

MAY MEETING, 2013

*The University of Michigan
Dearborn
May 16, 2013*

The regents convened at 3:12 p.m. in the UM-Dearborn Fairlane Center. Present were President Coleman and Regents Bernstein, Darlow, Deitch, Diggs, Newman, Richner and White. Regent Ilitch was absent. Also present were Vice President and Secretary Churchill, Vice President Harper, Chancellor Little, Vice President Lynch, Chancellor Person, Executive Vice President Pescovitz, Provost Pollack, Vice President Rudgers, Executive Vice President Slottow and Vice President Wilbanks. Vice Presidents Forrest and May were absent.

Call to Order and President's Opening Remarks

President Coleman thanked Chancellor Little for hosting the meeting. She noted the construction of UM-Dearborn's first-ever student residence, The Union at Dearborn, opening in the fall. This is a privately funded housing complex that will accommodate 500 students. She also welcomed Martha Pollack to her first official meeting as provost and executive vice president for academic affairs.

President Coleman continued, noting that all three campuses recently held commencement, with nearly 12,000 students graduating. She noted the first recipient of the Raoul Wallenberg Fellowship, a new undergraduate prize, is Zachary Petroni, who will receive a \$25,000 fellowship for his humanitarian work. Mr. Petroni plans to study conservation governance in Kenya.

She continued saying that this agenda includes agenda items requesting Board approval of faculty promotions on all three campuses to the ranks of professor and associate professor, and also from non-tenured to positions with tenure.

Turning to the Dearborn presentation, she asked Chancellor Little to introduce the speakers for the Metro Scholars program.

Presentation: “Metro Scholars”

Chancellor Little introduced Maureen Linker, associate professor of philosophy and women's studies, and Rebecca Richardson, biochemistry student. The speakers described the program, "Metro Scholars," an interdisciplinary learning community made up of three UM-Dearborn programs: Women in Learning and Leadership, Blueprints (a program directed by Student Activities) and Honors Transfer Innovators, a project-based honors experience for high achieving transfer students. MetroScholars helps students collaborate with intercultural communication, community service and innovative problem solving.

Regent Darlow commented that this is a terrific program developing leadership roles for non-traditional students. She noted that one of the programs they partner with, the Vista Maria program, recently honored Regent White as role model.

Committee Reports

Finance, Audit and Investment Committee. Regent White, chair of the Finance, Audit and Investment Committee, said that she and Regents Bernstein and Richner met with Executive Vice President Slottow. The committee discussed UM’s tax exposure as part of the enterprise risk analysis, with Rowan Miranda, associate vice president for finance, Ed Jennings, university tax director, and Jeff Moelich, executive director of university audits, who also led a review of the bi-monthly audit update. Finally, the committee reviewed the proposed FY2014 hospital budget with the Health Affairs Committee, including Regents Darlow, Deitch and Diggs, Newman and President Coleman. Ora Pescovitz, executive vice president for medical affairs,

Doug Strong, director, and chief executive officer of UMHHC, Paul Castillo, CFO of the UMHS, Tony Denton, executive director, and COO of UMHHC and Dean Jim Woolliscroft presented the budget overview.

Health Affairs Committee. Regent Darlow, chair of the Health Affairs Committee, reported that she and committee members Regents Deitch and Diggs met with Executive Vice President Pescovitz, Doug Strong, director and chief executive officer of UMHHC, Dean Jim Woolliscroft, Health System CFO Paul Castillo, and for a portion of the meeting, President Coleman, and legal counsel.

The committee received an update on the Health System finances and strategic initiatives. Executive Vice President Pescovitz reported that for the third straight year, the University earned an “A” for patient safety from the Leap Frog Group. Significantly, only two hospitals in the country have earned four quality designations simultaneously, including the “A” grade from the Hospital Safety Score System, the Leap Frog Group’s top hospital list, a place on *US News and World Report* national honor roll of top hospitals, and designation as one of the Truven Health Analytics’ Top 100 Hospitals. The committee received an update on the Medical School recent student match, learning that 72% of UM students matched for the top programs including the UMHS. Finally, the committee was updated on the UMHS environmental efforts. The committee then joined the Finance, Audit and Investment Committee for the Hospital Budget presentation.

