Approved by the Regents
December 15, 2006

NOVEMBER MEETING, 2006

The University of Michigan
Ann Arbor
November 17, 2006

The Regents convened at 9:45 a.m. in the Regents Room. Present were President Coleman and Regents Brandon, Deitch, Maynard, McGowan, Newman, Richner, Taylor, and White. Also present were Vice President and Secretary Churchill, Vice President Forrest, Vice President Harper, Executive Vice President Kelch, Vice President Krislov, Chancellor Little, Vice President May, Chancellor Mestas, Vice President Rudgers, Executive Vice President Slottow, Provost Sullivan, and Vice President Wilbanks.

Call to Order

President Coleman called the meeting to order. She noted that in the aftermath of the passage of Proposal 2, the University remains fully dedicated to maintaining and expanding its diversity, while obeying the laws of the state. She commented that she and Provost Sullivan are working on an initiative for soliciting, generating, and putting into action new ideas for fulfilling this goal, and that an e-mail address has been established for those who have questions about programs or activities that may be affected by the passage of this proposal.

President Coleman also called attention to notable achievements of faculty members, including the fact that Professor William Bolcom had been awarded a National Medal of the Arts and four faculty members had been named Fulbright Scholars.

President Coleman called attention to agenda items that will have a far-reaching impact, including the request to seek construction bids for the C.S. Mott Children's Hospital and Women's Hospital and for the expansion of the Kellogg Eye Center. She thanked Regent

Brandon for his leadership as co-chair of the "Champions for Children" campaign to benefit the children's hospital.

Finally, President Coleman pointed out that the board would be considering the schematic design for renovations to Michigan Stadium. She reported that input from fans and ticket holders had been taken into account, and she is thrilled with the approach the architects have taken. "It is a stunning interpretation of Michigan's tradition and leadership, has tremendous presence, and is deeply respectful of the stadium's place in Michigan's history." She thanked Athletic Director Bill Martin and his team for all of the work they have put into bringing this project to fruition.

President Coleman stated that she is strongly committed to this project because It provides the financial resources necessary to fund critical renovations to the stadium, and because it will provide a strong financial foundation for the competitiveness of Michigan athletics in the coming decades. She also pointed out how the entire University benefits from its renowned athletics program, making Michigan athletics an important asset for the University as a whole. She stated that the intention is that the project will provide support not only for the football program and the Athletic Department, but also for the University's academic mission.

Presentation: School of Public Health

President Coleman introduced Dean Kenneth Warner to give a presentation about the School of Public Health ("SPH"). Dean Warner thanked the Regents for their support for the newly opened "Crossroads" building, noting that is already having a huge impact on the school.

Dean Warner defined public health as "the set of activities a society undertakes to monitor and improve the health of its collective membership," and elaborated on what that means. He described the structure of the school, noting it is divided into five departments and

has a number of interdisciplinary research centers and initiatives that link the school directly to other UM schools, colleges, institutes, and centers. The Department of Health Management and Policy has been ranked the number one health administration program in the United States by *U.S. News and World Report* since the rankings were first begun.

Dean Warner reported that the school has 135 total faculty and is ranked fifth nationally among schools of public health. The school enrolls 837 students (72% female), with ¾ of them in masters programs, and ¼ in doctoral programs. Courses taught are almost exclusively at the graduate level. He pointed out that among the school's alumni are numerous CEOs of hospitals and health care systems, leading government officials, and leaders in the public health profession.

Dean Warner reviewed some of the major contributions that have been made by SPH faculty through their research efforts in the past, and described the efforts of current faculty. He also highlighted a student-initiated group that works on public service efforts such as Hurricane Katrina recovery efforts.

Dean Warner concluded by describing some of the current and future initiatives planned by the SPH, including developing a new UM Center for Global Health. He commented that "public health is successful when you're not even aware that it's there."

