 2%, the quality of the incoming class is strong, and students of color now represent 25% of the campus. He said that roughly \$2 million are reported for grants and sponsored projects.

**University of Michigan-Flint.** Chancellor Borrego said that UM-Flint enrollment is 8,600, which is up for the 8<sup>th</sup> year in a row, with strong increases in graduate and international students. She thanked everyone at UM for the warm welcome she has received in Flint and in Ann Arbor. She reported on a \$1 million gift from Bernard Osher and the Osher Foundation, and a \$500,000 gift from Bobby Crim.

**Central Student Government Report.** Central Student Government (CSG) President Bobby Dishell introduced the newly appointed CSG vice president Emily Lustig. He thanked the regents for their consideration of improvements to the athletic campus, and noted several initiatives underway, including “It’s On Us,” which is a campaign to combat sexual assault on campus, the Wolverine Support Network which is a peer support group for student to talk about their lives and support mental health, and the Night Owl bus route that will run again this semester.

**Voluntary Support.** Vice President May reported on an exceptionally successful fundraising year that kicked off on November 8, 2014 with the Victors for Michigan Campaign and an overall goal of \$4 billion, including \$1 billion for student support. He noted the historic gifts and strong leadership from Stephen Ross, Alfred Taubman and Rich and Susan Rogel. A total of 127,516 donors have supported the campaign with gifts and pledges of almost \$950 million, and with outright gifts totaling \$436 million, including \$88.9 million for student support.

Vice President May noted the pending action item for naming the southeast tower of Michigan Stadium after Nate and Cathy Forbes. The Forbes have been great friends of the University through their support the arts, of the Health System, and with their time as volunteers.

He said that the Dental School has received two significant gifts that will impact care of patients with PTSD and developmental disabilities. The Delta Dental Foundation has made a gift of \$2 million to fund the building of a clinic to treat these patients, and to better train dentists and dental hygiene students in their specialized care.

The second gift is from Timothy and Laurie Wadhams. Tim created a professorship to lead this clinic as a surprise for his wife in recognition of her late father, Dr. Walter H. Swartz, a

highly respected faculty member at the Dental School. Vice President May closed with a video featuring a recipient of the Blavin Scholarship.

**Personnel Actions/Personnel Reports.** Provost Pollack had no additional report.

**Retirement Memoirs.** Vice President Churchill submitted faculty retirement memoirs.

**Memorials.** Vice President Churchill submitted a memorial statement for Patricia Smith Yaeger, Ph.D., Henry Simmons Frieze Collegiate Professor English and Women's Studies, who died on July 25, 2014, and extended heartfelt condolences to her colleagues and to her family.

**Degrees.** Provost Pollack submitted final degree lists for April 2014 commencements, and changes to previously approved degree lists.

**Approval of Consent Agenda.** On a motion by Regent Newman, seconded by Regent White, the regents unanimously approved the consent agenda.

### **FY2014-2015 All Campus Budget Book**

Interim Executive Vice President Strong submitted the FY2014-15 All Campus Budget Book, which is also available on the Regents' web site.

### **The University of Michigan Financial Statements for the Year ended June 30, 2014**

Interim Executive Vice President Strong provided the Consolidated Financial Statements for the year ended June 30, 2014, as well as the audited financial statements for Hospitals and health Centers, Intercollegiate Athletics, and the Veritas Insurance Corporation. The financial statement will be on the regents' agenda for approval in October.

### **Report of University Internal Audits**

Interim Executive Vice President Strong presented the internal audit report from May 1 through July 2, 2014.

### **Alternative Asset Commitments and Absolute Return Investment**

Interim Executive Vice President Strong reported on the University's follow-on investments with previously approved partnerships with a commitment of a \$14.5 million to MAP 2003, L.P.; \$30 million to Shorenstein Realty Investors Eleven, L.P.; \$30 million to Apollo Structured Credit Recovery Fund III Ltd.; \$20 million to Orion Mine Finance Fund I-A, L.P., \$30 million to Shoreline China Value III, L.P.; and \$69 million with GreyCastle.

### **Alternative Asset Commitment**

On a motion by Regent White, seconded by Regent Ilitch, the regents unanimously approved partnerships with a commitment of \$30 million from the Long Term Portfolio to Old Ironsides Energy II, L.P.