Personnel, Compensation and Governance Committee. Regent Newman, member of the Personnel, Compensation and Governance Committee, met with President Coleman, Vice President Churchill, and Provost Martha Pollack. She received an update from the Chancellors of UM-Dearborn and UM-Flint regarding personnel actions on both campuses. Chancellor Little

provided an update on faculty and staff recruitment and retention at UM-Dearborn. The Committee received an update from Provost Pollack on recent searches and then joined the Finance, Audit and Investment Committee and Health Affairs Committee for the hospital budget.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of April 18, 2013.

Reports. Executive Vice President Slottow submitted the Investment Report, and the Plant Extension Report. There was no University Human Resources Report.

Litigation Report. Vice President Lynch submitted the Litigation Report.

Research Report. Vice President Forrest submitted the Report of Projects Established, July 1 – April 30, 2013.

University of Michigan Health System. Executive Vice President Pescovitz reported on the appointment of the new executive director for the CS Mott Children’s Hospital and the Von Voigtlander Women’s Hospital, Paul King, who has 30 years experience as a health care executive and is currently at the Children’s Hospital of Los Angeles.

Division of Student Affairs. Vice President Harper had no additional report.

University of Michigan-Flint. Chancellor Person reported on commencement, with UM-Flint’s largest class of 751 students. She thanked Regent White and General Counsel Tim Lynch for participating, and noted that an Honorary Degree was presented to Dale Kildee.

University of Michigan-Dearborn. Chancellor Little referred to the recommended appointment of Professor Martin Herschock, dean, College of Arts, Sciences, and Letters, and a professor of history, and alumnus of the campus. He also noted the Fourth Annual Trans-disciplinary Teaming to Support Children with Challenging Behaviors Conference. This was

organized around the UM-Dearborn Early Education Center, a nationally provider of exemplary accommodation and education for students with a variety of disabilities and behavior challenges. The conference hosted about 800 people.

Central Student Government Report. Michael Proppe, Central Student Government president reported upcoming activities, and on the Athletic Department's new ticket policy for football tickets, changing from a system based on credit hours to general admission, which has upset students. He encouraged the Athletic Department to seek student input before such decisions are finalized in the future.

Wedad Ibrahim, UM-Dearborn student government president, said that she appreciated the opportunity to address the Regents. She discussed their overall theme 'presence and impact within the campus community and beyond' and the relationship with the greater metro Detroit area, citing a student discount card program as a reflection of the varying needs of commuter student, and their relationship with the business community and with the UM-Dearborn Campus.

Voluntary Support. No additional report.

Personnel Actions/Personnel Reports.

Provost Pollack invited comments from three faculty members recommended for promotion as follows: Omolola Eniola-Adefeso, to associate professor of chemical engineering with tenure, Department of Chemical Engineering, and associate professor of biomedical engineering, without tenure, Department of Biomedical Engineering, College of Engineering; Krisztina Fehérváry, to associate professor of anthropology, with tenure, Department of Anthropology, College of Literature, Science, and the Arts; and Clifford Lampe, to associate professor of information, with tenure, School of Information. Provost Pollack also noted the appointment of James Hilton, dean of the libraries and university librarian.

Vice President Pescovitz noted the promotion of Matthew Davis, professor of pediatrics and communicable diseases, professor of internal medicine, and professor of public policy; Amy Kilbourne, professor of psychiatry with tenure; and Dr. John Kim, associate professor of human genetics with tenure, and research associate professor, Life Sciences Institute.

Chancellor Little noted the promotion of Anne Danielson-François to associate professor of biology with tenure, Department of Natural Sciences, College of Arts, Sciences, and Letters. He also commented on the promotion of Ilir Miteza to professor of economics, with tenure, Department of Social Sciences, College of Arts, Sciences, and Letters.

Chancellor Person spoke to the promotion of Janet E. Haley, to associate professor of theatre, with tenure, Department of Theatre and Dance, College of Arts and Sciences.

