MINUTES OF THE MEETING
OF THE
MICHIGAN STATE UNIVERSITY
BOARD OF TRUSTEES

April 16, 2004

The Trustee Finance Committee and Trustee Policy Committee meetings were held in the Board Room of the Administration Building beginning at 9:00 a.m. on Friday, April 16, 2004. Minutes of the meetings are on file in the Office of the Secretary of the Board of Trustees.

President McPherson called the meeting of the Board of Trustees to order at 9:20 a.m. in the Board Room.

Trustees present: Dolores M. Cook, Joel I. Ferguson, Dorothy V. Gonzales, Colleen M. McNamara, Donald W. Nugent, David L. Porteous and G. Scott Romney.

Trustee absent: Randall L. Pittman

University officers present: President McPherson, Provost Simon, Vice President Poston, Secretary Carter, Vice President and General Counsel Noto, Vice Presidents Denbow, June, Webb and Webster, Senior Advisor and Director Granberry Russell and Director Williams. Faculty Liaisons present: Robert Maleczka, Susan Linz for Michael Moch, James Potchen and Jon Sticklen. Student Liaisons present: Jared English, Missy Kushlak, Misty Staunton and Kimberly Yake.

All actions taken were by unanimous vote of the Trustees present, unless otherwise noted.

1. On a motion by Ms. Cook, supported by Ms. Gonzales, THE BOARD VOTED to approve the agenda.

2. On a motion by Ms. McNamara, supported by Ms. Gonzales, THE BOARD VOTED to approve the minutes of February 13, 2004.

3. Trustee GPA Award Recipients

Chairman Porteous and President McPherson presented Trustee GPA Awards for 2004 Spring Semester to the graduating seniors listed below. (Tracy L. Kamikawa, Biosystems Engineering, 4.00000, was unable to attend.)
<table>
<thead>
<tr>
<th>Name</th>
<th>Major</th>
<th>Grade Point</th>
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<tbody>
<tr>
<td>Timothy W. Bodnar</td>
<td>Human Biology</td>
<td>4.00000</td>
</tr>
<tr>
<td>Aimee C. Brooks</td>
<td>Zoology</td>
<td>4.00000</td>
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<tr>
<td>Westley S. Evans</td>
<td>Computer Engineering</td>
<td>4.00000</td>
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<tr>
<td>Matthew J. Griffin</td>
<td>Philosophy</td>
<td>4.00000</td>
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<tr>
<td>Allyson A. Miller</td>
<td>Humanities – Prelaw</td>
<td>4.00000</td>
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<tr>
<td>Dustin G. Nowacek</td>
<td>Lyman Briggs – Physiology</td>
<td>4.00000</td>
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<tr>
<td>Daniel C. Peltier</td>
<td>Microbiology</td>
<td>4.00000</td>
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<tr>
<td>Allison M. Quist</td>
<td>Political Science</td>
<td>4.00000</td>
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<tr>
<td>Nancy F. Rayel</td>
<td>Psychology</td>
<td>4.00000</td>
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<tr>
<td>Katherine D. Sheline</td>
<td>Microbiology</td>
<td>4.00000</td>
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<tr>
<td>Adam J. VanderBee</td>
<td>Marketing</td>
<td>4.00000</td>
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<tr>
<td>Ann E. Victory</td>
<td>Lyman Briggs – Physiology</td>
<td>4.00000</td>
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<tr>
<td>Michael A. Wilson</td>
<td>Psychology</td>
<td>4.00000</td>
</tr>
<tr>
<td>Daniel J. Wood</td>
<td>Lyman Briggs – Biochemistry</td>
<td>4.00000</td>
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4. President’s Report:

President McPherson, on behalf of the entire University community, congratulated the MSU Debate Team on its victory at the 58th National Tournament in Washington, D.C. This is the first time MSU has won this tournament, although the Debate Team has competed in the “Final Four” six previous times. Debaters Greta Stahl, David Strauss, Aaron Hardy and Shaun VanHorn, Director Michael Eber, Head Coach Will Rapko and Assistant Coach Alison Eber performed remarkably to bring victory home.

Mr. McPherson noted that a ceremony was held recently to dedicate the SOAR Telescope. MSU astronomers will use the telescope, located in Chile, approximately 40 nights a year from a remote control observation room in the Biomedical and Physical Sciences Building. MSU’s partners in this venture include the University of North Carolina at Chapel Hill, the National Optical Astronomy Observatories and Brazil.