### **Fixed Income**

On a motion by Regent White, seconded by Regent Ilitch, the regents unanimously approved unlevered convertible arbitrage for the Fixed Income asset class, and a commitment of \$75 million from the Long Term Portfolio to Camden Asset Management

### **Stephen M. Ross Athletic Campus Athletics South Competition and Performance Project**

President Schlissel said, "The University of Michigan has a long history of innovation in its programs and its spaces. One of the first times on campus I was struck by the wonderful physical spaces, and the recognition that space matters. This is true of Michigan Athletics. As the 150<sup>th</sup> anniversary of Michigan Athletics nears, there is some visionary thinking occurring related to the future of the Stephen M. Ross Athletic Campus that addresses needs described at the launch of the Athletics Victors for Michigan campaign.

“Vice President Strong will lay out the proposal for consideration by the Board of Regents --a project that envisions facilities for a number of our men’s and women’s Olympic and other sports, and facilities that will also be available to students who participate in the university’s recreational sports programs. I am pleased that this proposal centers on enhancing the student experience. What I appreciate about this proposal is the holistic approach it takes. It allows us to address a number of important needs across these teams simultaneously.

“This project is 100 percent funded by Athletics resources and gifts. It maximizes both donor dollars and our use of space. This proposal comes with a significant price tag -- \$168 million -- but by grouping the elements together rather than working on each as a stand-alone effort, we will save significantly in construction costs because of the ability to create shared spaces in some cases. This is important both to us and to our donors who are helping to support this project. This includes Stephen M. Ross, whose historic \$100 million gift helps make a proposal such as this within reach.

Vice President Strong said, “This plan was described in the Athletics Victors for Michigan campaign launch. Athletics wants to improve the facilities that serve two-thirds of all our student athletes, those who participate in Olympic sports, including men’s and women’s lacrosse, soccer, tennis, track and field, cross country, and also wrestling, women’s rowing and gymnastics.

“The proposal would create a set of five combined facilities, 310,000 gross square feet, The project would offer unique space for each of the sports where that type of specialization is needed, and shared space for the teams wherever that is possible, such as in conditioning and strength-training, performance development, concessions, restrooms and other areas, will again

allow hosting of home, regional, and national competitions, and use by students participating in recreational sports.

“The recent purchase of 17 acres of the Edwards Brothers Malloy property will allow development with less impact to existing wetlands during construction and create future opportunities to manage storm water in that area. The proposed facilities – and the rest of the Stephen M. Ross Athletic Campus – are connected to Central Campus by sidewalks along State Street.

Regent White moved, and Regent Richner seconded approval of the Stephen M. Ross Athletic Campus Athletics South Competition and Performance Project as described and authorized commissioning TMP Architecture for its design.

Regent Newman commented on the sidewalks, saying they are a positive development.

Regent Richner thanked Mr. Ross for his transformative gift, and all he has contributed.

Regent Bernstein said his concern early on was for students who are not athletes to have access, he said, “I’m very pleased that a great deal of effort is going to ensuring that is the case. This is holistic in the truest sense of the word, and it’s a thrill and honor to support this.” He said “One hundred years ago this University made important, innovative, transformative decisions, and this may be one of those, in the context of athletics.”

Regent Newman thanked the team from the Athletic Department for their efforts to move this project forward.

The motion carried unanimously.

### **Intramural Sports Building Renovation**

On a motion by Regent White, seconded by Regent Newman, the regents unanimously approved the Intramural Sports Building Renovation project as described and authorized

commissioning Integrated Design Solutions in association with RDG Planning and Design for its design.

### **West Hall Roof Replacement**

On a motion by Regent Newman, seconded by Regent Ilitch, the regents unanimously authorized issuing the West Hall Roof Replacement project for bids and awarding construction contracts providing that bids are within the approved budget.

### **Wolverine Tower Exterior Repairs**

On a motion by Regent Newman, seconded by Regent White, the regents unanimously authorized issuing the Wolverine Tower Exterior Repairs project for bids and awarding construction contracts providing that bids are within the approved budget.

### **Facility Naming**

Regent Ilitch said, “Nate and Kathy Forbes have been incredibly generous to our University. I want to thank them. Not only have they played a role in sports, but also in breast cancer, and in many areas of the University. Thank you to both of them.”