In response to a question from Regent Newman about whether the school has considered offering more undergraduate classes, Dean Warner observed that the school would love to do this, but is hampered by a lack of resources and faculty to support such an initiative. Regent White expressed support for the school to "dream big" by continuing to grow relationships around the world. Regent Taylor complimented Dean Warner for his report and observed that the SPH is a "real jewel."

Annual Report of Senate Advisory Committee on University Affairs (SACUA)

Professor Charles Smith, chair of SACUA, presented the committee's annual report. He commented that issues to be pursued during the current academic year include improved communications between faculty involved in governance and members of the Board of Regents, faculty involvement in the oversight of faculty and staff benefit programs, challenges to tenure and their implications for academic and intellectual freedom, improved faculty grievance procedures, recommendations on unit faculty governance, the impact of the passage of Proposal 2, and evaluation of student success in light of the Spellings Commission Report.

Public Comments on Agenda-Related Topics

The Regents heard comments from the following individuals on the topic of the Michigan Stadium renovation project: William Dufek, Joey Lansing, and Todd J. Anson, alumni; Steve Grafton, president of the University of Michigan Alumni Society; Patricia Yocum, faculty member; and John Latus, student.

Michigan Stadium Renovation and Expansion Project

President Coleman called on Executive Vice President Slottow to introduce the presentation of the schematic design for the Michigan Stadium Renovation and Expansion Project. Mr. Slottow noted that this project had undergone the same rigorous development and review process that every major capital project over $500,000 is subjected to at the University of Michigan. He reviewed all of the elements of this process, including programming, architect selection, schematic design, detailed construction drawings, code and safety reviews, and detailed budget estimating and reconciliation at multiple steps. This project will be subject to the same three votes that are taken for every major capital project: for program and architect selection, for

schematic design, and for going to bid for construction contracts after completion of detailed construction drawings.

Mr. Slottow noted that the stadium renovation project included significantly more interim reports to the public than the average project, including market studies, fan surveys, site plans, design concepts, elevations, preliminary renderings, computer graphics, and shadow studies. In addition, public forums were held across the state and input has been solicited via a website and e-mail address established to receive regular suggestions and input.

Mr. Slottow reported that prior to approval of the project in May 2006, an extensive amount of analysis, planning, and vetting of feasible alternatives had been conducted, beginning in 2001. Four different alternative plans were vetted and reviewed by the Regents and subsequently shared with the public prior to settling on the plan approved in May 2006. In addition, in a number of meetings over the two years prior to the May vote, the Regents' Finance, Audit and Investment Committee had reviewed the Athletic Department's capital plans, including the financial feasibility of the various stadium plans, and had discussed the implications of a stadium project on the University's overall debt capacity. The results of the these discussions were reported back to the full board each month after they occurred, and additional briefings were also held for the full board on the project's principles, goals, impacts, and feasible options.

Executive Vice President Slottow then called on Athletic Director Bill Martin. Mr. Martin repeated President Coleman's earlier comments, noting that the additional resources that this project will provide to the Athletic Department over the long term will be used to further the academic mission of the institution, in keeping the department's view of it's shared partnership with the larger institution.

Mr. Martin noted that during the past year he had made 15 presentations and read more than 1,500 e-mails and letters about the stadium renovation plans, and has greatly valued this input in planning the project. He commented that bringing this project to fruition has not been easy, because everyone has memories and passions about the stadium. However, the reality is that the stadium is functionally and economically obsolete, and these issues need to be addressed without placing a financial burden on all of the fans. Mr. Martin then called on Doug Hanna, University architect.

Mr. Hanna commented that two architectural firms have been involved in this project: HNTB Michigan Architecture, the principal architectural firm with national stadium design experience, represented by Michael Handelman, principal in charge for the project, and Kallman McKinnell and Wood, represented by principal Michael McKinnell.

Mr. Handelman introduced Mr. McKinnell, noting that he specializes in this specific type of historic architecture. Mr. Handelman reviewed renderings of the various sections of the stadium and pointed out features incorporated into the proposed design. These include additional restrooms, a new facility for the Department of Public Safety, and major additions to the east and west sides of the complex. The existing main concourse will be widened, and there will be new levels outdoor and indoor club seating and for suites, and on the opposite side of the stadium, to the west, a new concourse will be added, along with additional suites and new areas for press and broadcast media, and a photo deck.

