

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

EXH

MOTION

RESOLUTION

APPROVED BY THE REGENTS

ACTION REQUEST

NOTE

FEB 17 2005

Subject: Research Agreement between the University of Michigan and Coherix, Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

A conflict of interest situation was identified by DRDA while reviewing the Proposal Approval Form which then triggered a review by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was developed by the committee and agreed to by the parties involved in this agreement.

This proposed Agreement falls under the State of Michigan Conflict of Interest Statute because Dr. Mohammed N. Islam is both an employee of the University and Chief Technology Officer of Optics at Coherix. The law permits such an Agreement provided it is disclosed to the executive officers and approved in advance by a 2/3 vote of the Regents.

Background:

Dr. Islam is a Professor in the Department of Electrical Engineering and Computer Sciences (EECS), and the Chief Technology Officer of Optics of a for profit company, Coherix Inc. (hereinafter "Company"). The Company wishes to enter into a research agreement under the direction of Dr. Islam. Dr. Islam will not participate in the project in his capacity as a Coherix officer.

Nature of the Agreement:

This proposed project will be between the Company and the Regents of the University of Michigan (UM) initially to provide support for student research.

Agreement Terms:

The initial student research project is to be conducted over a twelve-month period at an estimated total cost of \$56,240. Since research agreements are often amended, the Agreement includes provisions for changes in time, amount, and scope. University procedures for approval of these changes will be followed and additional review by the Conflict of Interest Committee will be done as appropriate. The terms of the Agreement conform to University policy.

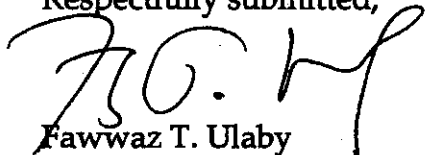
Impact of the Agreement:

The Agreement enables research to be performed promoting the understanding and application of high resolution optical imaging of automobile parts. It also provides for collaboration between the College of Engineering and an emerging Michigan company.

Recommendation:

This Agreement has been reviewed and approved by the OVPR Conflict of Interest Review Committee and by the Associate Dean for Research of the College of Engineering. In light of the disclosure made in this document and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Agreement with Coherix, Inc.

Respectfully submitted,



Fawwaz T. Ulaby
Vice President for Research

February 2005