

ACTION REQUEST

Subject: Assignment Agreement between the University of Michigan, GMP Immunotherapeutics, Inc. and Lycera

Action Requested: Approval of Assignment Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement 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 then developed by the Committee and agreed to by the parties involved.

This proposed assignment agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Gary Glick, Anthony Pipari and James Ferrara are both employees of the University of Michigan ("Michigan") and partial owners of Lycera. 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 of the University of Michigan.

Background:

Michigan and GMP Immunotherapeutics ("GMPI") entered into a patent License Agreement dated September 19, 2003. Michigan terminated this License Agreement for breach effective June 6, 2006. During the term of the License Agreement GMPI funded research at Michigan pertaining to the intellectual property licensed to GMPI under the License Agreement and other related research and development activities with third parties (such other intellectual property developed by GMPI or as a result of such third party activities being hereinafter defined and referred to as "GMPI IP").

Michigan is interested in licensing the "Michigan Patents" to Lycera or other third parties. Michigan is also interested in obtaining rights to the GMPI IP as additional technology to the Michigan Patents.

Parties to the Agreement:

The Regents of the University of Michigan, GMPI, and Lycera.

Assignment Terms:

GMPI will assign all of its rights in the GMPI IP to Michigan. Michigan will share a percentage of revenue it receives from licensing the GMPI IP and Michigan patents with GMPI. Standard disclaimers of warranties and indemnification apply, and the contract may be amended by consent of the

parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Drs. Glick, Ferrara and Oipari arise from their ownership interest in Lycera.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an assignment agreement for patents and know-how owned by GMPI.

Recommendations:

This matter has been reviewed and approved by the OVPR 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 Assignment Agreement between the University, GMPI and Lycera.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is written in a cursive style with a long horizontal stroke at the end.

Stephen R. Forrest
Vice President for Research

February 2007