

DECEMBER MEETING, 2014

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

The regents met at 4:00 p.m. in the Anderson Room, Michigan Union. Present were President Schlissel and Regents Darlow, Deitch, Diggs, Newman, Richner and White. Also present were Vice President and Secretary Churchill, 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 Bernstein participated via conference call. Regent Ilitch and Vice President Harper were absent.

Call to Order and President's Opening Remarks

President Schlissel offered his congratulations to UM student Lloyd Shelton, the recipient of the 25th annual James T. Neubacher Award who will give a presentation shortly.

President Schlissel also congratulated David Moore, a master's student in mechanical engineering who is one of 32 Americans selected for a Rhodes Scholarship, and Daniel F. Hayes, the clinical director of the Comprehensive Cancer Center's breast oncology program, who was elected president of the American Society of Clinical Oncology.

President Schlissel spoke to the recommended extension of the appointment of Provost and Executive Vice President for Academic Affairs Martha Pollack, who was appointed provost in May 2013, and has worked hard to hold down tuition, increase financial aid, and provide leadership in digital education, engaged learning, and diversity initiatives. He also noted the recommended appointment of Marschall Runge as Executive Vice President for Medical Affairs.

Dr. Runge has a successful track record in academic medicine as a clinician, physician-scientist and leader.

Resolution in Honor of Regent Julia Donovan Darlow

President Schlissel thanked Regent Darlow for her outstanding service to the University of Michigan, saying that students were always her priority, and he congratulated Regent-elect Michael Behm, who will be sworn-in in January. He then turned the meeting over to Regent White, who read the following:

Regents' Resolution

The Regents of the University of Michigan extend heartfelt appreciation to Julia Donovan Darlow as she concludes eight years of exemplary service on the Board of Regents.

Regent Darlow was elected to the board in January 2007. Her professional career included 35 years as an attorney, first at the law firm of Dickinson Wright and then at Varnum, Riddering, Schmidt & Howlett. She was the first female president of the State Bar of Michigan. As a Regent, she has been a tenacious advocate for access and affordability, diversity in all of its forms, need-based financial aid, undocumented students, and services for individuals with disabilities. Regent Darlow is always well prepared and asks the hard questions so that everyone gives their best to the institution. She is a passionate supporter of the arts, and has given generously of her time to service on medical and many non-profit boards, including her continued service on the Michigan Opera Theatre Board of Directors, the Detroit Bar Foundation Board of Trustees, Girls Group and the University of Michigan Musical Society. She served as chair of the board of regents from 2010-11 and was instrumental in the creation of the Health Affairs Committee, which she also chaired.

The Regents commend Regent Darlow for her spirited service to the university, her leadership, her tenacity and her friendship. It is with the utmost respect that we name Julia Donovan Darlow Regent Emerita of the University of Michigan.

Regent Deitch said, "Some day someone will read a resolution when I leave. But it doesn't always capture things personally in terms of what it's like to work with a colleague, and Julia, it's really been an honor and privilege to work with you. We will miss you tremendously. I don't know of anybody who actually approached the job with more attention to detail and more

of an unswerving commitment to a set of values that respect people, and are humane and intelligent. I will miss you tremendously.”

Regent Richner said, “I echo what regent Deitch said. Your experience, your wisdom and your temperament were very valuable to this board and we will miss you.”

Regents Diggs said, “I really appreciated the opportunity to work with you on this board. I have known you for years, but this is an entirely different way of relating to one another. I think one of your strongest suits, in addition to echoing what the others have said, has been your example of how to come into an institution this large, and affect change. It can be a difficult place to shift, in terms of culture, attitudes, and policies, but you have been able to do and it, and I have appreciated that example and will try to follow it.”

Regent Darlow said, “Thank you all so very much, you are so dear to me. I also want to welcome Michael Behm, who is going to be a wonderful addition to this group. The biggest gift of all is having Lloyd Shelton here today to speak.”

President Schlissel introduced to Lloyd Shelton, student in the Master of Social Work program, and president and founder of the Students with Disabilities and the Allies Group. The Council for Disability Concerns selected him for the annual Neubacher Award in recognition of his outstanding leadership and service.