Regent White added, “They have both been great leaders in philanthropy and we still need them to help us in the Victors for Michigan Campaign, and thank them so much for their service to this university.”

On a motion by Regent Newman, seconded by Regent White, the regents unanimously designated the southeast tower in Michigan Stadium as the Cathy and Nate Forbes Tower, in compliance with the University’s guidelines for naming facilities.

**University of Michigan Hospitals and Health Centers University Hospital Operating Room Expansion**

On a motion by Regent White, seconded by Regent Newman, the regents unanimously authorized the project as described, authorized issuing the project for bids and awarding a design and construction contract providing that bids are within the approved budget.

**University of Michigan Hospitals and Health Centers University Hospital Fire Detection and Alarm System Update**

On a motion by Regent Newman, seconded by Regent White, the regents unanimously approved the University of Michigan Hospitals and Health Centers University Hospital Fire Detection and Alarm System Update project as described, and authorized issuing the project for bids and awarding a design and construction contract providing that bids are within the approved budget.

**University of Michigan Hospitals and Health Centers W.K. Kellogg Eye Center Auditorium Renovation**

On a motion by Regent White, seconded by Regent Newman, the regents unanimously approved the University of Michigan Hospitals and Health Centers W.K. Kellogg Eye Center Auditorium Renovation project as described, authorized commissioning the architectural firm of Integrated Design Solutions for its design, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

President Schlissel said the agenda includes 18 conflict of interest items, each of which requires six votes for approval. On a motion by Regent White, seconded by Regent Bernstein, the regents unanimously approved the following items:

**Authorization for the University Enter into Lease Agreements with Venture Accelerator Firms located at the North Campus Research Complex**

The regents approved lease agreements for space in the North Campus Research Complex Venture Accelerator, located at 1600 Huron Parkway, Ann Arbor, with each of the four companies listed in the spreadsheet that is part of the Regents Communication. The space will be utilized as office and lab space for research and business operations for each respective company. The companies have an opportunity to expand their operations per the parameters outlined in the spreadsheet to include additional laboratory or office space. Because those named for each respective company included in the Regents Communication (and listed below) are University of Michigan employees, and party to the lease by virtue of their share of the ownership of each respective company, membership on respective tenant board of directors, or acting as an officer in the tenant 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 the companies listed in spreadsheet that is part of the Regents Communication, and listed here: 1) 3D Biomatrix, Inc., 2) Civionics, LLC 3) Reveal Design Automation, Inc., and 4) SenSigma, LLC.
2. The service to be provided is the continuation of existing leases for space in the North Campus Research Complex Venture Accelerator, located at 1600 Huron Parkway, Ann Arbor, Michigan with access to common area space within the building for an additional year in the program. The one-year lease durations are outlined in the spreadsheet. The leases are written using the standard University of Michigan Venture Accelerator lease template. Tenant will pay rates stipulated in the spreadsheet for the additional term indicated, with a monthly rate as follows: 1) \$550, 2) \$160, 3) \$575, and 4) \$825. All companies will be responsible for providing monthly updates concerning their business progress to the University of Michigan Office of Technology Transfer, and will have access to Office of Technology Transfer personnel for advice concerning obtaining technology assessment, business consulting, technical assistance, capital raising, or other business services.
3. The pecuniary interest arises from the fact that the individuals listed on the spreadsheet (and listed below) for each company are University of Michigan employees, and also owners and/or officers of each respective company: 1) Nicholas Kotov, 2) Jerome P. Lynch, 3) Karem Sakallah, and 4) Jyotirmoy Mazumder.

### **Authorization for the University to enter into an agreement with Akadeum Life Sciences, LLC**

The Regents unanimously approved an agreement with Akadeum Life Sciences, LLC (the “Company”) for a one-time purchase of kits containing glass microbubbles coated with Streptavidin to be used for isolating living cells.

Because, University of Michigan employee, John Younger, is also the 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 Regents of the University of Michigan and its Department of Pediatrics and Communicable Diseases, Department of Epidemiology, Periodontics and Oral Medicine Department and Akadeum Life Sciences, LLC.
2. The agreement is for a one-time purchase of kits containing glass microbubbles coated with Streptavidin to be used for isolating living cells at a cost of \$200 each for a total cost of \$600.
3. The pecuniary interest arises from the fact that University of Michigan employee, John Younger, is the owner of Akadeum Life Sciences, LLC.