President McPherson thanked the organizers of the Diversity Awards ceremony that recognized people who have done outstanding work toward advancing diversity within our University community.

Mr. McPherson thanked the Student Liaisons to the Board of Trustees, Missy Kushlak, Jared English, Misty Staunton and Kimberly Yake. They have played an important role through their service to the Board.

The US News and World Report annual rankings have been published. President McPherson noted that the primary and secondary education programs in the College of Education were ranked No. 1 in the country for the tenth consecutive year.
5. Public Participation on Items Germane to the Agenda

Chelsea McMellen represented ECO in addressing the Board of Trustees in connection with the $30 million addition to MSU’s Simon Power Plant. Ms. McMellen urged the administration to consult with students, professors, the University Committee for a Sustainable Campus and residents of East Lansing.

6. Personnel Actions

Provost Simon presented the following personnel actions:

1) Snow, Sandra L., AY – Associate Professor, School of Music, $73,000, with Tenure, effective August 16, 2004.

2) Ramesh, Krishnamoorthy, AY – Professor, Department of Accounting and Information Systems, $153,000, with Tenure, effective August 16, 2003.

3) Kron, Michael A., AN – Associate Professor, Department of Medicine, $116,842, with Tenure, effective April 1, 2004.

Provost Simon noted that Dr. Snow currently has a position with the University of Michigan. She is viewed as one of the most prominent individuals in choral education music, working with women’s voices.

Dr. Simon explained that Dr. Ramesh received his Ph.D. from Michigan State University in 1991; he has taught at Northwestern University and Pennsylvania State University before becoming Senior Associate, Principal, and then Vice President for Charles River Associates and President of Group Analysis Economics. As a student at MSU, he received the MSU Excellence in Teaching Award in 1988. He will be involved in teaching and research.

The Provost indicated that Dr. Kron is currently in the division of infectious disease in the Department of Human Medicine. He is a well-known and well-funded researcher in international health.

Dr. Simon commented that all of these recommendations come to the Board with the full support of the faculty, deans and Office of the Provost.

On a motion by Mr. Porteous, supported by Ms. Gonzales, THE BOARD VOTED to approve the recommendations.
7. Gift, Grant and Contract Report

On behalf of Vice President Huggett, Associate Vice President Hunt presented the Gift, Grant and Contract Report for the period of January 24, 2004, through March 25 2004. The report is a compilation of 373 Gifts, Grants and Contracts, 67 Consignment/Non-Cash Gifts and 2 Consignment/Non-Cash Loans, with a total value of $56,569,598.51.

On a motion by Mr. Nugent, supported by Mr. Romney, THE BOARD VOTED to approve the Gift, Grant and Contract Report.

8. Trustee Nugent presented the Trustee Finance Committee report and recommendations.

A. Bids and Contract Awards

1) It was recommended that a contract in the amount of $1,040,000 be awarded to Sandborn Construction, Inc., of Portland, Michigan, and that a budget in the amount of $1,450,000 be established for the project entitled: Campus Steam Distribution Vault 299 to Shaw Hall and Abrams Planetarium.

2) It was recommended that a contract in the amount of $406,400 be awarded to Moore Trosper Construction Company, of Holt, Michigan, and that a budget in the amount of $500,000 be established for the project entitled: Chemistry – Alterations to Rooms 208, 208A and 209.

3) It was recommended that a contract in the amount of $648,369 be awarded to Gunthorpe Plumbing & Heating, Inc., of East Lansing, Michigan, and that a budget in the amount of $760,000 be established for the project entitled: Clinical Center – Coil Replacement Phase II.

4) It was recommended that a contract in the amount of $267,700 be awarded to Lutz Roofing, of Shelby Township, Michigan, and that a budget in the amount of $360,000 be established for the project entitled: Printing Services Building – Roof Replacement.

On a motion by Mr. Porteous, supported by Ms. Cook, THE BOARD VOTED to approve the above recommendations.

Mr. Nugent pointed out that all of the recommendations were for the low bidders on the various projects.
B. Construction Manager Appointments

1) It was recommended that the Board of Trustees appoint Granger Construction Company as the Construction Manager for the project entitled: Campus Steam Distribution – Vault 214 to Erickson Hall and International Center.