Retirement Memoirs. Vice President Churchill submitted 11 faculty retirement memoirs.

Memorials. Vice President Churchill submitted one faculty memorial for Beth N. Diamond, M.L.A., assistant professor of landscape architecture and assistant professor of art and design, and offered condolences to her family and colleagues.

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

Alternative Asset Commitment

Executive Vice President Slottow reported on the University's follow-on investments with the previously partnerships: \$12 million with Battery Ventures X, L.P., and \$4 million with Battery Ventures X Side Fund, L.P.

Alternative Asset Commitment

On a motion by Regent Bernstein, seconded by Regent Diggs, the Regents approved a commitment of \$20 million from the University's Long Term Portfolio to Blue Water Energy Fund I, L.P.

Absolute Return

On a motion by Regent Diggs, seconded by Regent White, the regents unanimously approved the addition of the Clifton Group to implement equity, bond and cash overlay and transition management strategies on the University's behalf.

Planned Uses of Income from the Julian A. Wolfson and the Marguerite Wolfson Endowment Funds for the fiscal year 2013-14.

On a motion by Regent Richner, seconded by Regent White, the regents unanimously approved the uses of the income of the Wolfson Endowment Funds as recommended by the Law School faculty and described in the regents communication.

Parking Permit Rates for Fiscal Years 2014-2017

Executive Vice President Slottow reported on the University's Parking Permit Rates for Fiscal Years 2014-2017.

New Field Hockey Team Center, New Field Hockey Stadium, and Ocker Field Improvements

On a motion by Regent White, seconded by Regent Newman, the regents unanimously approved the New Field Hockey Team Center, New Field Hockey Stadium, and Ocker Field Improvements project as described and authorized commissioning Integrated Architecture for its design.

George Granger Brown Memorial Laboratories, Room 2514 Renovation

On a motion by Regent White, seconded by Regent Richner, the regents unanimously approved the George Granger Brown Memorial Laboratories, Room 2514 Renovation project as presented, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Lorch Hall Roof Replacement

Regent Richner asked whether the new roof would also be made of slate, as is the current roof. It was determined that the new roof would also be made primarily of slate.

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

North Campus Research Complex Building 80 Switchgear Replacement

On a motion by Regent White, seconded by Regent Diggs, the regents unanimously approved the North Campus Research Complex Building 80 Switchgear Replacement project as described and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Wilpon Baseball and Softball Complex Site Improvements

On a motion by Regent White, seconded by Regent Darlow, the regents unanimously approved the Wilpon Baseball and Softball Complex Site Improvements, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Power Center for the Performing Arts Improvements

On a motion by Regent Richner, seconded by Regent Darlow, the regents unanimously approved the Power Center for the Performing Arts Improvements, 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 said the agenda includes seven conflict of interest items, each of which requires six votes for approval, and which would be approved via a single motion.

On a motion by Regent Diggs, seconded by Regent Darlow, the regents unanimously approved the following seven items:

Agreement between the University of Michigan and Brio Device LLC

The Regents unanimously approved an option agreement with Brio Device, LLC (the “Company”) for the development of an airway management medical device prototype designed to improve intubation success rates and reduce ramifications from improper tube insertion.

Because Drs. Laura L. McCormick, Douglas G. Mullen and Sabina Siddiqui, University of Michigan employees, are also partial owners of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and its Office of Technology Transfer and Brio Device, LLC.
2. The agreement is for the development of an airway management medical device prototype designed to improve intubation success rates and reduce ramifications from improper tube insertion. The time period is twelve months at a cost of \$38,000.
3. The pecuniary interests of Drs. McCormick, Mullen and Siddiqui arise from their ownership interest in Brio Device LLC.

Master Agreement between the University of Michigan and Atterocor, Inc.

The Regents unanimously approved an agreement with Atterocor, Inc. (the “Company”) to support a research projects at the University and use facilities of the University for projects related to research and development of technologies focusing on the accelerated development of novel therapies for adrenal cancer.

