

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Ecovia Renewables, L.L.C.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing the Proposal Approval Form which then triggered a review by the UMOR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by the Committee and agreed to by the parties involved.

This proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Nina Lin and Dr. Jeremy Minty are both employees of the University of Michigan ("University"), and co-founders with equity in Ecovia Renewables, L.L.C. The law permits such an Agreement provided it is disclosed to the Board of Regents ("Regents") of the University of Michigan and approved in advance by a 2/3 vote.

Background:

Dr. Nina Lin, an Associate Professor of Chemical Engineering in the College of Engineering, and Dr. Jeremy Minty, Research Fellow in Chemical Engineering are partial owners of a for-profit company called Ecovia Renewables, L.L.C. (the "Company"). The Company wishes to fund a NSF (prime) STTR Phase I project entitled "Cost-effective Production of Biopolymers for Eco-Friendly Erosion Control and Soil Revegetation with Synthetic Microbial Consortia" (ORSP# 14-PAF04906) in the Department of Chemical Engineering under the direction of Dr. Lin. Dr. Minty will be the PI at Ecovia Renewables, L.L.C. The purpose of this project is to develop an innovative microbial co-culture fermentation platform for cost-effective production of the biopolymers γ -polyglutamic acid (PGA) and polyfructose (levan).

Agreement Terms:

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 will not exceed \$67,500. 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.

Impact of the Agreement

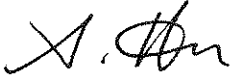
The Agreement will support an effort by Dr. Lin to use her expertise and University laboratory, as well as other University resources in the preliminary evaluation and

optimization of different co-culture schemes, including bioreactor-scale co-culture and process integration.

Recommendations:

This matter has been reviewed and approved by the UMOR Conflict of Interest Review Committee. In light of this disclosure and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve the University's entering into this Agreement with Ecovia Renewables, L.L.C.

Respectfully submitted,



S. Jack Hu
Interim Vice President for Research

July 2014