2) It was recommended that The Christman Construction Company/The industrial Company joint venture be appointed by the Board of Trustees as the construction manager for the project entitled T.B. Simon Power Plant – Units 5 and 6.

On a motion by Mr. Porteous, supported by Ms. Gonzales, THE BOARD VOTED to approve the Construction Manager recommendations.

C. Sale of Ludington Property

It was recommended to the Board of Trustees that the University enter into an agreement to sell to Chris Gamble the .637 acre Ludington property for $82,000.

On a motion by Mr. Nugent, supported by Ms. Cook, THE BOARD VOTED to approve the sale.

D. Funds Functioning as Endowments

1) It was recommended that the Board of Trustees establish a fund functioning as an endowment entitled: The “Leonardo Da Vinci” Design Endowment.

2) It was recommended that the Board of Trustees establish a fund functioning as an endowment entitled: George M. Kabakovich Trust in Memory of Holly Jean Kabakovich, D.O.

On a motion by Mr. Nugent, supported by Mr. Porteous, THE BOARD VOTED to approve the recommended funds.

Mr. Nugent explained that future gifts are expected to be added to the “Leonardo Da Vinci” fund. The income will be used to support programs, activities and initiatives related to the design program of the Department of Mechanical Engineering, including, but not limited to, funding for student projects, scholarships, travel to national competitions, pre-collegiate programs, equipment manufacturing fellowships and curriculum development.
Trustee Nugent added that future gifts are expected to be added to the Kabakovich fund, as well. The income from this fund functioning as an endowment is for scholarships for future MSUCOM students.

E. FY 2004-05 Housing Rate Recommendations

It was recommended that the Board of Trustees adopt the basic residence halls room and board rate of $5,458 per academic year, effective fall semester 2004, and adopt the basic university apartments rates of $552 per month for a one-bedroom apartment and $612 per month for a two-bedroom apartment, effective August 1, 2004.

Vice President Poston explained that the recommendation reflects a 4.4% increase to the residence hall basic room and board rate and a 3% increase to the monthly university apartments rates.

Assistant Vice President Charles Gagliano observed that the housing rate recommendations minimized increases. Further, the recommendations reflect payment for more services, such as bandwidth, and allow for an appropriate reserve. The reserve is designated for repair, maintenance, renovation, new services and construction, where appropriate.

Mr. Gagliano indicated that MSU's residence hall rates remain the lowest in the Big Ten and among public universities in Michigan, even though MSU provides more services than the other institutions do.

Mr. Ferguson pointed out that, without proper reserves to maintain the quality of services offered by MSU, occupancy will decrease and students who use MSU housing will be required to pay higher rates.

Mr. Gagliano noted that one of the things MSU does better than any other institution is to offer educational programs in classrooms in residence halls. The residential education programs not only attract students to MSU, but assist students in graduating from MSU.

Trustee Romney asked about the reduction in the special maintenance fund for both residence halls and apartments.
Mr. Gagliano said the strategic plan designated an amount to be maintained in the special maintenance fund. Although the contribution to future deferred maintenance is lower than last year, the amount comports with the model in the strategic plan.

On a motion by Mr. Nugent, supported by Mr. Porteous, **THE BOARD VOTED to approve** the recommendation.

9. Committee Chairperson McNamara presented the Trustee Policy Committee report and recommendations.

A. Amendment to Procedures Concerning Allegations of Misconduct in Research and Creative Activities, Appendix II, Evaluation of the UIIO

It was recommended that the Board of Trustees approve the revised Appendix II to the Procedures Concerning Allegations of Misconduct in Research and Creative Activities, set forth in Attachment A.

On a motion by Ms. McNamara, supported by Mr. Porteous, **THE BOARD VOTED to approve** the recommendation.

B. Establishment of a School of Planning, Design and Construction

It was recommended to the Board of Trustees that the programs with related budgets and personnel of Building Construction, Urban Planning, Landscape Architecture, Interior Design and Facilities Management be merged into a School of Planning, Design and Construction, effective July 1, 2004.

On a motion by Ms. McNamara, supported by Ms. Cook, **THE BOARD VOTED to approve** the recommendation.