Presentation: James T. Neubacher Award recipient, Lloyd E. Shelton

Mr. Shelton thanked Regent Darlow and the board for the opportunity to speak. He spoke of his background, growing up in Detroit and Pontiac, a proud descendent of a hard working UAW family. He said that he never considered going to college, feeling it was beyond his reach, but he graduated from Eastern Michigan University and due of his mother’s encouragement, came to UM for graduate studies. He said his experience at UM has been very

rewarding, with many leadership opportunities, adding that receiving the Neubacher award, “is something I have to earn going forward.”

Mr. Shelton said that the University has great people and services available for the 2,400 registered students with disabilities on campus. He said, “using a wheelchair is a privilege; people know I have a disability,” and spoke of the challenges of hidden disabilities. He encouraged university support for academic research on how disability impacts society and vice versa, and said that disability belongs under the umbrella of diversity as an identity. He suggested creating a disability culture center, a collaborative space to deal with issues of identity, where people can examine identities and strengthen their view of disability in an empowering way. He encouraged creating scholarships for students with disabilities and for those who study disabilities. He also suggested forming a strategic planning committee saying, “The M doesn’t stand for mediocrity.”

Regent Diggs thanked Mr. Shelton and asked President Schlissel for follow up on the concepts he described. Regent Newman agreed, and said that this deserves attention. Regent White agreed and said, “We talk a lot about diversity and sometimes we don’t include disability, and we need to make a stronger effort, and look at that more carefully.”

Presentation: Student Financial Aid Update, Provost Pollack

Provost Pollack provided an update on affordability and access, which has driven financial aid, and the increase in funding for grants and scholarships, which has been achieved through a very deliberate approach. She talked about the net cost of attendance, which has actually decreased over the past 8 years for students with significant financial need, and also progress towards improved affordability of out of state students in low family income bands.

Regent Darlow thanked Provost Pollack for her report and encouraged this important story continue to be communicated to potential students.

President Schlissel then turned the floor over to Regent White, who said that this is the 150th year of the current configuration of the Board of Regents. In 1837, the name was changed to the Board of Regents and the number of members reduced to ten, but appointments were still made by the governor. The new constitution of 1850 provided for election of the board, with a member representing each circuit court district. The final major change to the Board came in 1863 with provisions that the board would consist of eight members elected at-large for eight year terms. In 1864 the terms were staggered with members elected to 2, 4, 6 and 8 years. Then in the 1963 constitution the election date was changed to the fall. She said Regent-elect Behm had brought this anniversary to her attention.

Finance, Audit and Investment Committee. Regent White, member of the Finance, Audit and Investment Committee, said that she and Regent Darlow met with Interim Vice President Strong, and Hank Baier, associate vice president for facilities and operations and Mary Krasny, associate director for hospital design and construction, and real estate to review the university's commercial leasing portfolio. The committee discussed the threshold for construction projects with Nancy Hobbs, interim associate vice president for finance. Ken Nisbet, associate vice president for research-technology transfer, provided the committee with an overview of UM Tech Transfer's operations, performance and priorities. Jeff Moelich, executive director of university audits, gave an update on audits. The committee joined the Health Affairs Committee to discuss audits pertaining to the University's Hospitals and Health Centers.

Health Affairs Committee. Regent Diggs reported that she and committee member Regent Deitch met with Dr. Chuck Parkos, chair, Department of Pathology, Medical School,

who gave a presentation on Paradigm Diagnostics a non-profit commercial provider of Next Generation Sequencing (NGS) for cancer patients' tumors. Paradigm provides a test for tumor analysis of late stage cancer patients, early aggressive cancers and provides the oncologist with evidence to support the use or lack of use of the specific drug. Tony Denton, acting CEO for hospitals and health centers, provided a summary of the last executive board meeting, and Paul Castillo, UMHS chief financial officer, provided a financial update. The committee was then joined by the Finance, Audit and Investment Committee for a report on the Health System internal audit.