Because Drs. Gary Hammer and Thomas Kerppola, University of Michigan employees, are also partial owners of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and Atterocor, Inc.
2. The University will enter into an Agreement with the Company that will cover standard procedures for performance of projects as well as provisions for implementing University and federal policies related to intellectual property and publication. The Agreement will cover a five-year period, with a total authorization not to exceed \$1,000,000. The University will use standard sponsored project accounting procedures to determine the cost of each project under this Agreement. Budgets will be reviewed and approved by authorized representative of the applicable department(s) and school(s) college(s) where projects are to be performed. The Agreement will allow the University and the Company to specify projects that the University will conduct under the terms of the Agreement. Since sponsored projects are often amended, the Agreement continues to include provisions for changes in the time, amount and scope of each supported project. University procedures for approval of each project will be followed and additional conflict of interest review will be done on a project-by-project basis.
3. The pecuniary interests of Drs. Hammer and Kerppola arise from their ownership interest in Atterocor, Inc.

Research Agreement between the University of Michigan and Michigan Aerospace Corporation

The Regents unanimously approved an agreement with Michigan Aerospace Corporation (the “Company”) to support a Research Agreement with the university through a Phase II project

(ORSP No. 13-PAF04468) from the Department of Defense (Air Force) under the Small Business Technology Transfer (STTR) Program to create a satellite drag model for near real time operation.

Because Dr. Lennard Fisk, University of Michigan employee, is also partial owner of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and Michigan Aerospace Corporation.
2. The terms of the agreement conform to University policy. Dr. Aaron Ridley, Associate Professor of Atmospheric, Oceanic and Space Sciences, College of Engineering, will direct the project over a two (2) month period and the amount of funding support is \$332,129. The Company seeks to enter into a Research Agreement with the University for the purpose of enabling MAC to run simulations on the Global Ionosphere Thermosphere Model, validate data and support the creation of research tools by providing documentation and codes. Since research projects are often amended, this agreement will include provisions for changes in the time, amount and scope of each supported project. University procedures for approval of the terms and conditions governing the amended work will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest of Dr. Fisk arises from his ownership interest in Michigan Aerospace Corporation.

License Agreement between the University of Michigan and Mia Motors Inc.

The Regents unanimously approved an agreement with Mia Motors Inc. (the “Company”) to obtain a license agreement with the University’s rights associated with the following technologies: UM File No. 5412, entitled: “Single Phase Bi-Directional AC-DC Converter With Reduced Passive Components Size and Common Mode Electro-Magnetic Interference;” UM OTT File No. 5404, entitled: “Battery Management System with Active Balancing Function;” and UM OTT File No 5644, entitled: “Wireless Power Transmission for Charging Stations.”

Because Dr. Chris Mi, University of Michigan employee, is also partial owner of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and Mia Motors Inc.
2. Agreement terms include granting the Company a time limited exclusive license with the right to grant sublicenses in the People's Republic of China. The University will not grant a license to any other entity, for the People's Republic of China territory, for a period of five (5) years from the Effective Date of the Agreement. The Company will pay an initial licensing fee, a royalty and certain patent costs.

The University will retain ownership of the licensed technology and may continue to further develop it, use it internally and license it out, to other entities, outside of the People's Republic of China territory. No use of University services or facilities, nor any assignment of University employees is obligated or contemplated under the Agreement. Standard disclaimers of warranties and indemnification apply, and the Agreement may be amended by consent of the parties, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

3. The pecuniary interest of Dr. Mi arises from his ownership interest in Mia Motors Inc.

License Agreement between the University of Michigan and OncoFusion

The Regents unanimously approved an agreement with OncoFusion (the "Company") to obtain a license agreement with the University's rights associated with the following technologies: UM File No. 4614, entitled: "ERG Binding Peptides as Potential Therapeutics;" UM OTT File No. 4621, entitled: "Potential Inhibitors of Oncogenic Histone Methyltransferases;" UM OTT File No. 5392, entitled: "Small Molecule Inhibitors of Bromodomains;" UM OTT File No. 5433, entitled: "Small-molecule inhibitors of the EZHE-EED interaction;" and UM OTT File No. 5693, entitled: "Small molecule inhibitors of BET Bromodomains."

