

OCTOBER MEETING, 2014

*The University of Michigan
Flint Campus
October 16, 2014*

The regents met at 3:00 p.m. in the Riverfront Center, UM-Flint Campus. Present were President Schlissel and Regents Bernstein, Darlow, Diggs, Ilitch, Newman, 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 Richner joined the meeting by phone, and Regent Deitch was absent.

Call to Order and President's Opening Remarks

President Schlissel called the meeting to order and thanked host Chancellor Borrego and her team at UM-Flint. He then made the following statement:

"I'd like to address for a few minutes recent issues surrounding the University's athletics program. First, I want to thank everyone in the UM community who has shared their views with me. It is clear how important intercollegiate athletics are to our university community; how important it is to our culture; how it binds our students, alums and fans together in Ann Arbor and around the country.

We have a very passionate community that cares deeply about our wonderful athletic traditions as well as the sense of connectedness our athletic programs have long provided for us. I value that connection highly, and want to preserve and enhance it.

An injury to one of our football players a few weeks ago has led to a serious conversation about player safety, and for some groups in our community has raised or heightened concerns about the values and priorities of our athletics department. My first and most immediate concern in response to this situation was to take the steps necessary to improve student-athlete safety, and those steps have already been taken.

They include positioning a trainer in the press box, a so-called eye in the sky spotter, who is responsible for watching our players for signs of serious injury. This spotter has access to the TV feed with its instant replay capabilities, and is in two-way radio communication with medical staff on the sideline. In addition, we have reinforced the practice of taking away the helmet of players who are injured and not cleared to return to play.

I also instructed the Athletics Department to conduct a full review of in-game player safety procedures. The department is completing that review. This process will include benchmarking with peers, and I will pursue external experts to examine our procedures as well. This will be a thorough process. Any findings or recommendations will be shared with the Regents and the public at the appropriate times.

Finally, I was deeply disappointed in the department's initial response and handling of the situation. We must be accountable for the facts, with response that is timely and takes responsibility for errors. Without this we break trust with our stakeholders.

There are a number of additional issues facing our athletics department that will require a longer-term approach as we work to establish the right balance between competitiveness, financial stability and the athletic traditions we hold dear. I am being thoughtful and deliberative in examining these issues. This university deserves nothing less than my careful, deep consideration. There are many, many stakeholders when it comes to Michigan Athletics, and it is my job to reach out and consider the perspectives and interests of all of them.

I am in the midst of discussions with students, faculty, staff, alumni and others, and this engagement has been very valuable. Just last week I had an expanded Fireside Chat with students, and athletics was first on the agenda. I have met with the Student-Athlete Advisory Council, coaches, alumni and supporters. I also attended a football practice to offer my support to our student-athletes. I still have work to do to build a more complete first-hand picture of Michigan Athletics, to understand our community's sense of connection as well as the serious concerns that have been expressed, and to chart a way forward. These conversations lead me to concentrate on at least four goals moving forward:

- *We must thoroughly address player safety, which I'm confident we are doing.*
- *We must continue to operate all of our athletics programs with the highest levels of integrity and with a focus on the best interests of our student-athletes.*
- *We must continue to listen to the concerns of those who care so deeply about achieving the right balance for Michigan Athletics.*
- *Our athletics program must work to build a stronger, more positive connection with our university community and all of its stakeholders.*

These are important goals and I am committed to taking the time to fully understand the underlying issues, including our need to maintain traditions and the qualities that make Michigan Athletics truly unique in the world.

I'd like to thank the regents in particular for their help and advice with these issues as I work closely with them to carefully consider our way forward. They care deeply about this university and are committed to excellence and leadership in all that we do.

Regent White said, "President Schlissel, thank you for your comments. The board looks forward to working together with you on meeting and solving the various challenges you have articulated. We support you in your efforts. Through this process we value competency, integrity, transparency, and accountability. Thank you."