Personnel, Compensation and Governance Committee. Regent Richner, chair of the Personnel, Compensation and Governance Committee, and Regent Newman met with Vice President Churchill and Chancellors Little and Borrego for updates on the UM-Dearborn campus, and the UM-Flint Campus. Provost Pollack provided an update on dean searches currently underway. Dean Laurie Kay McCauley provided an institutional quality update on the School of Dentistry, noting the capital outlay request to the state.

Regent Richner said, "I feel compelled to comment on an article that hit the airways yesterday. It was written by the chair of our Department of Communications, and the article was titled 'It's OK to Hate Republicans.' I understand that the professor has issued an apology today, which I appreciate. But as a Republican, I figured out a long time ago that Ann Arbor can sometimes feel like a fairly hostile place for conservatives, and I think this article was over the top and fuels that impression. I believe that the university must foster an environment of tolerance and respect among all member of the university community, without regard to personal viewpoints or political beliefs. I believe that effort should start with our faculty."

Regent Deitch said, “Nobody would ever confuse me for a Republican, but I would like associate myself with Regent Richner’s remarks. This is a university and we believe in free speech, so people have the right to say anything, but as a member of the community, I have the right to observe when members make remarks that are really stupid and thoughtless and that’s what I thought those remarks were. We may disagree from time to time, but we either respectfully disagree, or work hard to find compromises. Actually, I would say to the professor, that’s how you get things done in the real world.”

Regent Newman said, “I chose to post my comments on Facebook to test social media last night. I have been asked by a number of outlets to say more. I think Regent Richner did a good job of summing it up. I don’t think this issue is over. I don’t think the apology was sufficient. I think she apologized for the title and tried to explain the article, which I don’t believe explained the article. I have a son who is a freshman, Regent Richner has a daughter who is a freshman, and I’m not sure I would want my son in her class. I say that having never met the faculty member, and with utmost respect for her and the job I understand she does. I would hope that this discussion today and what comes of it would keep her from wanting to judge an entire group of people by one standard, and that she understands that there are people who feel differently, and she can respect those views.”

Regent Bernstein said, “I want to echo all comments made by both my Democratic and Republican colleagues on the board. It boils down to civility in a public sphere, and certainly in the political environment where we need people to come together to solve our biggest problems, which is exactly the goal of a great university. Additionally, I think that it’s important to distinguish between people and policies. You can despise a policy, perhaps, but in order to accomplish great things we have to respect each other. I have enormous affection for all of my

colleagues on the board, including my Republican friends, Andrew and Andrea, and I think it's important that we as a board act in a way that honors those principles, and as a university we should do so as well."

Regent Newman referred to the history of board that Regent White shared and said, "one thing that is also unique and lends itself to this conversation is that we are elected as Republicans and Democrats. Michigan is the only state that elects its university board statewide. Other states elect by congressional district. This is a unique feature, and has allowed UM to grow and prosper, unlike some other state schools that are controlled. We have a unique history and background and I think what happened today also shows how parties come together and work together for the good of the institution."

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of November 20, 2014.

Reports. Interim Executive Vice President Strong submitted the Investment Report as of October 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. The Report of Projects Established, July 1–November 30, 2014 was submitted.

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

Student Life. There was no report.

University of Michigan-Dearborn. Chancellor Little said the UM-Dearborn commencement conferred 800 degrees, including four doctoral degrees. The speakers were

William Taubman, COO of the Taubman Centers, Inc., and Andra Rush, founder and chairperson of the Rush Group. He noted that the document outlining FY16 state capital outlay requests includes the replacement of the Engineering Laboratory Building, which remains the top capital outlay project on UM-Dearborn campus.

University of Michigan-Flint. Chancellor Borrego commented on President Schlissel's visit to the campus, and her first commencement as chancellor. She thanked her colleagues and the regents for their support as she completes her first semester.

Central Student Government Report. Central Student Government (CSG) President Bobby Dishell acknowledged Lloyd Shelton for his inspiring presentation, and thanked Regent Darlow for her service. He continued with his report, noting the lack of funding for the continuation of the Night Owl bus service, and encouraging the administration to keep it operating next semester to help keep students safe. The Wolverine Support network has created 23 different groups that will meet to support mental health issues using a peer-to-peer structure. Student organizations were awarded nearly \$200,000 in funds, and he thanked the regents for their support of the student activity fee increase. He reviewed the accomplishments of the past year, and closed with comments on the topic of Michigan football, encouraging consideration of the voices of the players in the selection of the new coach.