Mr. McKinnell noted that in working in university settings, architects attempt to extend the tradition of these settings that have created such strong, positive memories and affection for students during their formative years. He described how his firm attempted to address the iconic nature of Michigan Stadium and how it presents itself to the world, which he characterized as

having an engagement with the community. He noted that the proposed facades are meant to represent the tradition of college stadia in the architectural features of Roman arches, while reflecting the University athletic campus in the brick and masonry facades of Yost Ice Arena and the Intramural Building. He displayed several renderings of the proposed exterior of the renovation, noting that the scale is similar to that of the Intramural Building.

Mr. McKinnell observed that the essence of the stadium as an experience on the inside will not be changed. Mr. Handelman commented that the goal was to have the new suites and media areas be as transparent a surface as possible to be able to view the entire event. This will preserve the integrity and historic nature of the bowl while creating an exciting architectural enhancement to the stadium. He displayed a number of views from both the interior and exterior of the stadium. Mr. McKinnell concluded by noting that three goals are being accomplished by the renovation: the stadium is being brought up to current safety and occupancy standards, the architecture will be rooted back into the physical environment of its immediate neighbors on the athletic campus, and an "exciting new element" will be added.

Regent Brandon moved approval of the schematic design for the Michigan Stadium Renovation and Expansion Project. Regent Taylor seconded the motion.

Regent McGowan made the following statement:

> *I said last spring that my concern with this project centered on "too much money spent on too few people, a value that I do not share." Over the past several months, though, President Coleman and Bill Martin have expanded their conversations to include how a financially sound athletic department, buoyed by strong performances by Michigan athletes, the enthusiasm of their fans, and effective management, can return to the University substantial financial resources to further strengthen our core mission--our academics. From my ongoing conversations with each of them over the months, I have come to fully expect that benefits that stem from new opportunities will be directed in reasonable amounts to the president's discretionary fund for her to direct as appropriate to strengthen the academic side of the University's house.*
>
> *We are one university, not a university and an athletic department which bears our name. We have all, at this table and around the room, worked hard to secure a successful and financially sound athletic department. Now the leadership has committed to growing a share of those increasing resources to*

benefit the University's core academic mission. This is a value that I am pleased has emerged during this process.

I have read every e-mail that you have sent me. I have considered every opinion that has been offered as I move around Ann Arbor and the area. I respect how strongly you feel, one way or the other. In the end, though, I have always reminded all of my Michigan constituents that my job is to do what I believe is best for the University. Given this important commitment from President Coleman and Mr. Martin, I am now prepared to vote to approve the schematic designs for Michigan Stadium this morning--and to wish this project well.

Regent White commented that the previous day the Regents had received information from the Paralyzed Veterans of America alleging that the plans for the Michigan Stadium renovation and expansion projects will be in violation of the Americans with Disabilities Act (ADA) and the Michigan building codes for accessibility. She said she had brought this to the attention of the Office of the Vice President and General Counsel today, and they have not had an opportunity to review the issue yet. Therefore, she moved to table the vote until the ADA issues can be addressed. Regent Deitch seconded the motion.

President Coleman said that a disabled person has never been turned away from Michigan Stadium, and the University plans to work very diligently on this issue. Regent Newman agreed, stating that the University has been working very closely with disabled individuals and with the paralyzed veterans group, and will continue to do so. Therefore this issue does not constitute a reason to table the vote, she continued, as she is convinced that the institution will work out the concerns to everyone's satisfaction.

Vice President Krislov reported that the general counsel's office staff has been working with the Athletic Department and federal regulators on ADA issues, and stated that the University is committed to complying with the law. However, because this is a relatively new law, he pointed out, the regulations are not entirely clear.