### **Authorization for the University to enter into an agreement with Brian Tell Consulting**

The Regents unanimously approved an agreement with Brian Tell Consulting (the “Company”) for program facilitation and general consulting services.

Because, University of Michigan employee, Catherine Lilly, is also a subcontractor 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 its Office of University Development and Brian Tell Consulting.
2. The agreement is for program facilitation and general consulting services for the term of one year at an estimated cost of \$32,000.
3. The pecuniary interest arises from the fact that University of Michigan employee, Catherine Lilly, is a subcontractor for Brian Tell Consulting.

### **Authorization for the University to transact with SkySpecs, LLC**

The Regents unanimously approved an agreement with the SkySpecs, LLC (the “Company”) to purchase ten units of custom quadrotor platforms for a new lab course titled ROB 550 (Robotics 550).

Because, University of Michigan employee, Samuel DeBruin, is also of the 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 Regents of the University of Michigan and its Aerospace Engineering Department and SkySpecs, LLC.
2. The agreement is for the purchase of ten units of custom quadrotor platforms that robotics students need for a new lab course titled ROB 550. The total cost of the agreement is \$25,200.
3. The pecuniary interests arise from the fact that University of Michigan employee, Samuel DeBruin, is the owner of SkySpecs, LLC.

**Authorization for the University to transact with Mouko, LLC**

The Regents unanimously approved an agreement with the Mouko, LLC (the “Company”) to purchase development, training and support services to update the web-based engagement platform for the Planet Blue Ambassador program.

Because, University of Michigan employees, Alex Ade and Justin Laby, are also 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 its Graham Environmental Sustainability Institute and Mouko, LLC.
2. The agreement is for development, training and support services to update the web-based engagement platform for the Planet Blue Ambassador program to improve usability and functionality. The total cost for these services is not to exceed \$27,000 through December 31, 2015.
3. The pecuniary interest arises from the fact that University of Michigan employees, Alex Ade and Justin Laby, are also owners of Mouko, LLC.

### **Authorization for the University to purchase from Diversified Solutions**

The Regents unanimously approved an agreement with Diversified Solutions (the “Company”) to purchase tennis instruction services.

Because, University of Michigan employee, Gregory Lambert, is also the 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 Regents of the University of Michigan and its Athletics Department and Diversified Solutions.
2. The agreement is for two hours of instruction at the Varsity Tennis Center where the Athletics Department operates a private membership program and will host a membership appreciation event. The total cost of the instruction is \$75.
3. The pecuniary interests arise from the fact that University of Michigan employee, Gregory Lambert, is the owner of Diversified Solutions.

### **Authorization for the University of Michigan to enter into an agreement with BHJ Tech, Inc.**

The Regents unanimously approved an agreement with BHJ Tech, Inc. (the “Company”) to extend an agreement for software development and maintenance and support fees for multiple applications.

Because Jinan Li, University of Michigan employee, is also the spouse of the owner and the sole employee 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 its UMH Materiel Services Department and BHJ Tech, Inc.
2. The agreement is software development for multiple applications and includes a one-time fee for modifying the Medical Equipment Manager System for integrating the Inventory Module. It also includes monthly support and maintenance fees through October 31, 2014 for a total cost of \$81,000.

3. The pecuniary interests arise from the fact that University of Michigan employee, Jinan Li is the sole employee of BHJ, performing all the work on this University project, and the effective beneficiary of the funding.

### **Authorization for the University to enter into an agreement with Arbor Research Collaborative for Health**

The Regents unanimously approved an agreement with Arbor Research Collaborative for Health (the “Company”) to design and construct a database to be used for the Nephrotic Syndrome Study Network (NEPTUNE II).

Because Robert Merion, University of Michigan employee, is also the president 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 its Department of Nephrology and Arbor Research Collaborative for Health.
2. The agreement is to design and construct a database to be used for the Nephrotic Syndrome Study Network (NEPTUNEII) over a three month time period at a cost of \$32,000.
3. The pecuniary interest arises from the fact that University of Michigan employee, Robert Merion, is president of Arbor Research Collaborative for Health.