President Schlissel continued with comments on this year's Wallenberg Medal of Honor recipient, Agnes Heller, a Holocaust survivor, scholar and activist. He noted that Kailash Satyarthi, the 2002 recipient of the Wallenberg Medal was recently awarded a Nobel Peace Prize. In other news, Robert Axelrod, a professor of political science and public policy, was

selected by President Obama for a National Medal of Science, the nation's highest honor for achievement in the field of science and engineering.

The university has set a new annual record for tech transfer, including inventions, agreements and startups launched, demonstrating both the quality of UM researchers and engagement with private-sector partners.

President Schlissel said, “UM can not achieve true excellence without leveraging the experiences and perspectives of the broadest possible diversity at all of our campuses. This remains a top priority for me. I know we have a lot of work to do to be our best in this area, and today I want to share what we have done so far.”

President Schlissel said that Rob Sellers is the new Vice Provost for Equity, Inclusion and Academic Affairs, and he will work with Provost Pollack to develop new approaches and strategies to address this issue. Dr. Sellers chaired the faculty-led committee that produced a report, *Achieving Equity and Inclusion at Michigan*. He reported that Kedra Ishop is the new associate vice president for enrollment management, and she will lead new approaches in recruiting and diversity.

President Schlissel said that Student Life has launched a new freshman initiative called “Change It Up” to help students intervene when they see or hear behavior that is harmful to the campus climate. An inclusive language campaign will further educate students about how their word choices affect others. Meetings to discuss ideas with members of the Black Student Union continue to be productive consultations, and renovations have been made to the Trotter Multicultural Center.

President Schlissel then turned to Chancellor Borrego for presentations on the UM-Flint Osher Scholarship and the Center for Cognition and Neuroethics.

Presentation: UM-Flint Osher Scholarship and Center for Cognition and Neuroethics

Chancellor Borrego said it has previously been announced the Osher Foundation had given a \$1 million gift to UM-Flint for student scholarships. She then presented a short video featuring Rachel Rosa, an Osher Scholar.

Chancellor Borrego spoke to the partnership between the Philosophy Department and the Insight Institute of Nurosurgery and Nueroscience, known as the Center for Cognition and Neuroethics, where philosophy students and brain surgeons come together to understand and discuss the complexities of the mind and the brain. Professor Jami Anderson of the Philosophy Department and Dr. Jawad Shah of the Institute have led this initiative. Philosophy student Andrew Slabchuck shared his experience at the center.

Finance, Audit and Investment Committee. Regent Bernstein, chair of the Finance, Audit and Investment Committee, said that he and Regents Darlow and White, and President Schlissel met with Doug Strong, interim EVP/CFO, and Jeff Moelich, executive director of university audits, who provided an update on the status of audit reports issued and follow-up reviews completed since the last meeting. Nancy Hobbs, interim associate vice president of finance and John Sullivan, university treasurer, reviewed the university's debt, noting a cost effective mix of variable and fixed rate, and that the rating agencies are comfortable with our current level of debt and again awarding the top credit rating. The average cost of borrowing for the University is 1.8%. Regent Bernstein thanked Erik Lundberg, chief investment officer of the university, and his team, who at the committee meeting presented the FY14 annual report of investments and investment performance results. The report shows an 18.8% return over the previous year, putting UM in the top quartile for last year and over the long term.

Health Affairs Committee. Regent Diggs reported that she and committee member Regents Ilitch were joined by President Schlissel for a presentation from Steve Bernstein, professor of internal medicine and associate dean for clinical affairs, Medical School, and David Spahlinger, senior associate dean, clinical affairs and executive director, faculty group practice, Medical School, on the changes in health care from a focus on volume to value (cost and quality). Health Care costs are rising and are expected to be 19.2% of the gross domestic product in 2023 totaling \$5.2 trillion. As a result, new payment models are being created such as accountable care organizations, bundled payments, and payment for performance, which were discussed. Payments for health care are moving from individual episodes to management of an entire population

An update was given by Jeanne Strickland, chief compliance officer, with a focus on compliance education. The committee received an update on recent strategic initiatives Tony Denton, acting CEO for Hospitals and Health Centers, who provided a summary of the last executive board meeting. Paul Castillo, chief financial officer, presented the September UMHS financial results, and Dr. Johns presented an update on our recent national social media rankings

Personnel, Compensation and Governance Committee. Regent Newman, reported that the committee meeting included Vice President and Secretary Churchill, and began with an annual report from Provost Pollack on dean and major directors reviews and searches, followed by the faculty recruitment and retention report for the Ann Arbor campus. Chancellor Little reported on searches at the UM-Dearborn campus, and Chancellor Borrego presented the faculty and staff recruitment and retention report for the UM-Flint Campus.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of September 18, 2014.