The vote was then taken on the motion to table and it failed, with Regents White and Deitch in favor and Regents Brandon, Maynard, McGowan, Newman, Richner, and Taylor opposed.

Regent Deitch made the following comments:

In May, when the Board of Regents voted to retain architects to move the stadium expansion project forward, I was one of 3 Regents to vote no. At that time, I offered lengthy remarks articulating all of the reasons why I was opposed to the project – economic, cultural, aesthetic. Today, my remarks will be much briefer and more focused. Since the action item at hand is approval of the schematic design for the stadium, I will only offer comments on the design and from an aesthetic standpoint.

In May, we were only presented with a very sketchy concept plan plus details on the size of the additions (approximately 425,000 square feet) and the height (approximately 83 feet). Without the renderings that we have today, it was possible only to imagine the impact that the additions would have on our iconic "Big House." Having seen the design, my opposition to the plan is even more intense than it was in May. In my opinion, this is simply a failed design. I say that because the administration has placed programmatic demands on these great architects that cannot, in my judgment, be achieved in harmony with the existing stadium.

Since as we all know, beauty is in the eye of the beholder, it is not enough to simply criticize the aesthetics of the project, since many people think it is quite beautiful. In other words, if one of the project's proponents calls it "beautiful" and I call it "ugly," where are we? Just a difference of opinion, based on a visceral reaction and personal taste, with no one opinion being entitled to any more weight than any other.

Accordingly, I have spent hours analyzing what factors have caused me to find the design to be so discordant and disturbing. I concluded that I could explain it in one word: SCALE. The proposed massive additions are simply out of scale with the simple stadium design. They overwhelm it and by doing so, in my opinion, will ruin the joy that so many people feel in Michigan Stadium. As big as today's Big House is, its simplicity and elegance make it seem almost cozy and certainly of human scale.

As I said in May, I never fail to say "wow" whenever I walk into the place. I am struck by the stadium's modest outside appearance and its utter lack of grandiosity and pretense. In other words, it is what it is: a big, largely underground bowl where over 110,000 people year after year cheer on the winningest football team in America. As is, Michigan Stadium is the perfect physical manifestation of a university that prides itself on providing an "uncommon education for the common man."

I am not alone in stating that the greatest thing about the stadium is its "modesty." In fact, at a closed meeting in September, Michael McKinnell stated how taken he was on first seeing the stadium by its "modesty" on the outside, which then opened up into what he described as "one of the greatest outdoor spaces" in the world. Similarly, in an October 21, 2005 article in the New York Times, entitled "Classic Stadiums, Classic Memories," Douglas Kelbaugh, dean of our A. Alfred Taubman School of Architecture and Design, said as follows: "The most stunning thing about the Big House is how modest and unmonumental the steel-frame structure appears from the outside."

No matter what anyone ever says about the stadium in the future, no one will ever be able to call it "modest and unmonumental" again, given its neo-Roman coliseum outside and its suburban office building inside. Moreover, given the 2-sided enclosure caused by the huge structures on both sides of the field, it will not be easy to describe the Big House as a "great outdoor space" again. And I am also concerned about how these 2 large structures will block the sun from both the fans and the players. That question has

never been adequately addressed. Many longtime fans, and longtime season ticket holders whom I have talked to are worried about this as well.

I would also note that in campaigning hard for the proposal, on numerous occasions, its proponents have stated that those of us who are opposed to the project as presented are "afraid of change." For me, that is not true. I acknowledge that change is inevitable, but I believe that we have a stewardship responsibility to the public to ensure that additions to great buildings be made in a way that is harmonious with the look and feel of the original structure. For me, this addition fails that test. Again, the reason is SCALE, and there are alternative plans to improve and modernize the stadium in a way that is compatible with its feeling and scale that should be seriously considered.