President McPherson noted that this recommendation was enthusiastically supported by all who are involved in those programs.

C. Proposed Amendment to Section 3.2.4.1 of the Bylaws for Academic Governance

It was recommended that the Board of Trustees approve the proposed amendment to Section 3.2.4.1. of the Bylaws for Academic Governance, as set forth in Attachment B.
On a motion by Ms. McNamara, supported by Ms. Gonzales, THE BOARD VOTED to approve the recommendation.

D. New Memorandum of Understanding between the Detroit College of Law and Michigan State University

It was recommended that the Board of Trustees approve the new Memorandum of Understanding Regarding Affiliation between the Detroit College of Law and Michigan State University. (Attachment C)

On a motion by Ms. McNamara, supported by Ms. Cook, THE BOARD VOTED to approve the recommendation.

President McPherson indicated that this is an historical step for the Law College and for the University. In 1995 an affiliation was begun, and the Law College adopted the name, “Detroit College of Law at Michigan State University.” It was agreed that the Law College would continue to use that unless the Law College desired a change. At this time, the Law College prefers a closer affiliation and recommends a change of its name to Michigan State University College of Law.

To build on the success of the affiliation, MSU and the Law College now find it advantageous to align their academic reputations and identities more closely and to integrate Law College faculty and students more completely into the academic life of MSU, including its academic administration, academic governance, student government and curricular systems. The Law College will continue to be a separate nonprofit corporation, and its board will continue to manage the finances of the Law College.

Mr. McPherson noted that entrance test scores, as well as GPAs, for the Law School have climbed.

Mr. Porteous echoed the comments of President McPherson and added that a number of MSU Trustees have served on the Board of Trustees of the Law College or currently sit on that Board. It was very gratifying that at the recent Law College Board meeting, alumni and the former president of DCL commented that the affiliation between the two institutions has benefited the Law College tremendously. They feel that the name change reflects the wonderful relationship that has developed between MSU and the Law College. Dean Blackburn works very enthusiastically to improve the Law College.
Mr. Romney said that the Law College will remain an independent entity. MSU appoints some of the members of the Board of Trustees of the Law College. Certain consequential decisions of the Law School require a super majority vote of the Law College’s Board of Trustees. Some MSU Board of Trustees members, by virtue of serving on the Law College Board, will vote on the Law College’s budget and on other consequential decisions, which is appropriate because the Law College will bear the University’s name. DCL is a financially viable entity that receives no funds from MSU. The Law College has done a superb job of expanding and has an outstanding faculty. This move illustrates the affiliation that already exists between the two institutions and will make it more apparent to those outside of the MSU community.

President McPherson said that one of the key changes that has occurred at the Law College is that the MSU Provost is also its Provost. Mr. McPherson also cited the importance of capturing the history – that this is a hundred-year-old law school, which has graduates statewide, and beyond, who feel very passionately about it.

Mr. Nugent pointed out that the MSU Law College’s new name demonstrates a dynamic progression from early meetings at which some alums of the Law College insisted that the Law College not lose its identity as Detroit College of Law.

Trustee Cook said there is an incredible story of cooperation and caring between the two institutions. Ms. Cook commended the leadership provided by President McPherson and Provost Simon, by Judge Suhrheinrich and Mr. Cliff Haley, the past and present Presidents of the Law College, and by Dean Blackburn, the Law College’s current dean and Dean Harrison, the first dean of the Law College.

Mr. McPherson added that if the two institutions had not been willing to work toward affiliation in an unconventional manner, the affiliation would not have taken place.

Terrance Blackburn, Dean of the Law College, reminded the Board that the Law College is 112 years old; the affiliation with MSU took place in 1995; and the physical move to MSU’s campus took place in 1997. What has happened in the seven short years since that time has been extraordinary, and it is due to the leadership of President McPherson and Provost Simon and of the three Presidents of the Law College who have presided during that time. The public-private partnership that has been created is truly
extraordinary. The Law College is more integrated into the academic life of this University than any other in the country. There are 14 dual-degree programs; there is one joint school certificate program; there are three joint school clinical programs; there are co-sponsored symposia; there are co-sponsored national level conferences; there is cross teaching and cross registering. Bringing to the Law College the strengths of a research university has changed entirely the nature of legal education for DCL and is a proper model for what legal education ought to be in the future. At the same time, the Law College has brought to the University – at no cost to the University and at no cost to taxpayers – an incredibly synergistic excellence in education and legal education. The name change symbolizes the academic depth of integration that has taken place. The entire Law College is very pleased.