Reports. Interim Executive Vice President Strong submitted the Investment Report as of September 30, 2014, the Plant Extension Report, the University Human Resources Report, and the Regents Report on Noncompetitive purchases over \$5,000 from Single Sources, June 16, 2014 through September 15, 2014.

Litigation Report. Vice President Lynch submitted the Litigation Report.

Research Report. Interim Vice President Hu submitted the Report of Projects Established, July 1 – September 30, 2014.

University of Michigan Health System. Vice President Johns had no additional report.

Student Life. Vice President Harper acknowledged and thanked President Schlissel on behalf of student for his efforts in being accessible on a myriad of issues.

University of Michigan-Dearborn Chancellor Little shared that UM-Dearborn announced an endowment gift of \$12.5 million from the estate of Arthur Kochoff in support of student access to higher education, the largest single gift in university history. Arthur and his late wife, Mary, were longtime supporters of the university and the gift will be used to create the Kochoff Pathway to Success Scholarship Program, which will support nearly 600 students with financial need in its first four years. The Victors for UM-Dearborn Campaign kicks off on Friday, October 24 with a publicly announced goal of \$50 million.

University of Michigan-Flint. Chancellor Borrego echoed President Schlissel's remarks regarding diversity, and announced the opening a new Intercultural Center. Thirteen students

requested and received support to attend the National Conference on Race and Ethnicity in American Higher Education, and staff in creating events to address critical cultural issues.

Chancellor Borrego noted the 40th anniversary of the UM-Flint Nursing Department and the opening of a new, state-of-the-art Nursing Simulation Lab. UM-Flint in collaboration with Kettering University received a federal grant from the Byrne Criminal Justice Innovation Program to assist with efforts to create a safe, walkable University Avenue Corridor, which connects the two campuses.

Central Student Government Report. UM-Flint Student Government President Nakshidil Sadien commented on the unique and rich history of the Flint campus, and urged better collaboration of all three campuses to leverage intellectual capital. She stressed the need to ensure students become global citizens, and emphasized that each campus can contribute.

Central Student Government (CSG) President Bobby Dishell spoke to the current issues regarding the football program and Athletic Department, and the frustration of students as evidenced in newspaper articles, student petitions, and protests, all underscoring a broken trust with the student body. He spoke of a CSG student opinion survey, which pointed to disappointment with the current student football ticket price of \$295, which is the highest in the Big 10, the lack of a strong football schedule, and the importance of tradition. He said that students should not be priced out of attending football games, and that students currently describe the program as “disappointing, corporate, bad, and embarrassing.” He said that students are upset by a number of negative events, and with the leadership of the athletic director.

Mr. Dishell said that members of CSG recently met with Athletic Director Dave Brandon and others who verbally agreed on a price decrease for student tickets next year, for improved

access to athletic facilities for student charitable events, and for continued monthly meetings. He said that students look forward to ongoing conversations and will continue to support all athletic teams.

Regent Ilitch thanked Mr. Dishell for his report and his strong line of communication with students. She asked if the survey had a definition for “tradition.” Mr. Dishell said that he did not, but that word was used to describe how students previously felt about Michigan football. He said that students don’t like the heavy commercialization during football games. Students like the band as opposed to the music that is currently played before the games, he reported.

Regent Newman thanked Mr. Dishell for his input and asked whether the survey was sent to all Ann Arbor students, which he confirmed. She noted that only 12% of the student body responded, and of those only 27% are actual student ticket holders, meaning that 88% of students were not represented in this study. Mr. Dishell said that was correct, but the response rate was similar to their previous survey.

