

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

May 17, 2007

ACTION REQUEST

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

Action Requested: Approval of Research Agreement

Preamble:

A statutory conflict of interest situation was identified by the Division of Research Development and Administration while reviewing the proposed research agreement which then triggered a review by OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflicts of interest will be developed by the Committee and agreed to by the parties involved.

This proposed research agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Gary Glick, Anthony Opipari and James Ferrara are both employees of the University of Michigan ("University") 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:

Dr. Gary Glick, a Professor in Chemistry, Dr. Anthony Opipari, Associate Professor of Obstetrics and Gynecology and Dr. James Ferrara, Professor of Pediatrics and Communicable Diseases are partial owners of a for-profit company called Lycera. Lycera was formed to commercialize benzodiazepene compounds for a variety of therapeutic applications. The Company wishes to support a research contract related to the inventions made by Drs. Glick and Opipari. A technology license has been disclosed under separate Regental Action.

Nature of the Agreement:

The Company has received a license from the University that relates to the subject of the research project. The proposed project involves mutual study and training in the conduct of ATPase assays and the design and synthesis of analogs with improved properties for understanding the properties of certain molecules in vitro .

Agreement Terms:

The terms of the proposed agreement will conform to University policy. Dr. Anna Mapp, Associate Professor of Chemistry, who has no financial interest in the Company, will direct the project over an initial six month period at an

estimated cost of \$25,656. The agreement will include a provision allowing extension and modification of the project upon mutual agreement of the parties.

The project does not involve human subjects.

Impact of the Agreement:

This project will provide further information that will assist the University in developing certain assay techniques and will help the Company in developing compounds, obtaining regulatory approvals, and commercializing novel cytotoxic molecules as therapeutic agents.

Recommendation:

These matters will be reviewed and approved by the OVPR Conflict of Interest Review Committee before the Agreement is accepted by the University. In light of the disclosure made in this document and our finding that the Agreement will be negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Agreement with Lycera, Inc.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Stephen R. Forrest". The signature is written in black ink and is positioned above the printed name and title.

Stephen R. Forrest  
Vice President for Research

May 2007