Provost Simon acknowledged the leadership of Dean Blackburn. She observed the proposals in the new Memorandum of Understanding were fully reviewed by faculty of the Law College and come with their endorsement. The concept was also reviewed within the University’s academic governance structure and was approved.

E. Annual Report on Diversity Within Community

Paulette Granberry Russell, Director, Office of Affirmative Action and Compliance and Senior Advisor to the President, expressed her appreciation for the opportunity to present the University’s Annual Progress Report on Diversity and Affirmative Action for the year 2002-03. Although her office compiled the report, Ms. Russell indicated that the data was received from academic and support units campus-wide.

The report presented to the Board of Trustees is retrospective and details the results of the prior year efforts to achieve and support campus diversity through various new and ongoing program initiatives. It looks at the representation of the diverse groups, particularly women, persons of color and persons with disabilities, within the campus population. Among conclusions of the report are the following:

- While total student enrollment declined in fall semester 2003, total minority student enrollment increased slightly from 16.4% to 16.7% of the student population. There were slight declines in the enrollment of African American and Native American students, but the number of Asian/Pacific Islander and Chicano/Latino students increased. International student enrollment also increased and now represents 7.4% (up from 7.1%) of the student population.
• Total enrollment of minority freshmen for fall 2003 decreased from the 2002 record high of 20.4% to 18.5%. There were similar decreases across all minority groups.

• Women students continue to represent 54% of the total undergraduate student population.

  o Although the decline in the number of African American students and Native American students was slight, any decline is reason for reflection. Some of the efforts made to assure student diversity include:

    ▪ The Office of Admissions visited over 500 high schools. All urban schools in Michigan have been visited at least twice and, in most cases, three or more times.
    ▪ The Detroit Admissions Office and its new director, with assistance from Dr. Clarence Underwood, have been very aggressive in outreach efforts and contacts.
    ▪ This year, the new Broad Scholarship, for those in the Detroit Public Schools who aspire to teach, has attracted over 200 applications.

• During 2002-03, the total number of tenure system faculty decreased by 15. However, the proportion of women in tenure system positions increased, and the proportion of persons of color increased. Representation increased for all minority groups, except for a decline of one African American in the tenure system faculty.

• Overall, the support staff workforce decreased, with corresponding decreases in the numbers of women and persons of color. However, the representation of minorities in the support staff workforce remained constant at 15.2%, while there was a slight decline in the representation of women. However, a review of the data for 2003 reflects that 75% of the new support staff hires were women and persons of color.

It is not only important to engage in aggressive efforts to recruit a diverse student body, it is equally important to retain those students. Some success in the area of improving persistence and graduation rates for students of color is evidenced by a decrease in some of the differentials between these students and students overall.
Regarding Persistence Rates

Nationally, according to 2002 data for institutions similar to MSU, the persistence rates for those who enter as freshmen and return in the fall of their sophomore year, is, on average, 80.2%. MSU is above the national average, and has been for the last six years with a cohort persistence rate of 89.1%.

First-year persistence rates for undergraduate students of color overall have been improving for the last two years, reaching a 20-year high of 85.6% for the cohort of 2002. The differential between MSU students overall and students of color was 5.4% above the national average.

For African Americans, the first-year undergraduate persistence rate for the 2002 cohort was 86.2%, a 20-year high.

Regarding Graduation Rates

The graduation rates for students of color have improved. Nationally, the overall six-year graduation rate for Division 1 schools for the cohort of 1996-97 was 59%. The six-year African American graduation rates at MSU for the cohort of 1997 reached a 15-year high of 55.2% (overall graduation rate was 68.7%). Nationally, the African American graduation rate at Division 1 schools was 41% during this time period. MSU’s efforts place it at the forefront of Division 1 schools.

A careful review of data is occurring to see what it means for MSU programmatically. Preliminarily, the data shows some success. MSU’s numbers compare very favorably to institutions similar to MSU, and would tend to support the view that the University is faring better in persistence and graduation rates for students of color.

