

NOVEMBER MEETING, 2014

Approved by the
Regents
December 18, 2014

*The University of Michigan
Ann Arbor
November 20, 2014*

The regents met at 3:12 p.m. in the Anderson Room, Michigan Union. Present were President Schlissel and Regents Bernstein, Darlow, Deitch, Diggs, Ilitch, Newman, Richner and White. Also present were Vice President and Secretary Churchill, Vice President Harper, Interim Vice President Hu, Interim Executive Vice President Johns, Chancellor Little, Vice President Lynch, Vice President May, Provost Pollack, Vice President Rudgers, Interim Executive Vice President Strong and Vice President Wilbanks. Chancellor Borrego was absent.

Call to Order and President's Opening Remarks

President Schlissel called the meeting to order and announced the winter commencement honorary degree recommendations, each of whom has strong ties to the university. They are: Susanne Baer, Doctor of Laws, justice of the Federal Constitutional Court of Germany who earned a Master of Laws degree from UM and is a William W. Cook Global Law Professor in the law school; Charles F. Bolden, Jr., Doctor of Science, administrator of NASA, retired U Marine Corps Major General, and former astronaut, who has supported diversity initiatives and science and engineering education at UM and who will be the commencement speaker; Ralph J. Cicerone, Doctor of Science, president, National Academy of Sciences, atmospheric scientist, and former researcher at UM; and Hamilton O. Smith, Doctor of Science, who won the Nobel Prize in Medicine in 1978, and who was a postdoctoral fellow at UM in 1962.

President Schlissel said that he enjoyed homecoming weekend festivities and having the opportunity to interact with members of the Michigan community. He also noted that Tuesday, December 2, is Giving Blueday at UM with a goal of raising \$1 million in 24 hours.

President Schlissel welcomed the new mayor of Ann Arbor, Christopher Taylor. Mayor Taylor is an attorney with six years of experience serving on Ann Arbor City Council and is a four-time graduate of UM.

Mayor Taylor thanked President Schlissel, and said he too hoped to continue the commitment between the university and the city, and that the success of one is dependent on the success of the other. He said the university can do to much to help the city, including: transformative infrastructure collaboration, particularly in the area of transportation and storm water; improved long-term planning cooperation; and reduced university externalities, whether in the form of neighborhood conflicts or costs to the City's budget.

The meeting was then temporarily suspended.

The meeting reconvened in the Regents Room, Fleming Administration Building and President Schlissel said, "The Board of Regents meeting today in the Michigan Union was suspended for safety reasons." A streamlined formal session was held in the Regents Room and members of the media and the president of the Central Student Government were invited to attend. The meeting minutes will be made available to the public through the regular procedures.

Committee Reports

Finance, Audit and Investment Committee. There was no report.

Health Affairs Committee. There was no report.

Personnel, Compensation and Governance Committee. There was no report.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of October 16, 2014.

Reports. Interim Executive Vice President Strong submitted the Investment Report as of October 31, 2014, the Plant Extension Report and the University Human Resources Report.

Litigation Report. Vice President Lynch submitted the Litigation Report.

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

University of Michigan Health System. There was no report.

Student Life. There was no report.

University of Michigan-Flint. There was no report.

University of Michigan-Dearborn. There was no report.

Central Student Government Report. There was no additional report.

Voluntary Support. Vice President May had no additional report.

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

Retirement Memoirs. Vice President Churchill submitted faculty retirement memoirs.

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

Degrees. The Committee on Honorary Degrees has recommended that honorary degrees be awarded to the following individuals at Winter 2014 Commencement: Charles F. Bolden, Jr., Administrator of NASA, retired US Marine Corps Major General, Former NASA Astronaut, *Doctor of Science*; Susanne Baer, Judge, Federal Constitutional Court of Germany, *Doctor of Laws*; Ralph J. Cicerone, President, National Academy of Sciences, Atmospheric Scientist, *Doctor of Science*; Hamilton O. Smith, Geneticist, Nobel Laureate Physiology or Medicine, *Doctor of Science*.

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

Report of University Internal Audits

Executive Vice President Strong submitted the Report of the University Internal Audits for the period July 2 through September 30, 2014.

Sale of Gifted Real Estate

Executive Vice President Strong submitted the sale of a 40-acre vacant landlocked parcel in Manistique, Schoolcraft County, Michigan, that was sold on October 8, 2014, for \$15,000, in accordance with section 3.07 of the bylaws of the Board of Regents. The mineral rights are held by the State of Michigan. The net proceeds of the sale will benefit the WUOM General Administration Fund.

