

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Regental Action Required Under the State of Michigan Conflict of Interest Statute

Action

Requested: Authorization for the University of Michigan to Enter into License Agreements with Innovation Partnerships Startup Incubator Firms Located at the North Campus Research Complex

Background:

The University of Michigan wishes to enter into license agreements for space in the North Campus Research Complex Innovation Partnerships Startup Incubator located at 1600 Huron Parkway, Ann Arbor, Michigan, with the companies listed in the attached spreadsheet. The space will be utilized as office and laboratory space for research and business operations. The companies have an opportunity to expand their operations per the parameters outlined in the spreadsheet to include additional laboratory or office space.

The proposed licenses fall under the State of Michigan conflict of interest statute as those named for the companies in the attached spreadsheet are University of Michigan employees and party to the license by virtue of their share of the ownership of the licensee company, membership on licensee company board of directors, or acting as an officer in the licensee company. However, the statute allows university employees to participate in such license agreements if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the license agreement to the official body that has power to approve the license agreement, which disclosure shall be a matter of record in its official proceedings.
- b) The license agreement is approved by a vote of not less than two-thirds of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the license agreement.
 - ii) The terms of the license agreement, including duration, financial consideration between the parties, facilities or services of the public entity included in the license agreement, and the nature and degree of assignment of employees of the public entity for fulfillment of the license agreement.
 - iii) The nature of any pecuniary interest.

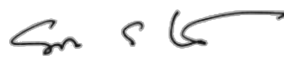
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the license agreements are the Regents of the University of Michigan and the companies listed in the attached spreadsheet.
- ii) The service to be provided is the license of space in the North Campus Research Complex Innovation Partnerships Startup Incubator located at 1600 Huron Parkway, Ann Arbor, Michigan with access to common area space within the building. The license durations including all options for renewal are outlined in the spreadsheet. The licenses will use the standard University of Michigan Innovation Partnerships Startup Incubator license template. The licensee companies will pay the rates as stipulated in the attached spreadsheet for the current term and option years as indicated. The licensee companies will be responsible for providing monthly updates concerning their business progress to the University of Michigan's Innovation Partnerships, and will have access to Innovation Partnerships personnel for advice concerning obtaining technology assessment, business consulting, technical assistance, capital raising, or other business services.
- iii) The pecuniary interest arises from the fact that the individuals listed are University of Michigan employees and owners and/or officers of the licensee companies.

All have met state law requirements with the disclosure of their pecuniary interest and formal appointment arrangements with the University of Michigan.

We recommend that the Board of Regents approve the license agreements between the University of Michigan and the Innovation Partnerships Startup Incubator companies listed in the attached spreadsheet, subject to the requirements, if any, of a conflict management plan required by the respective employees' supervisor, and any requirements imposed by the conflict of interest committees of the Medical School or the Office of Research.

Respectfully submitted,



Geoffrey S. Chatas
Executive Vice President and
Chief Financial Officer

FEBRUARY 2024

MONTHLY LICENSE FEE SCHEDULE

LICENSE AREA CURRENT TERM

COMPANY	UM EMPLOYEES	TERM	MONTHLY LICENSE FEE SCHEDULE							LICENSE AREA CURRENT TERM							
			CUBICLE	CUBICLE Half-Time	OFFICE	OFFICE Half-Time	LAB PER BENCH	LAB PER 20% of time	WHOLE LAB	CUBICLE	CUBICLE Half-Time	OFFICE	OFFICE Half-Time	LAB PER BENCH	LAB PER 20% of time	WHOLE LAB	MONTHLY FEE
MemryX			Renewal Option:														
Names of any University employee who owns 5% or more of the equity of Licensee:	Wei Lu	March 1, 2024- June 30, 2024	\$330	\$165	\$600	\$300	\$1,950	\$390	\$4,670	6		8				\$6,780	\$1,820.00
Names of any University employee who is a member of the Board or Directors of Licensee:	Wei Lu	July 1, 2024 - June 30, 2025	\$360	\$180	\$660	\$330	\$2,140	\$430	\$5,140								
Names of any University employee who is the President, Chief Executive Officer, Vice President, Treasurer or Secretary of Licensee:		July 1, 2025 - February 28, 2026	\$400	\$200	\$720	\$360	\$2,360	\$475	\$5,650								
Photon Semantics			\$330	\$165	\$600	\$300	\$1,950	\$390	\$4,670			1				\$600	\$600.00
Renewal Option:																	
Names of any University employee who owns 5% or more of the equity of Licensee:	Nicholas Kotov	July 1, 2024 - June 30, 2025	\$360	\$180	\$660	\$330	\$2,140	\$430	\$5,140								
Names of any University employee who is a member of the Board or Directors of Licensee:		July 1, 2025 - June 30, 2026	\$400	\$200	\$720	\$360	\$2,360	\$475	\$5,650								
Names of any University employee who is the President, Chief Executive Officer, Vice President, Treasurer or Secretary of Licensee:		July 1, 2026 - June 30, 2027	\$440	\$220	\$790	\$395	\$2,590	\$520	\$6,220								
		July 1, 2027 - February 28, 2028	\$480	\$240	\$870	\$435	\$2,850	\$570	\$6,840								
Upkara			Renewal Option:														
Names of any University employee who owns 5% or more of the equity of Licensee:	Pravansu Mohanty	December 1, 2023 - November 30, 2024	\$330	\$165	\$600	\$300	\$1,950	\$390	\$4,670			8			3	\$18,810	\$11,275.00
Names of any University employee who is a member of the Board or Directors of Licensee:	Pravansu Mohanty	December 1, 2024 - November 30, 2025	\$360	\$180	\$660	\$330	\$2,140	\$430	\$5,140								
Names of any University employee who is the President, Chief Executive Officer, Vice President, Treasurer or Secretary of Licensee:	Pravansu Mohanty	December 1, 2025 - November 30, 2026	\$400	\$200	\$720	\$360	\$2,360	\$475	\$5,650								
NOTES:																	
1. Renewal Options will be exercised only if acceptable to all parties and will be executed via amendment.																	
2. Half-time equals 2.5 days/week																	
3. 20% of time equals 1 day/week																	