Regent Diggs thanked Nakshidil Sadien for her comments about the relationship between the campuses.

Voluntary Support. Vice President May submitted the report.

Personnel Actions/Personnel Reports. Provost Pollack noted the recommendation for the reappointment of Joe Rosa as the Director of the UM Museum of Art for a second 5-year term effective July 1, 2015 through June 30, 2020.

Retirement Memoirs. Vice President Churchill submitted faculty retirement memoirs.

Memorials. Vice President Churchill submitted a memorial statement for Pierre T. Kabamba, Ph.D., professor of aerospace engineering and professor of electrical engineering and

computer science, who died on September 20, 2014, and she extended heartfelt condolences to his colleagues and to his family.

Degrees. There was no report.

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

Alternative Asset Commitments

Interim Executive Vice President Strong reported on the University's follow-on investments with previously approved partnerships with a commitment of a \$10 million to IDG China Venture Capital Fund IV, L.P.; €22 million (approximately \$27.8 million) to Altor IV, AB; \$25 million to SG Growth Partners III, L.P.; \$25 million to Sterling Value Add Partners II, L.P.; and \$4 million to Golf Mill Shopping Center, Niles, IL.

Alternative Asset Commitment

On a motion by Regent White, seconded by Regent Newman, the regents unanimously approved a commitment of \$10 million from the Long Term Portfolio to H. Barton Co-Invest Fund II, LLC. (Richner on phone)

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

On a motion by Regent White, seconded by Regent Newman, the regents unanimously adopted the Consolidated Financial Statements for the year ended June 20, 2014.

Building Naming

On a motion by Regent White, seconded by Regent Newman, the regents unanimously designated the new Ross School Academic Building to be constructed at the corner of East

University Avenue and Monroe Mall, as the Jeff T. Blau Hall, in compliance with the University's guidelines for naming facilities. Blau Auditorium will be renamed next year.

Institute of Continuing Legal Education First Floor Renovations

On a motion by Regent Newman, seconded by Regent Ilitch, the regents unanimously approved the Institute of Continuing Legal Education First Floor Renovations project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Michigan Memorial Phoenix Project Laboratory Renovations for Battery Prototype Facility

On a motion by Regent White, seconded by Regent Newman, the regents unanimously approved the Michigan Memorial Phoenix Project Laboratory Renovations for Battery Prototype Facility project as described, 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 13 conflict of interest items, each of which requires six votes for approval. Regent Richner requested recusal from the request for an agreement with Arbor Metrix . Therefore, this item was considered separately from the other conflict items. On a motion by Regent Newman, seconded by Regent Bernstein, the regents unanimously approved the following items:

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 a research reagent consisting of 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 \$1,200.
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 transact with Emag Technologies, Inc.

The Regents unanimously approved an agreement with the Emag Technologies, Inc. (the “Company”) to purchase a license for EM.CUBE Pro Suite software, a package for simulation of wave propagation, scattering, antenna design and circuit design.

Because University of Michigan employee, Kamal Sarabandi, 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 Department of Electrical Engineering and Computer Science and Emag Technologies, Inc.
2. The agreement is for EM.CUBE Pro Suite software with 5-Pack One-year Subscription-Basis Node-locked licenses for a total cost of \$2,500.
3. The pecuniary interest arises from the fact that University of Michigan employee, Kamal Sarabandi, is the owner of Emag Technologies, Inc.

Authorization for the University to transact with PHASIQ, Inc.

The Regents unanimously approved an agreement with the PHASIQ, Inc. (the “Company”) for summer internship support.

Because University of Michigan employee, Shuichi Takayama, is also director 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 Business Engagement Center and PHASIQ, Inc.
2. The agreement is for summer intern support at a total cost of \$2,500.
3. The pecuniary interest arises from the fact that University of Michigan employee, Shuichi Takayama, is also director of PHASIQ, Inc.