Alternative Asset Commitments

Interim Executive Vice President Strong submitted the University's follow-on investments with previously approved partnerships with a commitment of \$15 million to Catalyst Fund IV Parallel Limited Partnership, a commitment of \$40 million to Roark Capital Partners IV, L.P, and a commitment of \$5 million to Sequoia Capital China Venture Fund V, L.P.

Appointment of the Wolverine Venture Fund Alumni Manager

On a motion by Regent White, seconded by Regent Diggs, the regents unanimously approved the appointment of Mary Lincoln Campbell as the Alumni Investment Manager of the Wolverine Venture Fund.

New Biological Science Building

On a motion by Regent Diggs, seconded by Regent White, the regents unanimously approved the schematic design for the New Biological Science Building project and authorized awarding limited construction contracts for demolition, utility relocation, site work, and other preparatory work as described providing that bids are within the approved budget.

David M. Dennison Building Renovation

On a motion by Regent Newman, seconded by Regent White, the regents unanimously approved the schematic design of the David M. Dennison Building Renovation.

Hoover Avenue Heating Plant Boiler Replacement

On a motion by Regent White, seconded by Regent Richner, the regents unanimously approved the Hoover Avenue Heating Plant Boiler Replacement project, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Lorch Hall East Wing Second Floor Renovation

On a motion by Regent White, seconded by Regent Diggs, the regents unanimously approved the Lorch Hall East Wing Second Floor Renovation project, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Yost Ice Arena Ice System Improvements

On a motion by Regent Diggs, seconded by Regent White, the regents unanimously approved the Yost Ice Arena Ice System Improvements project, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

President Schlissel said the agenda includes 12 conflict of interest items, each of which requires six votes for approval. On a motion by Regent White, seconded by Regent Newman, the regents unanimously approved the following items:

Authorize Execution of Investment Agreements Under the MINTS Program for Fusion Coolant Systems, Inc.

The Regents authorized the execution of agreements between the University of Michigan and Fusion Coolant Systems, Inc., (the “Company”) under the MINTS (Michigan Investment in New Technology Startup) program.

Because Professor Steven J. Skerlos, University of Michigan employee, is also a partial owner of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and Fusion Coolant Systems, Inc.
2. The University will receive an equity interest in the entity in return for its investment(s). No use of University services or facilities, nor any assignment of University employees is obligated or contemplated under the Agreement. Under MINTS, the University must co-invest in a financing round together with at least one Qualifying Venture Capital Investment Firm. Agreements standard for venture capital investing will be executed. The Investment Office may execute finance agreements up to a total of \$2.5 million in potential investments (through one or more rounds of financing) under MINTS.
3. The pecuniary interest arises from the fact that University of Michigan employee, Professor Steven J. Skerlos, is also a partial owner of Fusion Coolant Systems, Inc.

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

The regents approved lease agreements for space in the North Campus Research Complex Venture Accelerator, located at 1600 Huron Parkway, Ann Arbor, with each company listed in the spreadsheet that is part of the Regents Communication. The space will be utilized as office and lab space for research and business operations for each respective company. The

companies have an opportunity to expand their operations per the parameters outlined in the spreadsheet to include additional laboratory or office space. Because those named for each respective company included in the Regents Communication (and listed below) are University of Michigan employees, and party to the lease by virtue of their share of the ownership of each respective company, membership on respective tenant board of directors, or acting as an officer in the tenant company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and the companies listed in spreadsheet that is part of the Regents Communication, and listed here: 1) ArborLight, LLC, 2) Diapin Therapeutics, LLC.
2. The service to be provided is the continuation of existing leases for space in the continuation of existing leases for space in the North Campus Research Complex Venture Accelerator, located at 1600 Huron Parkway, Ann Arbor, Michigan with access to common area space within the building for an additional year in the program. The one year lease durations are outlined in the spreadsheet. The leases are written using the standard University of Michigan Venture Accelerator lease template. Tenants will pay rates stipulated in the attached spreadsheet for the additional term as indicated: 1) \$170/month 2) \$3,525/monthly. All companies will be responsible for providing monthly updates concerning their business progress to the University of Michigan Office of Technology Transfer, and will have access to Office of Technology Transfer personnel for advice concerning obtaining technology assessment, business consulting, technical assistance, capital raising, or other business services.
3. The pecuniary interest arises from the fact that the individuals listed on the spreadsheet (and listed below) for each company are University of Michigan employees, and also owners and/or officers of each respective company: 1) Dr. Pei-Cheng Ku, Dr. Max Shtein, 2) Yuqing Chen and Bruce Markham.