Many people on campus have increased their efforts over the last few years to address these issues systematically. While there is still much work to be done, particularly in reference to Native Americans, African Americans and Latinos in closing the disparity in persistence and graduation rates, clearly some progress is being made, including:

- Over 300 members of the MSU community participated in the Best Practices in Diversity at MSU: Enhancing a Diverse Campus Community Conference in the fall of 2003. The conference offered participants an opportunity to compare and contrast experiences in delivering programs in support of a diverse campus community.
- In March 2003, a coalition of student organizations, including student leaders from the Council of Racial/Ethnic Students and
Council of Progressive Students, presented a list of 16 concerns to President McPherson. Since that time, progress has been made addressing the various issues and work with the students continues on these issues and any others that arise.

Progress requires sustained leadership, commitment and vigilance. There are constant challenges to recalibrate efforts in response to changing community needs and the broader global community. The Annual Diversity Report allows reflection on the past successes and continuing challenges. The recipients of the Excellence in Diversity awards are symbols of what can be done with a great deal of commitment and hard work.

On a motion by Ms. McNamara, supported by Ms. Cook, THE BOARD VOTED to approve The Annual Progress Report – Affirmative Action and Diversity Within Community.

President McPherson thanked Ms. Granberry Russell for her report and pointed out that it is important to review annually with the Board of Trustees diversity on our campus and to provide detailed reports.

Trustee Gonzales inquired about continuing training offered on campus and asked about recruitment efforts around the state.

Ms. Granberry Russell responded that there is a collaborative effort among her office, the Office of the Vice President for Student Affairs and others that provides training for residence hall staff on issues like prohibited harassments. Training is also offered to faculty to improve the climate within academic units. During the upcoming year there will be a summer institute for faculty to transform their curriculum around diversity issues. Ms. Granberry Russell said those faculty hiring efforts go beyond merely posting positions in traditional journals and publications – direct outreach engagement is used. Increased representation of women and persons of color across the disciplines has resulted.

Trustee Cook remarked on the tremendous response to this, the first offering, of the Broad Scholarship. Provost Simon explained that the Broad process offers a three-week program during the summer to introduce younger high school students to MSU. Additionally, the Broad Scholarship not only permits the University to recruit students from Detroit to study at MSU, it involves a commitment from those students to return to Detroit to teach.

Mr. Nugent commented on a program by which Mexico has committed a million dollars in guaranteed loans for their students to come to Michigan
State University to study. The program will result in a significant number
of students coming from Mexico to study at MSU.

F. Notice of Intent to Negotiate Contracts

Pursuant to state law, the Chair of the Policy Committee gave public
notice to the full Board during the Committee’s report of the University’s
intention to negotiate agreements regarding technology licensing,
research and related matters with two companies:

1) Diversified Natural Products, a Michigan company based in
   East Lansing. Dr. Kris A. Berglund, a Professor in Chemical
   Engineering and Materials Science, and his immediate
   family, cumulatively own or have options to buy an equity
   interest of more than 5% of the company. Dr. Berglund is
   also an officer of Diversified Natural Products.

2) Gema, LLC, a Michigan company based in East Lansing.
   Dr. Jose Cibelli, a Professor in the Department of Animal
   Science, and his immediate family, cumulatively own or have
   options to buy an equity interest of more than 5% of the
   company. Dr. Cibelli is also an officer of Gema, LLC.

G. Approval of Contract Terms and Conflict of Interest Procedures

1) It was recommended that the Board of Trustees approve the
   administration’s recommendation for execution of a research
   subcontract with Digital Flow Technologies, Inc., consistent
   with earlier public notice given at a Board meeting and with
   the applicable “Research Subcontract Term Sheet”
   presented for inclusion in its minutes. (Attachment D)

2) It was recommended that the Board of Trustees approve the
   administration’s recommendation for execution of a license
   amendment with InfoPOEM, Inc., consistent with earlier
   public notice given at a Board meeting and with the
   applicable “License Amendment Term Sheet” presented to
   the Board for inclusion in its minutes. (Attachment E)

3) It was recommended that the Board of Trustees approve the
   administration’s recommendation for execution of an
   amendment to the license agreement with AFID
   Therapeutics, Inc., consistent with earlier public notice given
   at a Board meeting and with the applicable “License
   Amendment Term Sheet” presented to the Board for
   inclusion in its minutes. (Attachment F)
On a motion by Ms. McNamara, supported by Ms. Cook, the Board voted to approve the recommendations.