Voluntary Support. Vice President May said that Giving Blue Day engaged 5,437 donors, and raised \$3,252,000 in 24 hours, with 70 student groups participating and the vast majority of the donations from new donors and students.

Regent Newman, said that she enjoyed the day, especially on Twitter, and encouraged others to follow Twitter next year, if this event is repeated, so that they can see the enthusiasm of students and those participating on campus.

Personnel Actions/Personnel Reports. Provost Pollack commented on the recommendation to reappoint Jeff Mackie Mason as dean of the School of Information.

Retirement Memoirs. Vice President Churchill submitted faculty retirement memoirs.

Memorials. Vice President Churchill reported that no deaths of active faculty members were reported to the regents this month.

Degrees. There was no report.

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

University Real Estate Policy Annual Report on Leases Exceeding 50,000 square Feet

Vice President Strong reported that at the end of fiscal year 2014, the university's commercial leasing portfolio contains seven locations where various university departments are leasing more than 50,000 square feet, and those were reported as a requirement of the university's real estate policy.

Fiscal Year 2016 Capital Outlay Submission All Campuses

Vice President Strong reported on the Fiscal Year 2016 Capital Outlay Submission for All Campuses submitted to the state of Michigan.

Regent Richner asked about the road funding legislation and the potential impact on higher education funding.

Vice President Wilbanks said that the state's elected leadership will rely on a vote of the people in May, 2015 to determine funding for roads. The ballot issue would raise sales tax from 6 to 7%, and eliminate use of the School Aid Fund for higher education, and instead return to the general fund for higher education support. The election would impact the FY2016 budget

process, and she expects the legislation, which requires a 2/3 vote by the House and Senate, to pass. She said that if the issue is placed on the ballot, there is a strong possibility that it will pass.

Alternative Asset Commitments

Interim Executive Vice President Strong reported on the University's follow-on investments, with previously approved partnerships with a commitment of BLG Turkish Real Estate Fund II, L.P.; Related Energy Focused Real Estate Fund, L.P.; Thackeray Partners Realty Fund IV, L.P.; Phoenix Asia Real Estate Co-Investment; and Modern Resources, Inc.

Alternative Asset Commitments

On a motion by Regent White, seconded by Regent Diggs, the regents unanimously approved a commitment of \$50 million from the Long Term Portfolio to Stabilis Fund IV, LP.

On a motion by Regent White, seconded by Regent Diggs, the regents unanimously approved a commitment of and \$30 million from the Long Term Portfolio to PetroCap Partners, II, L.P.

North Campus Grove Naming

Vice President May said that the Gerstacker family has been a strong supporter and partner with the university, and with their gift the administration asks that the North Campus Grove be named the Eda U. Gerstacker Grove in recognition of their years of support.

On a motion by Regent White, seconded by Regent Diggs, the regents unanimously approved naming the North Campus Grove as the Eda U. Gerstacker Grove, in accordance with the University's guidelines on namings.

Procure Bid Limit

On a motion by Regent White, seconded by Regent Newman, the regents unanimously approved raising the Procurement Bid Limit to \$10,000 and raising the limit for quarterly reporting of non-competitive purchase transactions to \$10,000.

Central Power Plant Fire Protection System for Steam Turbines

On a motion by Regent White, seconded by Regent Newman, the regents unanimously approved the Central Power Plant Fire Protection System for Steam Turbines project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Michigan League Roof Replacement

On a motion by Regent Diggs, seconded by Regent White, the regents unanimously approved the Michigan League Roof Replacement project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

University of Michigan Hospitals and Health Center University Hospital South Medical Short Stay Unit

On a motion by Regent Diggs, seconded by Regent Newman, the regents unanimously approved the University of Michigan Hospitals and Health Centers University Hospital South Medical Short Stay Unit project as described, authorized commissioning the architectural firm of OX Studios for its design, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Art and Architecture Building A. Alfred Taubman Wing Project

Vice President May said that 15 years ago A. Alfred Taubman gave a \$30 million gift endowing the College of Architecture and Urban Planning, and later gave an additional \$12.5 million in continued support. Mr. Taubman's generosity helps fund the construction project named the A. Alfred Taubman Wing to recognize his support. Representing both Preston Scott Cohen Inc. and Integrated Design Solutions, Preston Scott Cohen provided an overview of the project that will provide faculty offices, studios and classroom space to accommodate program growth in a design that brings the two programs together.