This proposal adds huge, grandiose appendages to a simple, modest, tasteful structure. With regard to the question of compatibility, I found another New York Times article, dated Oct. 30, 2005, entitled, "Lovely Museum. Mind if I Redesign it for You." The article is an interview with 2 great Pritzker-prize winning architects, Richard Meier and Renzo Piano. Meier had designed the High Museum in Atlanta, one of the country's most highly regarded art museums. Piano was asked to design a major addition. The potential for conflict between the 2 titans was enormous. Yet, they spoke about how pleased they were with the outcome.

On change, Meier observed: "It's perfectly appropriate for one architect to add onto another architect's work. That's the history of architecture, the way it's always been."

As for the importance of scale, the great Renzo Piano observed, "The most important thing is scale. When you are wrong in scale, you are very wrong."

I am opposed to this design because the scale is very wrong. The original structure and the addition simply do not live together in harmony as do the work of Meier and Piano in Atlanta. Mr. McKinnel is a distinguished architect and a peer of Meier and Piano. Yet, his design is ultimately unattractive simply because he was asked to take on an impossible task, given the administration's program demands.

In opposing the project I categorically state that I am not opposed to change at the stadium. I would suggest that we all step back and consider how we can achieve the needed renovations in a way that will live in harmony with the existing stadium, be less grandiose, and less expensive. There are other alternatives that work, and I have presented them in prior sessions of this board. The argument that only a project of this scale can produce required revenues is simply untrue.

I again state my great respect for Bill Martin and his team. I acknowledge President Coleman's sincere commitment to the project. I acknowledge that the majority of this board believe in good faith that this is a good project. So be it, but I know that I speak for thousands of people in the Michigan family. Finally, I note that when all is said and done, the reason that so much energy and controversy have gone into the stadium renovation project is because of the passion and love we, and our fans, feel for Michigan football and its unique traditions, and the men who have made that tradition possible.

Regent Newman called the question. The vote was then taken, and the motion to approve the schematic design for the Michigan Stadium Renovation and Expansion Project as presented was approved, with Regents Brandon, Maynard, McGowan, Newman, Richner, and Taylor in favor, and Regents Deitch and White opposed.

President Coleman then turned to the committee reports.

Committee Reports

Finance, Audit and Investment Committee. Regent McGowan, chair of the committee, reported that the meeting was attended by herself, along with Regents White and Brandon, Associate Vice President Peggy Norgren, and Controller Cheryl Soper. The committee first conducted its annual review of the president's travel and hosting expenses. She noted that there were no irregularities and that all expenses were perfectly reasonable. The second agenda item was the regular review of the Sarbanes-Oxley gap analysis and implementation update, led by Associate Vice President Norgren. The committee also reviewed the proposed committee calendar for 2007. Regent McGowan stated that all documents referenced in her report are publicly available.

Regent McGowan pointed out that the committee's basic schedule of monthly agenda items had been largely established by Regent Brandon in his role as founding chair of the Finance, Audit and Investment Committee, and thanked him for his many contributions to this endeavor.

Personnel, Compensation and Governance Committee. Regent Taylor, chair of the committee, reported that he and Regents Newman and Richner had met the previous day. Regent Maynard, President Coleman, Provost Sullivan, and Vice President Churchill had also attended the meeting. The first agenda item was a review of the annual report of the Senate Advisory Committee on University Affairs with the chair of that group, Professor Charles Smith.

Provost Sullivan then reported to the committee on a number of issues: the annual report on senior faculty recruitment and retention; an update on ongoing searches for deans and other academic administrators; a report on compensation by the various schools and colleges; and a

report on faculty leaves of absence. The committee also received a regular quarterly report on the Life Sciences Institute.

The Regents then turned to the consent agenda.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of October 20, 2006.

Reports. Executive Vice President Slottow submitted the Investment Report and the Plant Extension Report. He noted that no Human Resources and Affirmative Action Report was submitted.

Litigation Report. Vice President Krislov submitted the Litigation Report.

Research Report. Vice President Forrest submitted the Report of Projects Established, October 1-October 31, 2006.