### **Subcontract Agreement between the University of Michigan and Civionics, LLC**

The Regents unanimously approved an agreement with Civionics, LLC (the “Company”) for the proposal submitted to the Department of Transportation titled: “Health Assessment and Risk Mitigation of Railroad Networks exposed to Natural Hazards using Commercial Remote Sensing and Spatial Information Technologies,” (ORSP# 14-PAF05121) in the Department of Civil and Environmental Engineering.

Because University of Michigan employee, Professor Jerome Lynch, is 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 Regents of the University of Michigan and Civionics, LLC.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately two (2) years. The amount of funding support will not exceed \$656,406 with a total subcontract of approximately \$26,300. Since research projects are often amended, these agreements include provisions for changes in time, amount, and scope of each supported 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 interest of Professor Jerome Lynch, arises from his ownership interest in Civionics, LLC.

### **Option Agreement between the University of Michigan and Elegus Technologies**

The Regents unanimously approved an agreement with Elegus Technologies (the “Company”) to option from the University of Michigan the University’s rights associated with the following technologies: UM OTT File No. 5346, entitled: “A Method of Crosslinking and Tailoring Aramid or Poly-Amide Networks,” and UM OTT File No. 5420, entitled: “Dendrite Suppressing Solid Ion conductor from Aramid Nanofibers and other Nanofibers Made by Layer-by-Layer Assembly and its Variants.”

Because Professor Nicholas Kotov and Mr. Siu On Tung, 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 Elegus Technologies.
2. Agreement terms include granting the Company an option to obtain an exclusive license. 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, such as adding related technology. 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. Kotov and Mr. Tung arise from their ownership interest in Elegus Technologies.

### **Option Agreement between the University of Michigan and Endectra LLC**

The Regents unanimously approved an agreement with Endectra LLC (the “Company”) to option from the University of Michigan the University’s rights associated with the following technologies:

UM OTT File No. 5895, entitled: “Directional Neutron Detector with Integrated Moderator,”

UM OTT File No. 3369, entitled: “Thin-Film Neutron Detector and Detector Arrays,”  
and

UM OTT File No. 6284, entitled: “An Optoelectronic Neutron Detector”

Because Professor Roy Clarke, Mr. Norm Rapino and Mr. Nick Cucinelli, 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 Endectra LLC.
2. Agreement terms include granting the Company an option to further evaluate the subject technology and, upon meeting specific milestones, the ability to negotiate an exclusive license with the right to grant sublicenses. The Company will pay an Option fee to the University. 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, such as adding related technology. 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 Professor Roy Clark, Mr. Norm Rapino and Mr. Nick Cucinelli arise from their ownership interest in Endectra LLC.

### **License Agreement between the University of Michigan and FlexDex LLC**

The Regents unanimously approved an agreement with FlexDex, LLC (the “Company”) to exercise its option to obtain an exclusive license from the University of Michigan the

University's rights associated with the following technology: UM OTT File No. 3864, entitled: "Minimally Invasive Surgical Tool with Enhanced Dexterity."

Because Professors James Geiger and Shorya Awtar, 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 FlexDex, LLC.
2. Agreement terms include granting 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 may receive equity in the Company, along with the right to purchase more equity. 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, such as adding related technology. 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. James Geiger and Shorya Awtar arise from their ownership interest in FlexDex, LLC.

### **Subcontract Agreement between the University of Michigan and the Institute for Social & Environmental Research – Nepal**

The Regents unanimously approved an agreement with Michigan and the Institute for Social & Environmental Research–Nepal (the "Company") for the proposal submitted to the Economic and Social Research Council titled, "Labor Outmigration, Agricultural Productivity and Food Security," (ORSP# 14-PAF00935) in the Department of Population Studies.

Because University of Michigan employee, Professor Dirgha Ghimire, is the director and a 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 Regents of the University of Michigan and the Institute for Social & Environmental Research–Nepal.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately three (3) years. The amount of funding support will not exceed \$882,017 with a total subcontract of approximately \$350,050. Since research projects are often amended, these agreements include provisions for changes in time, amount, and scope of each supported 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 Professor Dirgha Ghimire, arise from his service as director and member of the board of directors of the Institute for Social & Environmental Research–Nepal.

### **Subcontract Agreement between the University of Michigan and Integrated Sensing Systems, Inc.**

The Regents unanimously approved an agreement with Integrated Sensing Systems, Inc.