Regent Newman expressed appreciation for the ongoing commitment by Mr. Taubman that continues well beyond having the school named for him.

On a motion by Regent Newman, seconded by Regent Richner, the regents unanimously approved the schematic design and revised budget for the Art and Architecture Building A. Alfred Taubman Wing Project as presented.

President Schlissel said the agenda includes 14 conflict of interest items, each of which requires six votes for approval. Regent Richner requested recusal from two agreements with ArborMetrix due to a conflict of interest. Therefore, these two items will be considered separately from the other 12 conflict items. On a motion by Regent Newman, seconded by Regent Diggs, the regents unanimously approved the following 12 items.

Authorization for the University of Michigan to Enter into Lease Agreements with Two 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 two 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. The parties to the lease agreements are the Regents of the University of Michigan and the companies listed on the attached spreadsheet that is part of the Regents Communication, and listed here: 1) Cubeworks Inc., and 2) STEL Technologies, LLC.
2. The service to be provided is the lease of 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. The lease durations including all options for renewal are outlined in the spreadsheet. The lease will use the standard University of Michigan Venture Accelerator lease template. Tenants will pay the rates as stipulated in the attached spreadsheet for the current term and option years as indicated with a monthly rate for the current term as follows: 1) \$340, and 2) \$180. The companies will be responsible for providing monthly updates concerning their business progress to the University of Michigan's 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 owners and/or officers of each respective tenant company: 1) David Blaauw, Prabal Dutta, ZhiYoong Foo, Yoonmyung Lee, Dennis Sylvester, and David Wentzloff; and 2) Ellen Arruda, Lisa Larkin, Michael Smietana, and Edward Wojtys.

Authorization for the University to enter into an agreement with QuadMetrics, Inc.

The Regents unanimously approved an agreement with QuadMetrics, Inc. (the “Company”) to provide custom computer programming services in support of the project “Towards a Global Network Reputation system: A Mechanism Design Approach.”

Because, Dr. Mingyan Liu, University of Michigan employee, is co-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. The parties to the contract are the Regents of the University of Michigan and its Electrical Engineering and Computer Science Department and QuadMetrics, Inc.
2. The agreement is for an initial nine months with an option to extend the agreement an additional twelve months and with an estimated cost of \$586,000.
3. The pecuniary interest arises from the fact that University of Michigan employee, Dr. Mingyan Liu is a co-owner of QuadMetrics, Inc.

Authorization for the University to purchase from Michigan Critical Care Consultants, Inc.

The Regents unanimously approved an agreement with Michigan Critical Care Consultants, Inc. (the “Company”) to supply twenty (20) neuromuscular and auditory stimulator functional prototypes.

Because Robert Bartlett, University of Michigan employee, is the director and 5% 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. The parties to the contract are the Regents of the University of Michigan and its Department of Biomedical Engineering and Michigan Critical Care Consultants.
2. The agreement is to supply twenty (20) neuromuscular and auditory stimulator functional prototypes through June 30, 2015 at a total cost of \$15,139.
3. The pecuniary interest arises from the fact that University of Michigan employee, Robert Bartlett, is Director and 5% Stockholder of Michigan Critical Care Consultants.

Authorization for the University to enter into an agreement with Easy Street 3

The Regents unanimously approved an agreement with East Street 3 (the “Company”) to provide a customized Drupal powered website and application services to enhance member communication and engagement.