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

Division of Student Affairs. Vice President Harper reported that a number of activities had been held for students with respect to issues that were decided during the recent election. She reviewed the various prevailing attitudes about diversity held by the student body, and noted that the MSA president and vice president were unable to attend the meeting.

University of Michigan-Dearborn. Chancellor Little reported that he had held extensive conversations with campus constituencies about the passage of Proposal 2, which banned the use of affirmative action in state-supported institutions. He said there is a compelling need for universities to reach out and provide educational opportunities to populations that have been

traditionally underserved, and the Dearborn campus will be working with Ann Arbor leadership and others to ensure that it will be able to continue to be able to do so.

University of Michigan-Flint. Chancellor Mestas reported that the Flint campus shares the concerns expressed by Chancellor Little. He noted that there is a great deal of confusion about the implications of the passage of Proposal 2.

President Coleman responded that she shares the concerns expressed by Chancellors Little and Mestas and reiterated her pledge that no student will lose his or her scholarship, nor will any employee lose his or her job, because of Proposal 2.

Chancellor Mestas also expressed to the Regents how grateful he was to the Regents and the administration for their support of establishing a student housing facility on the Flint campus.

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

Voluntary Support. Vice President May submitted the Report of Voluntary Support for October 31, 2006.

Personnel Actions and Personnel Reports. Provost Sullivan submitted a number of personnel actions and personnel reports.

Retirement Memoirs. Vice President Churchill submitted retirement memoirs for four retiring faculty members, including former Medical School dean Allen Lichter. Provost Sullivan and Executive Vice President Kelch commented on Dr. Lichter's wide-ranging contributions at the University of Michigan.

Memorials. No deaths of active faculty members were reported to the Regents this month.

Degrees. President Coleman submitted recommendations for the approval of honorary degrees for the following individuals: David Bing, business leader and former NBA player (Doctor of Laws); Ada Louise Huxtable, architectural critic (Doctor of Humane Letters); and Claude Steele, psychologist (Doctor of Science).

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

The Regents then turned to consideration of the regular agenda.

Report of University Internal Audits, July 2006-September 2006

Executive Vice President Slottow submitted the report of the Office of University Audits activities for the period July 1, 2006 through September 30, 2006.

Alternative Asset Commitments *(LBA Realty Fund III, L.P., Westbrook Real Estate Fund VII, L.P., Lime Rock Partners IV, L.P., Yorktown Energy Partners VII, L.P., and TPG Biotechnology Partners II, L.P.)*

Executive Vice President Slottow informed the Regents that the following follow-on investments had been made with previously approved partnerships: $20 million to LBA Realty Fund III, L.P.; $25 million to Westbrook Real Estate Fund VII, L.P.; $32 million to Lime Rock Partners IV, L.P.; $22 million to Yorktown Energy Partners VII, L.P.; and $22.0 million to TPG Biotechnology Partners II, L.P.

Animal Research Facility Third Floor Laboratory Renovations

On a motion by Regent White, seconded by Regent McGowan, the Regents unanimously approved the Animal Research Facility Third Floor Laboratory Renovations Project as described in the Regents Communication, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Central Campus Area Utility Tunnel Replacement 2006

On a motion by Regent McGowan, seconded by Regent White, the Regents unanimously approved the Central Campus Area Utility Tunnel Replacement 2006 Project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

WVGR Radio Tower

On a motion by Regent Taylor, seconded by Regent McGowan, the Regents unanimously approved the WVGR Radio Tower Property Agreement for tower space and a transmitter building for a term of ten years with options for continuance up to ten additional years by Clear Channel Broadcasting Licenses, Inc.

Street Naming

On a motion by Regent White, seconded by Regent Maynard, and in recognition of former Regent Dr. Hermann Kiefer's distinguished service to the University, his significant role in the growth and development of the Medical School, and his importance in the field of public health in Michigan, the Regents unanimously approved designating the street constituting the entrance into East Medical Campus as Kiefer Drive, as described in the Regents Communication.