Authorization for the University to transact with Gurmentor, Inc.

The Regents unanimously approved an agreement with Gurmentor, Inc. (the “Company”) for the development and user support of the Nature Pill application for iPhone and Android platforms.

Because, University of Michigan employees John Hinckley and Jasprit Singh are also the director and stockholder, respectively, 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 School of Natural Resources and Gurmentor, Inc.
2. The agreement is for development and user support of the Nature Pill application for iPhone and Android platforms at a total cost of \$8,000.
3. The pecuniary interest arises from the fact that University of Michigan employees, John Hinckley and Jasprit Singh are director and stockholder, respectively, of Gurmentor, Inc.

Authorization for the University to transact with Sherm's Instrument Repair

The Regents unanimously approved an agreement with Sherm's Instrument Repair (the "Company") for the repair of musical instruments.

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

1. Parties to the agreement are the Regents of the University of Michigan and Sherm's Instrument Repair.
2. The agreement is for an increase of \$1,500 to the total cost of the previous approved amount of \$3,500 through 2015, for a new total not to exceed \$5,000.
3. The pecuniary interest arises from the fact that University of Michigan employee, Joseph Wright, is also the owner of Sherm's Instrument Repair

Agreement between the University of Michigan and Akadeum Life Sciences, LLC

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

Because University of Michigan employee, Professor John Younger is the owner of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and Akadeum Life Sciences, LLC.
2. The agreement is for a one-time purchase of kits containing glass microbubbles coated with Streptavidin used for isolating living cells for a total cost of \$600.
3. The pecuniary interest arises from the fact that University of Michigan employee, Professor John Younger is the owner of Akadeum Life Sciences, LLC.

Agreement between the University of Michigan and Prehab Technologies, LLC

The Regents unanimously approved an agreement with Prehab Technologies, LLC (the “Company”) to develop the Michigan Surgical & Health Optimization Program (MSHOP) risk assessment and rehab program tracker.

Because University of Michigan employees, Stewart Wang, Michael Englesbe, June Sullivan, Nick Wang and William Palazzo, 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 Prehab Technologies, LLC.
2. The initial agreement is estimated to cover a period of ten (10) months with an option to extend the agreement an additional twenty-four (24) months in twelve (12) month increments and having a not-to-exceed cost of \$350,000.
3. The pecuniary interest arises from the fact that University of Michigan employees, Stewart Want, Michael Englesbe, June Sullivan, Nick Wang and William Palazzo, are partial owners of Prehab Technologies, LLC.

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

The Regents unanimously approved an agreement with Biocrede, Inc. (the “Company”) to fund an NIH (prime) SBIR Phase II project entitled “Advanced Bactericidal Urinary Catheters Based on Electomodulated Nitric Oxide Release Phase II” (ORSP# 14-PAF05545) in the Department of Chemistry.

Because University of Michigan employee, Dr. Hao Chen, is an officer and partial owner of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute.

The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and Biocrede, Inc.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately twelve (12) months. The amount of funding support from the Company will not exceed \$65,000. 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 interests of Dr. Hao Chen, arise from his service as an officer and his ownership interest in Biocrede, Inc.

Subcontract Agreement between the University of Michigan and Blaze Medical Devices, LLC

The Regents unanimously approved an agreement with Blaze Medical Devices, LLC (the “Company”) to fund a National Institute of Health SBIR Phase I project entitled “pRBC Mechanical Fragility and Outcomes” (ORSP# 14-PAF05387) in the Pathology Department.

Because University of Michigan employee, Professor Kenneth Alfano, 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 Blaze Medical Devices, LLC.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately six (6) months. The amount of funding support will not exceed \$62,240. 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 Kenneth Alfano, arise from his ownership interest in Blaze Medical Devices, LLC.

Subcontract Agreement between the University of Michigan and Ektapharm, LLC

The Regents unanimously approved an agreement with Ektapharm, LLC (the “Company”) to fund an NIH STTR Phase I project entitled “Organic solvent-free microencapsulation of liraglutide and exenatide (GLP-1 receptor agonists) in poly (lactic-co-glycolic acid) for development of a 30 day GLP-1 injectable depot” (ORSP# 14-PAF00531) in the College of Pharmacy.

