

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

Approved by the Regents  
July 19, 2007

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 Second Amendment to the Lease Agreement with 2401 LLC (University of Michigan Athletic Director William C. Martin, member of 2401 LLC)

Background:

The University of Michigan and 2401 LLC signed a lease dated September 23, 1997 for 10,083 square feet of space at 2401 Plymouth Road, Suite C, Ann Arbor, Michigan, for the Turner Senior Resource Center. The University of Michigan wishes to enter into a five-year lease extension with 2401 LLC for this space.

The proposed lease amendment 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 by virtue of his position as member of 2401 LLC. However, the statute allows University employees to participate in such leases, if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the lease amendment to the official body that has power to approve the lease amendment, which disclosure shall be a matter of record in its official proceedings.
- b) The amendment 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.
  - ii) The terms of the lease amendment, including duration, financial consideration between the parties, facilities or services of the public entity included in the lease amendment, and the nature and degree of assignment of employees of the public entity for fulfillment of the lease amendment.
  - 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 are the Regents of the University of Michigan and 2401 LLC.
- ii) The service to be provided is a lease amendment for 10,083 square feet of space at 2401 Plymouth Road, Suite C, Ann Arbor, Michigan, for five years, commencing on November 1, 2007 through October 31, 2012, at a monthly rate of \$21,000.00 for the term of the lease. Tenant is responsible for gas and electric usage.
- iii) The pecuniary interest arises from the fact that William C. Martin, a University of Michigan employee, is a member of 2401 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 between the University of Michigan and 2401 LLC.

Respectfully submitted,



Timothy P. Slottow  
Executive Vice President and  
Chief Financial Officer

July 2007