University of Michigan Hospitals and Health Centers Eye Center Expansion Project

On a motion by Regent Maynard, seconded by Regent Newman, the Regents unanimously approved issuing the University of Michigan Hospitals and Health Centers Eye Center Expansion Project for bids and awarding construction contracts providing that bids are within the approved budget.

University of Michigan Hospitals and Health Centers C. S. Mott Children's & Women's Hospitals Replacement Project

On a motion by Regent Brandon, seconded by Regent Taylor, the Regents unanimously approved issuing the University of Michigan Hospitals and Health Centers C. S. Mott Children's & Women's Hospitals Replacement Project for bids and awarding construction contracts providing that bids are within the approved budget.

University of Michigan Hospitals and Health Centers Briarwood Building 9 Digital Radiography Renovations

On a motion by Regent White, seconded by Regent Maynard, the Regents unanimously approved the University of Michigan Hospitals and Health Centers Briarwood Building 9 Digital Radiography Renovations Project as described, authorized commissioning the architectural firm of SSOE, 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 5 conflict of interest items, each of which requires 6 votes for approval. On a motion by Regent McGowan, seconded by Regent White, the Regents unanimously approved each of the following items:

Contract with Jazz Pie Music

The Regents approved a contract with Jazz Pie Music to provide payment for a musical performance. Because Roderick McDonald, Christopher Smith, and James Dapogny are University employees and are parties to the purchase as band members of Jazz Pie Music, this payment falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the contract are the Regents of the University of Michigan and its Department of Ophthalmology and Visual Sciences and Jazz Pie Music.

2. The service to be provided is musical entertainment. The cost for the service is $1,850.00.

3. The pecuniary interest arises from the fact that Roderick McDonald, Christopher Smith, and James Dapogny, University of Michigan employees, are also band members in Jazz Pie Music.

License Agreement between the University of Michigan and FlexSys Incorporated

The Regents approved a license agreement with FlexSys Incorporated ("FlexSys") for commercialization of "Stroke Amplification Device" (UM File #1740). Because Professor Sridhar Kota is both a University of Michigan employee and partial owner and president of FlexSys, 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 FlexSys Incorporated.

2. License terms include giving FlexSys an exclusive license with the right to grant sublicenses. FlexSys 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 warrantees and indemnification apply, and the contract may be amended by consent of the parties. University procedures for approval of the changes will be followed and additional conflict of interest review will be done as appropriate.

3. The pecuniary interests of Dr. Kota arise from his ownership interest in FlexSys. He has waived any personal participation in the sharing of revenue received by the University.

Amendment to License Agreement between the University of Michigan and Accord Biomaterials, LLC

The Regents approved an amendment to a license agreement between the University of Michigan and Accord Biomaterials, LLC, for licensing of the following technology from the University: UM OTT File No. 3210 ("Nitric Oxide Generating Biomedical Coatings"), and UM OTT File No. 3220 ("In Situ Generation of Nitric Oxide at Substrate/Blood Interface and Detection of S-Nitrosothiol"). Accord Biomaterials, LLC ("Accord"), formerly known as MC3

Biomaterials, LLC, is a wholly owned subsidiary of Michigan Critical Care Consultants, Inc. ("MC3"). Because Professor Emeritus Robert Bartlett is both a University of Michigan employee and a partial owner of and consultant to MC3, 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 Accord Biomaterials, LLC.

2. Terms include giving Accord an exclusive license with the right to grant sublicenses to these added files. Accord 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 warrantees and indemnification apply, and the agreement may be amended by consent of the parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

3. The pecuniary interest of Dr. Bartlett arises from his ownership interest in MC3. For these specific files (3210 and 3220), Dr. Bartlett is not an inventor and will not be considered for any share of revenue received by the University.

Amendment to License Agreement between the University of Michigan and OncoImmune Inc.

The Regents approved an amendment to a license agreement for the technology "Therapeutic Effect of Rampamycin in Obesity and Diabetic Nephropathy" (UM OTT File No. 3480). Because Kun-Liang Guan, Yang Liu, and Pan Zheng, are University of Michigan employees and also partial owners of OncoImmune Inc. ("OncoImmune"), 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 OncoImmune Inc.