Because University of Michigan employee, Professor Steven Schwendeman, 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 Ektapharm, LLC.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately one (1) year. The amount of funding support will not exceed \$96,217. 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 Steven Schwendeman, arises from his ownership interest in Ektapharm, LLC.

License Agreement between the University of Michigan and Kura Oncology

The Regents unanimously approved an agreement with Kura Oncology (the “Company”) to license from the University of Michigan the University’s rights associated with the following technologies: UM OTT File No. 4471, entitled: “Inhibitors of MLL Leukemia”; UMOTT File No. 5643, entitled: “Compositions and Methods for Treatment of Leukemia”; and UM OTT File No 6393, entitled: “Thienopyrimidine and Theienopyridine Compounds and Methods of use Thereof.”

Because University of Michigan employees, Professors Jolanta Grembecka and Tomasz Cierpicki, 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 Kura Oncology.
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. Grembecka and Cierpicki, arise from their ownership interest in Kura Oncology.

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

The Regents unanimously approved an agreement with NOTA Laboratories, LLC (the “Company”) to fund an National Institutes of Health STTR Phase I project entitled “Arginine-Rich Peptides Derived from Protamine as Agents to increase Sinonasal Nitric Oxide Levels in Treatment/Prevention of Rhinosinusitis” (ORSP# 14-PAF00368) in the Department of Pediatrics-Pulmonary Medicine

Because University of Michigan employees, Professors Mark Meyerhoff, Mark Zacharek, Marc Hershenson and Umadevi Sajjan, are partial owners with equity of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and NOTA Laboratories, LLC.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately one (1) year. The amount of funding support will not exceed \$95,800. Since research projects are often amended, these agreements include provisions for changes in time, amount, and scope of each supported project. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interests of Professors Mark Meyerhoff, Mark Zacharek, Marc Hershenson and Umadevi Sajjan, arise from their ownership interest of NOTA Laboratories, LLC.

Agreement between the University of Michigan and ArborMetrix

The Regents approved an agreement with ArborMetrix (the “Company”) to provide an electronic system for integrating Blue Cross Blue Shield Michigan (BCBSM) claims data, measuring risk and reliability-adjusted episode cost-efficiency, reported through application dashboards. Regents Richner and Ilitch recused themselves from consideration of this item due to a conflict of interest.

Because Justin Dimick, University of Michigan employee, is also co-founder and partial owner of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and ArborMetrix.
2. The agreement is to provide the University with software licensing, maintenance, and analytical tools to support the quality improvement initiative entitled the Michigan Value Collaborative (MVC). The term of agreement is for 3 years ending 9/15/2017 for a total cost of \$600,000.
3. The pecuniary interest arises from the fact that University of Michigan employee, Dr. Justin Dimick, is co-founder and part owner of f ArborMetrix.

Dissolution of Michigan Health Ventures, Limited Partnership

On a motion by Regent Newman, seconded by Regent Bernstein, the regents unanimously authorized the dissolution of Michigan Health Ventures, Limited Partnership.

Department of Nutritional Sciences, School of Public Health

On a motion by Regent Newman, seconded by Regent White, the regents unanimously approved the establishment of the Department of Nutritional Sciences in the School of Public Health as described.

Approval of Academic Calendar for 2016-17, UM-Flint Campus

On a motion by Regent White, seconded by Regent Diggs, the regents unanimously approved the academic calendar for 2015-17 for the UM-Flint Campus.

Regent White made the following statement:

“On January 15, 2015, the Board of Regents and President will be holding a strategic session in Ann Arbor. This meeting will take the place of the previously scheduled board meeting. January is an opportune time for such a meeting because January 24th marks the one-year anniversary of the announcement of President Schlissel as the university’s 14th president and his six-month anniversary in the role. It is also an opportunity to welcome and provide orientation for the newest member of the board, Michael Behm, who will be assuming the seat currently held by Regent Julia Donovan Darlow. We will resume our regular meeting schedule on February 19, 2015 in the Anderson Room of the Michigan Union.”

Regent Bernstein said that he may not attend the meeting in December in person, and he wanted to let Regent Darlow know that it has been his honor to work with her. He said, “You really are an extraordinary colleague and it has been a great privilege to serve with you.”

Adjournment

There being no further business, the meeting was adjourned at 4:20 p.m. The next meeting will take place on December 18, 2014.