

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents

April 17, 2008

ACTION REQUEST

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

Action

Requested: Authorization for the University to Enter into a Lease Amendment Agreement with 2401 Plymouth LLC (University of Michigan Athletic Director, William C. Martin, member of 2401 Plymouth LLC)

Background:

The University of Michigan wishes to enter into a lease amendment agreement for 6,740 square feet of property located at 2401 Plymouth Road, Suites A & B, Ann Arbor, Michigan, to be leased from 2401 Plymouth LLC. The space will continue to be utilized as office space for the College of Engineering's Interdisciplinary and Professional Engineering Center for Professional Development.

The proposed lease amendment agreement falls under the State of Michigan Conflict of Interest Statute as William C. Martin is a University employee and would be a party to the lease amendment agreement by virtue of his membership of 2401 Plymouth LLC. However, the Statute allows University employees to participate in such lease amendment agreements, if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the lease amendment agreement to the official body that has power to approve the lease amendment agreement, which disclosure shall be a matter of record in its official proceedings.
- b) The lease amendment agreement is approved by a vote of not less than 2/3 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 lease amendment agreement.
 - ii) The terms of the lease amendment agreement, including duration, financial consideration between the parties, facilities or services of the public entity included in the lease amendment agreement, and the nature and degree of assignment of employees of the public entity for fulfillment of the lease amendment agreement.
 - iii) The nature of any pecuniary interest.

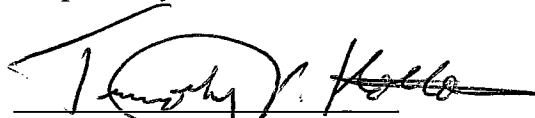
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the lease amendment agreement are the Regents of the University of Michigan and 2401 Plymouth LLC.
- ii) The service to be provided is the lease amendment agreement for 6,740 square feet in a building at 2401 Plymouth Road, Suites A & B, Ann Arbor, Michigan, for two years, beginning July 1, 2008 through June 30, 2010, at a monthly rate of \$12,356.66 for the first year and \$12,727.36 for the second year. Tenant will be responsible for gas and electric usage plus janitorial service.
- iii) The pecuniary interest arises from the fact that William C. Martin, a University of Michigan employee, is a member of 2401 Plymouth LLC.

William C. Martin has met state law requirements with the disclosure of his pecuniary interest, and his formal appointment arrangements with the University of Michigan.

We recommend that the Regents approve the lease amendment agreement between the University of Michigan and 2401 Plymouth LLC.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

April 2008