2. Agreement terms include adding the new technology to the existing exclusive license with the right to grant sublicenses. OncoImmune 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 warrantees and indemnification apply, and the agreement may be amended by consent of the parties.

3. The pecuniary interests of Drs. Guan, Liu, and Zheng arise from their ownership interest in OncoImmune. Dr. Guan has waived any personal participation in the sharing of revenue received by the University.

Subcontract Agreement between the University of Michigan and Arbor Research Collaborative for Health

The Regents approved a subcontract agreement between the University of Michigan and Arbor Research Collaborative for Health ("Arbor Research"). Because Dr. Robert Wolfe is both a University of Michigan employee and vice president of Arbor Research, 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 Arbor Research Collaborative for Health.

2. The total award to the University will be $1,956,866 for the period September 28, 2006 through September 27, 2011. A subcontract of approximately $65,701 is planned to Arbor Research covering the period September 28, 2006 through September 27, 2007. The University's standard subcontract provisions will apply. Since research agreements are often amended, the subcontract 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. Robert Wolfe's pecuniary interest arises from his position of vice president of Arbor Research.

FY 2008 Annual Operating Request to the State for University of Michigan Ann Arbor Campus

Provost Sullivan reviewed the FY 2008 operating request, noting that the formal request is to restore as much as possible of the $37 million reduction in state appropriation that has been experienced since FY 2002. On a motion by Regent White, seconded by Regent Maynard, the Regents unanimously approved the FY 2008 Annual Operating Request to the State for the University of Michigan Ann Arbor Campus.

FY 2008 Annual Operating Request to the State for University of Michigan Dearborn Campus

Chancellor Little reported that the Dearborn campus request calls for an increase of $3.6 million, or 14%, over the FY 2007 allocation. Much of the increase will be used to increase the campus's ability to provide financial support for its students. On a motion by Regent Taylor, seconded by Regent White, the Regents unanimously approved the FY 2008 Annual Operating Request to the State for the University of Michigan-Dearborn Campus.

FY 2008 Annual Operating Request to the State for University of Michigan Flint Campus

Chancellor Mestas announced that the Flint campus is requesting an increase of $4.3 million, which is consistent with the campus's mission and strategic plan. On a motion by Regent McGowan, seconded by Regent Maynard, the Regents unanimously approved the FY 2008 Annual Operating Request to the State for the University of Michigan-Flint Campus.

Establishment of the Michigan Institute for Clinical and Health Research (MICHR)

Dr. Kelch noted that there is a strong trend in academic biomedical research to try to get the findings from the laboratory bench out into the real world faster. This institute is being established to facilitate these efforts within the University. On a motion by Regent White, seconded by Regent Maynard, the Regents unanimously approved establishment of the Michigan Institute for Clinical and Health Research (MICHR), effective December 1, 2006.

Coach Bo Schembechler

Regent Brandon announced that former football coach Bo Schembechler had been rushed to the hospital about an hour ago and was in critical condition. He commented that "Bo IS the Michigan tradition," and the fact that there can be disagreement over how stadium renovation

plans will effect the Michigan tradition is a tribute to his accomplishments as football coach. He asked that people extend their prayers to Coach Schembechler and his family.

A five minute break followed.

Public Comments

The Public Comments session began at 12:05 p.m. The Regents heard comments from the following individuals, on the topics indicated: Shary Brown, executive director, Ann Arbor Street Art Fair, on expression of appreciation for University's support of the Art Fair; William H. Stieg, alumnus, on alumni relations and communications; Jim Mogensen, citizen, on the implications of a dysfunctional town/gown relationship; and Thomas L. Stroup, alumnus, Chetley Zarko, alumnus, and Robert Scott, student, on President Coleman's response to Proposal 2.

There being no further business, the meeting was adjourned at 12:30 p.m. The next meeting is scheduled for December 15, 2006.