Because Tyler Frankenstein, University of Michigan employee, is a partner 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 Michigan Center for Integrative Research for Critical Care and Easy Street 3.
2. The agreement is to develop a web-based portal to enhance member communication and engagement at a total cost not to exceed \$25,300.
3. The pecuniary interest arises from the fact that University of Michigan employee, Tyler Frankenstein, is a partner of Easy Street 3.

Option Agreement between the University of Michigan and Degradon Holding, LLC

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

UM OTT File No. 4737, entitled: “Hsp90-EGFR Complex Disruption for Chemoradiosensitization of Solid Tumors,”

UM OTT File No. 5663, entitled: “A Mimetic to Degrade EGFR, ErbB2 and cMet for Treatment of Solid Tumors,” and

UM OTT File No. 5936, entitled: “Therapeutic targeting of Mutant KRAS.”

Because University of Michigan employees, Professors Theodore S. Lawrence, Mukesh Nyati, Christopher Whitehead, Dipankar Ray and Alnawaz Rehemtulla 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 Degradon Holding, LLC.
2. Agreement terms include granting the Company an exclusive option to the technologies. 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 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. Lawrence, Nyati, Whitehead, Ray, and Rehemtulla arise from their ownership interest in Degradon Holding, LLC.

Extension of Master Agreement between the University of Michigan and Innovative Biotherapies, Inc.

The Regents unanimously approved the extension of a Master Agreement with Innovative Biotherapies, Inc. ("The Company") that entered into a Master Agreement with the University on September 20, 2007. The Company wishes to continue to support research projects at the University and desires to use facilities of the University for projects related to research and development of these technologies.

Because university employee, Dr. H. David Humes, is founder, partial owner, director and officer of the for-profit company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The Parties to the Agreement are The Regents of the University of Michigan and Innovative Biotherapies, Inc.
2. The University will continue to use standard procedures for performance of projects as well as provisions implementing University and federal policies related to intellectual property and publications. The University will amend the Agreement with the Company to extend coverage until December 31, 2017, with a total authorization increased amount not to exceed \$2,000,000. 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 representatives of the applicable department(s) and school(s)/college(s) where projects will be performed. The Amendment will allow the University and the Company to continue to specify projects that the University will conduct under the terms of the Agreement. Since sponsored projects are often amended, the Agreement includes 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 interest arises, as Dr. H. David Humes, is a founder, partial owner, director and officer of Innovative Biotherapies, Inc.

Subcontract Agreement between the University of Michigan and Invenio Imaging, Inc.

The Regents unanimously approved an agreement with Invenio Imaging, Inc. (the “Company”) to fund an NIH SBIR Phase I project entitled “Biopsy guidance with Coherent Raman Spectroscopy (CRS),” (ORSP# 14-PAF02534) in the Department of Neurosurgery.

Because University of Michigan employee, Daniel Orringer, is a partial owner of Invenio Imaging, 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 Invenio Imaging, Inc.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately nine (9) months. The amount of funding support will not exceed \$49,283. 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 Professor Daniel Orringer, arise from his ownership interest in Invenio Imaging, Inc.

Subcontract Agreement between the University of Michigan and Invenio Imaging, Inc.

The Regents unanimously approved an agreement with Invenio Imaging, Inc. (the “Company”) to fund an an NIH SBIR Phase I project entitled “Fiber Scanning Stimulated Raman Scattering (SRS) Endoscope” (ORSP# 14-PAF05665) in the Department of Neurosurgery.

Because University of Michigan employee, Dr. Daniel Orringer, is 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 Invenio Imaging, Inc.
2. The terms of the Agreement conform to University policy. The period of performance for the project is approximately two (2) months. The amount of funding support will not exceed \$13,397. 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 interests of Professor Daniel Orringer, arise from his ownership interest in Invenio Imaging, Inc.

Subcontract Agreement between the University of Michigan and Michigan Aerospace Corporation

The Regents unanimously approved a subcontract agreement with Michigan Aerospace Corporation (the “Company”) to perform a portion of the project submitted by the University to the Great Lakes Protection Fund entitled “An Intelligent Cyberinfrastructure for the Decentralized Sensing, Modeling, and Control of Urban Stormwater” (ORSP#14-PAF05600/SUBK00002479), in the Department of Civil and Environmental Engineering.