Because Professors Arul Chinnaiyan, Shaomeng Wang and William Brinkerhoff, University of Michigan employees, are also partial owner of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and OncoFusion.

2. Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company will pay certain milestone payments, royalties on sales and reimburse patent costs. The University will 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. Chinnaiyan, Wang, and Mr. Brinkerhoff arise from their ownership interest in OncoFusion.

Option Agreement between the University of Michigan and SharpMindSolutions, LLC

The Regents unanimously approved an agreement with SharpMindSolutions, LLC (the “Company”) to obtain a option agreement with the University’s rights associated with the following technology: UM OTT File No. 5586, entitled: “Sharp Mind Solutions: RealBrainAge Software.”

Because Professor Oscar Ybarra, University of Michigan employee, is also partial owner of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute.

The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and SharpMindSolutions LLC.
2. Agreement terms include granting the Company an option to further evaluate the subject technology and, upon meeting specific milestones, the ability to negotiate an exclusive license with the right to grant sublicenses. The Company will pay an option fee to the University.

The University will retain ownership of the technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees is obligated or contemplated under the Agreement. Standard disclaimers of warranties and indemnification apply, and the Agreement may be amended by consent of the parties, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

3. The pecuniary interest of Dr. Ybarra arises from his ownership interest in SharpMindSolutions LLC.

License Agreement between the University of Michigan and Xondas, LLC

The Regents unanimously approved an agreement with Xondas, LLC (the “Company”) to obtain a license agreement with the University’s rights associated with the following technologies: UM File No. 3679, entitled: “Apparatus for Sub-Wavelength Near-Field Focusing of Electromagnetic Waves.”

Because Drs. Roberto Meflin, Anthony Grbic and John Whitaker, University of Michigan employees, are also partial owners of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and Xondas, LLC.
2. Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company will pay a royalty on sales and reimburse patent costs. The University may receive equity in the Company, along with the right to purchase more equity.

The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees is obligated or contemplated under the Agreement. Standard disclaimers of warranties and indemnification apply, and the Agreement may be amended by consent of the parties, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

3. The pecuniary interests of Drs. Merlin, Grbic and Whitaker arise from their ownership interest in Xondas, LLC.

Henry Russel Lecturer for 2014

President Coleman informed the regents that the Russel Awards Faculty Advisory Committee had selected Fawwaz Ulaby, Emmet Leith Distinguished University Professor of Electrical Engineering and Computer Science, Arthur F. Thurnau Professor and Professor of

Electrical Engineering and Computer Science, College of Engineering, as the Henry Russel Lecturer for 2014.

Henry Russel Awards for 2014

President Coleman informed the regents that the Russel Awards Faculty Advisory Committee had selected three faculty members to receive Henry Russel Awards for 2014: Dragan Huterer, associate professor, physics, College of Literature, Science, and the Arts; Scott Lyons, associate professor, American culture, associate professor, English Language and Literature, College of Literature, Science, and the Arts; and Thomas Wenisch, Morris Wellman Faculty Development Assistant Professor of Computer Science and Engineering, assistant professor of electrical engineering and computer science, College of Engineering.

Approval of Academic Calendar for 2015-2016

On a motion by Regent Bernstein, seconded by Regent Darlow, the regents unanimously approved the Academic Calendar for 2015-16.

New Graduate Degree Program in the Stephen M. Ross School of Business

On a motion by Regent Darlow, seconded by Regent White, the regents unanimously approved the new Master of Management degree program in the Stephen M. Ross School of Business.

Public Comments

Regents heard comments from the following individuals on the topics listed: Mike Wrathell, alumnus, on how to improve our standing in the community; Douglas Smith, citizen, on the child pornography investigation; Linda Martinson, alumna, on the cover-up

of child porn case; Yonah Lieberman, alumnus, on tuition equality; Carl Meyers, alumnus, on board support of Dearborn campus, and Luz Meza, student, on tuition equality

Adjournment

There being no further business, the meeting was adjourned at 4:55 p.m. The next meeting will take place on June 20, 2013.