Authorization for the University to transact with Michigan Aerospace Corporation

The Regents unanimously approved an agreement with Michigan Aerospace Corporation (the “Company”) for summer internship support.

Because University of Michigan employee, Lennard A. Fisk, is also 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 Business Engagement Center and Michigan Aerospace Corporation.
2. The agreement is for summer intern support at a total cost of \$2,500.
3. The pecuniary interest arises from the fact that University of Michigan employee, Lennard A. Fisk, is also owner of Michigan Aerospace Corporation.

Authorization for the University of Michigan to enter into an agreement with SkySpecs, LLC

The Regents unanimously approved an agreement with (the “Company”) for summer internship support.

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 Business Engagement Center and SkySpecs, LLC.
2. The agreement is for summer intern support at a total cost of \$2,500.

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 Exo Dynamics

The Regents unanimously approved an agreement with Exo Dynamics (the “Company”) for summer internship support.

Because Daniel Johnson, University of Michigan employee, is also a stockholder 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 Business Engagement Center and Exo Dynamics.
2. The agreement is for summer intern support at a total cost of \$2,500.
3. The pecuniary interest arises from the fact that University of Michigan employee, Daniel Johnson, is a stockholder of Exo Dynamics.

Master Agreement between the University of Michigan and AssureRx Health, Inc.

The Regents unanimously approved an agreement with AssureRX Health, Inc. (the “Company”) to use facilities of the University for projects related to research and development of its personalized medicine technologies.

Because Professor Brian Athey, University of Michigan employee, is also chair of the Scientific Advisory Board and equity holder 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 AssureRx Health, Inc.
2. The University will enter into an 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 Agreement will cover an initial five-year period, with a total authorization not to exceed \$5,000,000. The University will use standard sponsored project accounting procedures to determine the cost of each project under this Agreement. Budgets will be reviewed and approved by authorized representative of the applicable

department(s) and school(s)/college(s) where projects will be performed. The Agreement will allow the University and the Company to specify projects that the University will conduct under the terms of the Agreement. Since sponsored projects are often amended, the Agreement will include provisions for changes in the 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 interests of Professor Brian Athey arise from his service as chair of the Scientific Advisory Board and equity holder of AssureRx Health, Inc.

Subcontract Agreement between the University of Michigan and Biocrede, Inc.

The Regents unanimously approved an agreement with Biocrede, Inc. (the “Company”) to fund an NIH (prime) SBIR Phase II project entitled “Advance Nitric Oxide Release of Bactericidal Urinary Catheters Phase II” (ORSP# 15-PAF00529) in the Department of Chemistry.

Because University of Michigan employee, Professors Hao Chen, is an officer and 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 Biocrede, Inc.
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 from the company will not exceed \$225,000. Since research projects are often amended, this agreement includes provisions for changes in time, amount, and scope. 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 Hao Chen, arise from his ownership interest and service as an officer in Biocrede, Inc.

Amendment to Research Agreement between the University of Michigan and JV Biolabs, LLC

The Regents unanimously approved an agreement with JV Biolabs, LLC (the “Company”) to continue funding a Merck (prime) project previously approved by the Regents entitled: “Proposal to Evaluate Two Compounds for Activity in Cell Culture and Organ Culture” (ORSP# 15-PAF01232) in the Pathology Department.

Because University of Michigan employee, Professor James Varani, is also a partial owner and chief scientific officer 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 JV Biolabs, LLC.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately six (6) months. The amount of funding support will not exceed \$30,000. Since research projects are often amended, this agreement includes a provision for changes in time, amount, and scope. 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 James Varani, arises from his ownership interest, and service as chief scientific officer of JV Biolabs, LLC.

Amendment to Research Agreement between the University of Michigan and JV Biolabs, LLC

The Regents unanimously approved an agreement with JV Biolabs, LLC (the “Company”) to continue funding a project previously approved by the Regents entitled: “Oncofetal Antigen – Immature Laminin Receptor (OFA/iLRP) as a Target for Anti-Cancer Therapy” (ORSP# 15-PAF01230) in the Department of Pathology.