Because University of Michigan employee, Professor Lennard Fisk, a partial owner and Board of Directors Chair 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 Michigan Aerospace Corporation.
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 for the project will not exceed \$800,000, of which, approximately \$205,000 will be funded through the subcontract. 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 Fisk arise from his ownership interest and service as Board of Directors Chair of Michigan Aerospace Corporation.

License Agreement between the University of Michigan and Perception Analytics & Robotics LLC

The Regents unanimously approved an agreement with Perception Analytics & Robotics LLC (the “Company”) to license from the University of Michigan the University’s rights associated with the following technologies:

UM OTT File No. 5601, entitled: “Collision Avoidance System for Monitoring a Digging Excavator’s Proximity to Invisible Underground Assets,”

UM OTT File No. 5811, entitled: “Displaying Buried Utility Locations in Excavator Cabin Using Geo-Referenced Augmented Reality,” and

UM OTT File No. 5820, entitled: “3D Pose Estimation of Articulated Earth Excavating Machine in Real-Time Using Networked Cameras.”

Because University of Michigan employees, Professor Vineet Kamat and Dr. Suyang Dong 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 Perception Analytics & Robotics LLC.
2. Agreement terms include granting the Company an exclusive license to commercialize the three technologies. The Company will pay a license fee and royalties to the University. 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. Kamat and Dong arise from their ownership interest in Perception Analytics & Robotics LLC.

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

The Regents unanimously approved an agreement with PhasiQ, Inc. (the “Company”) to fund a NSF (prime) STTR Phase I project entitled “Quantifying Histone Posttranslational Modifications for Early Detection of Ebola Patient Deterioration” (ORSP# 15-PAF03125) in the Department of Biomedical Engineering

Because University of Michigan employee, Professor Shuichi Takayama is partial owner and board of directors 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 PhasiQ, Inc.
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 \$120,000. 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 Dr. Takayma, arises from his ownership interest and service as board of directors president of PhasiQ, Inc.

Option Agreement between the University of Michigan and STEL Technologies, Inc.

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

UM OTT File No. 3561, entitled: “A System and Method for the In-Vitro, Guided, Self-Organization of Myotendinous Junctions,” and

UM OTT File No. 3565, entitled: “A System and Method for the In-Vitro, Self-Organization of Bone, Ligament and Bone-Ligament Engineered Constructs.”

Because Professor Ellen Arruda, Lisa Larkin, Edward Wojtys, and Dr. Michael Smietana, University of Michigan employees, 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 STEL Technologies, Inc.
2. Agreement terms include granting the Company an option to obtain an exclusive license with the right to grant sublicenses. The Company will 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 Professors Ellen Arruda, Lisa Larkin, Edward Wojtys, and Dr. Michael Smietana, arise from their ownership interest in STEL Technologies, Inc.

On a motion by Regent Newman, seconded by Regent White, the regents approved the following two agreements with ArborMetrix, with Regent Richner recusing himself, and Regent Bernstein voting via conference call.

Authorization for the University to enter into an agreement with ArborMetrix

The Regents approved the extension of an agreement with ArborMetrix (the “Company”) to provide a measurement and reporting platform to support the quality improvement initiative titled the Michigan Urological Surger Improvement Collaborative (MUSIC).

Because Dr. Justin Dimick, University of Michigan employee, is part 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. The parties to the contract are the Regents of the University of Michigan and its Department of Urology and ArborMetrix.
2. The subject contract will expire 12/31/2014, and this request will extend the term 3 years through 12/31/2017. The total value of this extension is \$525,000
3. The pecuniary interest arises from the fact that University of Michigan employee Dr. Justin Dimick is co-founder and part owner of ArborMetrix.

Authorization for the University to enter into an agreement with ArborMetrix

The Regents approved an agreement with ArborMetrix (the “Company”) to provide and implement a clinical outcomes registry and reporting platform to support the quality improvement initiative entitled the Genetic Testing Resource and Quality Consortium (GTRQC).