(the “Company”) to fund an NIH (prime) SBIR Phase I project entitled “Novel Micro-Implant to Measure Intracardiac Pressure in Congenital Heart Patients 2” (ORSP# 13-PAF06379) in the Department of Pediatric Cardiology.

Because University of Michigan employees, Professors Khalil Najafi and Emeritus Kensall Wise, are 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 Integrated Sensing Systems, Inc.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately three (3) years. The amount of funding support is \$1,055,528. Since research projects are often amended, these agreements include provisions for changes in time, amount, and scope of each supported 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 Professors Khalil Najafi and Emeritus Kensall Wise, arise from their ownership interest in Integrated Sensing Systems, Inc.

## **License Agreement between the University of Michigan and Job Crafting, LLC**

The Regents unanimously approved an agreement with Job Crafting, LLC (the “Company”) to obtain an exclusive license from the University of Michigan for the University’s rights associated with the following technology: UM OTT File No. 4074, entitled: “Job Crafting Exercise.”

Because Professor Jane E. Dutton, 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 Regents of the University of Michigan and Job Crafting, LLC.
2. Agreement terms include granting the Company an exclusive license to obtain a royalty bearing exclusive license. The Company will pay a license fee and perform certain diligence milestones during the license period. The University may receive equity in the Company, along with the right to purchase more equity. The University will retain ownership of the licensed technology. The University will retain the right to further develop it and use it internally in the event that specific requirements are needed that cannot or will not be provided by the Company. 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, such as adding related technology. 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 Professor Jane E. Dutton arise from her ownership interest in Job Crafting, LLC .

## **Subcontract Agreement between the University of Michigan and ProDevice Medical Supplies and Equipment, LLC**

The Regents unanimously approved an agreement with ProDevice Medical Supplies and Equipment, LLC (the “Company”) to fund a NIH (prime) STTR Phase I project entitled: “Accurate Prostate Cancer Diagnosis for Active Surveillance Patients Using a Novel Saturation Biopsy Needle System” (ORSP# 13-PAF50449) in the Urology Department.

Because University of Michigan employee, Professor Albert Shih, 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 Regents of the University of Michigan and ProDevice Medical Supplies and Equipment, LLC.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately one (1) year. The amount of funding support will not exceed \$77,046. Since research projects are often amended, these agreements include provisions for changes in time, amount, and scope of each supported 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 interest of Professor Albert Shih, arises from his ownership interest in ProDevice Medical Supplies and Equipment, LLC.

#### **License Agreement between the University of Michigan and QuadMetrics, Inc.**

The Regents unanimously approved an agreement with QuadMetrics, Inc. (the “Company”) to license from the University of Michigan the University’s rights associated with the following technologies:

UM OTT File No. 6088, entitled: “Method for Predicting the Maliciousness of Networks,”

UM OTT File No. 6116, entitled: “Method for Quantifying the Maliciousness of Networks,” and

UM OTT File No. 6267, entitled: “Network Security Monitoring System for Determining Cost of Insurance.”

Because Professor Mingyan Liu and Mr. Manish Karir, University of Michigan employees, are also a 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 QuadMetrics, Inc.
2. Agreement terms include granting 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 may receive equity in the Company, along with the right to purchase more equity. 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, such as adding related technology. 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 Professor Mingyan Liu and Mr. Manish Karir arise from their ownership interest in QuadMetrics, Inc.

### **Subcontract Agreement between the University of Michigan and STEL Technologies, LLC**

The Regents unanimously approved an agreement with STEL Technologies, LLC (the “Company”) to fund an NIH (prime) STTR Phase I project entitled “Validation and Cryopreservation of Ligament Engineered from Human Bone Marrow” (ORSP# 14-PAF05343) in the Department of Molecular and Integrative Physiology.

Because University of Michigan employees, Professors Lisa Larkin and Ellen Arruda, are co-founders 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 STEL Technologies, LLC.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately twelve (12) months. The amount of funding support from the Company will not exceed \$80,030. Since research projects are often amended, these agreements include provisions for changes in time, amount, and scope of each supported 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 interest of Professors Lisa Larkin and Ellen Arruda arise from their role as co-founders of STEL Technologies, LLC.

## **Adjournment**

There being no further business, the meeting was adjourned at 4:40 p.m. The next meeting will take place on October 16, 2014 on the UM-Flint campus.