Because University of Michigan employee, Professor James Varani, is also a partial owner and chief scientific officer 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 JV Biolabs, LLC.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately five (5) months. The amount of funding support will not exceed \$62,953. Since research projects are often amended, this agreement includes a provision for changes in time, amount, and scope. 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 James Varani, arises from his ownership interest, and service as chief scientific officer of JV Biolabs, LLC.

Option Agreement between the University of Michigan and NOTA Laboratories, LLC

The Regents unanimously approved an agreement with NOTA Laboratories, LLC (the “Company”) to option from the University of Michigan the University’s rights associated with the following technology, UM OTT File No. 5978, entitled: “L-Arg and L-Arg Rich Peptide-Based Rinse Solutions/Aerosol 1Sprays that Increase Natural Production of Sinus NO.”

Because Professors Mark E. Meyerhoff, Mark A. Zacharek, Marc B. Hershenson and Umadevi S. Sajjan, 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 NOTA Laboratories, LLC.
2. Agreement terms include granting the Company an exclusive option to the technology. The Company will reimburse ongoing patent costs, perform technical diligence, and provide a business plan that describes the Company’s intention and ability to develop and commercialize the licensed technology. Terms of the subsequent license agreement would include a royalty on sales and reimbursement of 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 Professors Mark E. Meyerhoff, Mark A. Zacharek, Marc B. Hershenson and Umadevi S. Sajjan, arise from their ownership interest in NOTA Laboratories, LLC.

Research Agreement between the University of Michigan and OncoFusion Therapeutics, Inc.

The Regents unanimously approved an agreement with OncoFusion Therapeutics, Inc. (the “Company”) to fund a project entitled: “Development of New Therapeutics” (ORSP# 14-PAF07588) in Internal Medicine.

Because University of Michigan employees, Arul Chinnaiyan, Shaomeng Wang and William Brinkerhoff, 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 OncoFusion Therapeutics, Inc.
2. The terms of the agreement conform to University policy. The period of performance for the project is five (5) years. The amount of funding support will not exceed \$2,062,563. Since research projects are often amended, this agreement includes a provision for changes in time, amount, and scope. 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 Arul Chinnaiyan, Shaomeng Wang and William Brinkerhoff, arise from their ownership interest in OncoFusion Therapeutics, Inc.

Authorization for the University to enter into an agreement with ArborMetrix

On a motion by Regent Bernstein seconded by Regent Newman, the Regents unanimously approved an agreement with Arbor Metrix (the “Company”) to provide and implement a measurement and reporting platform to support the quality improvement initiative entitled the Michigan Bariatric Surgery Collaborative (MBSC). Regent Richner recused himself from consideration of this item due to a conflict of interest.

Because University of Michigan employee, Dr. Justin Dimick, is also co-founder 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 Surgery and Arbor Metrix.
2. The agreement will provide the University with software licensing, maintenance, and analytical tools to support the quality improvement initiative entitled the Michigan Bariatric Surgery Collaborative (MBSC). The term of the agreement is for 3 years ending on 8/15/2017 for a total cost of \$525,000 consisting of 3 subscription payments of \$175,000 each, paid annually.
3. The pecuniary interest arises from the fact that University of Michigan employee, Dr. Justin Dimick is co-founder of Arbor Metrix.

UM-Dearborn College of Education, Health, and Human Services Executive Committee

On a motion by Regent Newman, seconded by Regent White, the regents unanimously approved the UM-Dearborn College of Education, Health, and Human Services Executive Committee revisions as presented.

Public Comment

Regents heard comments from the following individuals on the topics listed: Charles H. Winfrey, alumnus, on lack of UM-Flint responsiveness to Flint's African Americans; Paul Jordan, citizen, on the UM-Flint's poor engagement with the people of Flint; Zeid El-Kilani, student, on making changes in the Athletic Department; and Christopher Schwartz, student, on the integration of Flint and Ann Arbor and ease of transfer.

Adjournment

There being no further business, the meeting was adjourned at 4:16 p.m. The next meeting will take place on November 20, 2014 in Ann Arbor.