Because Dr. Justin Dimick, University of Michigan employee, is part 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. The parties to the contract are the Regents of the University of Michigan and its Department of Pathology and ArborMetrix.
2. The term of the agreement will be five years beginning on January 1, 2015 and ending on December 31, 2019 for a cost of \$825,000 (\$75,000 plus annual subscription payments of \$150,000).
3. The pecuniary interest arises from the fact that University of Michigan employee Dr. Justin Dimick is co-founder and part owner of ArborMetrix.

Stephen M. Ross School of Business and the College of Engineering Masters of Entrepreneurship Program

On a motion by Regent Newman, seconded by Regent White, the regents unanimously approved the discontinuation of the Masters of Entrepreneurship Program effective December 20, 2015.

Change in Name of an Existing Department

On a motion by Regent White, seconded by Regent Darlow, the regents unanimously approved that the Department of Atmospheric, Oceanic and Space Sciences be renamed as the Department of Climate and Space Sciences and Engineering, College of Engineering, effective September 1, 2015.

New Degree Program

On a motion by Regent Newman, seconded by Regent Diggs, the regents unanimously approved the new Master of Business Administration and Master of Science in Supply Chain Management Dual Degree to be offered by the College of Business, UM-Dearborn.

Building and Space Naming

Vice President May said that this item is the result of an enormously generous \$50 million gift from Ron and Eileen Weiser, a portion of which will go to the Weiser Center for Emerging Democracies in the International Institute in the College of Literature, Science and the Arts. Upon completion of the renovation, it is recommended that the David M. Dennison Building be formally named the Weiser Center.

Regent Newman moved support, seconded by Regent Richner. Regent Newman said “I have known the Weisers for 25 years, and I am thrilled that they have decided to give this extraordinary gift. You can tell by the breadth and depth of gift how involved they are in the campus. Jerry May worked with them very closely and instead of cutting things, the Weiser’s added things. The more they learned, the more they saw, the more they gave back. What’s truly unique about the Weisers is that Ron started as an entrepreneur here as a student in Ann Arbor, stayed, grew a business and today is giving back with an extraordinary gift, touching almost every part of the campus. I’ve been privileged to work with Ron on many Republican campaigns, and he is showing his and Eileen’s generosity. Eileen serves on the State Board of Education as an elected official, and it has created her extraordinary interest in education, and explains her interest in the School of Education. Eileen is also a musician, and a graduate of the School of Music and Dance, and Ron is involved with the Weiser Center, and the Ross School of

Business. It's an extraordinary gift from an extraordinary couple. I couldn't be more pleased sitting at this table and saying thank you to the Weisers."

Regent Richner associated himself with Regent Newman's comments. He said, "no one is more passionate about the university than the Weisers, and they show it in many ways, including financial support, and I want to thank them for their work on behalf of the university." The motion carried unanimously.

Vice President May continued, saying this gift also includes support for the Stephen M. Ross School of Business, the School of Education, the University Musical Society, the Health System's Food Allergy Center and the Athletic Department.

On a motion by Regent Newman, seconded by Regent Richner, the regents unanimously approved naming the new Crisler Center Club and renovated Crisler Center North Tunnel the Ron and Eileen Weiser Family Club and the Weiser Family Tunnel, respectively, in accordance with the university's guidelines on namings.

Public Comments

Regents heard comments from the following individuals on the topics listed: Douglas Smith, citizen, on a hate crime; Stephanie Rowe, citizen, in support of UM choosing quality students, not race based; Rick Bay, alumnus, on Michigan athletics; Anna Ercoli Schnitzer, staff, on profusely thanking retiring Regent Julia Darlow; Nicholas Jansen, student, on forming a committee to address and divestment of fossil fuels; Cristina Sarmiento, student, on disability curriculum in the Medical School; Jack Bernard, staff, on a campus inclusive of people who have disabilities; Valeriya Epshteyn, student, on UM's divestment from fossil fuel; and Ellen Loubert, student, on divestment from fossil fuels.

Adjournment

There being no further business, the meeting was adjourned at 5:20 p.m. There will be no formal meeting in January, 2015; the next meeting will take place on February 19, 2015.