9. Chairman’s Report

Trustee Porteous complimented Ms. Granberry Russell and her staff for organizing the Excellence in Diversity Awards Ceremony. The event highlighted the commitment of this University to advancing diversity. Awards presented to students, faculty and staff and to individuals, groups and teams recognize their extraordinary dedication. Mr. Porteous congratulated the award recipients.

Mr. Porteous commended the graduating students who received the Board of Trustees GPA Awards.

10. Trustees’ Comments

A. Trustee Cook shared that graduation at MSU is a very special time to her. It validates the work and purpose of the administrators, faculty and Board of Trustees. Ms. Cook was greatly impressed with the large number of students in this senior class who attained a 4.0 grade point average in very demanding majors. Ms. Cook congratulated the faculty and students’ families, as well as the students. They reflect the excellence of this University throughout the state, the country and the world.

B. Trustee Gonzales affirmed the remarks of Trustee Cook and echoed her sentiments.

C. Trustee McNamara passed.

D. Trustee Nugent acknowledged concerns as well as excitement about possible expansion of the Medical School. Mr. Nugent said he appreciated the involvement and comments coming from all sides. Mr. Nugent thanked President McPherson for his leadership in this project.

Mr. Nugent recently met with the Tokyo Alumni Club and will be joining its members for their annual meeting later this year. He will do the same for the Beijing Alumni Club. He enjoys meeting with various alumni clubs while traveling. He hopes the University will receive contributions from the clubs to help fund the new Sparty statue.

E. Trustee Romney passed.
F. Trustee Ferguson asked for a well-posted and well-advertised public hearing and public discussion on the proposed expansion of the Medical School. Mr. Ferguson hopes it will be scheduled with an appropriate period of time between the public hearing and the vote by the Board of Trustees. Mr. Ferguson feels the more light that is given to the subject, the better understanding the community will have as to the proposal’s benefits for the College of Human Medicine (CHM), the mid-Michigan area and the delivery of health services statewide.

11. Public Participation on Issues Not germane to the Agenda

Professor Grover Hudson appeared on behalf of the MSU Chapter of the American Association for University Professors (AAUP) to address the proposed expansion of CHM. Dr. Hudson pointed out that the Bylaws of the Board of Trustees and a statement by the AAUP both call for collaboration at all levels of academia when the University makes important decisions on academic policy. He urged an awareness of the interdependency and usefulness of communication, among the Board, administrators and faculty.

Nigel Paneth, Professor of Epidemiology and Pediatrics in Human Development and Associate Dean for Research of the CHM, presented a statement (Attachment G) prepared by a committee of senior faculty in CHM that has been endorsed by 91 faculty members of CHM. The statement requests that the Board adopt a policy that: expansion of CHM would occur only after CHM faculty is satisfied that available resources are sufficient to establish first-class programs; transition and implementation teams include majority membership of CHM faculty; a substantial presence of CHM faculty and staff be retained in East Lansing; and before implementation of the expansion, the entire CHM faculty vote on specified matters relating to the expansion. There are great opportunities in Grand Rapids, but the faculty is acutely aware that many pitfalls may await. Resources and willing partners in physicians and health institutions in Grand Rapids must be found and share CHM’s vision. The CHM faculty is committed to working with the Board and urges adoption of the statement.

Rae Schnuth, representing the College Advisory Council, presented a unanimously approved resolution (Attachment H) that recognizes that the expansion presents an opportunity for growth and increased financial viability for CHM as well as an opportunity to build a world-class teaching facility and greater potential for research investment. Expansion is potentially a threat to the educational, clinical and research missions of the CHM. Concern as to the impact expansion might have on future accreditation is addressed in the resolution, and a request is made for the
President and Provost to appoint an Oversight Assessment Committee to study adequacy of finance, accreditation, faculty support, programmatic quality and impact on the MSU community as well as on Mid-Michigan.

Fred C. Dyer, Professor and Chairperson of the Department of Zoology, spoke in regard to a lack of trust that exists between the faculty and central administration at MSU. Dr. Dyer expressed concern about central administration making important decisions without adequate input from the faculty. As a member of an ad hoc group formed to study the perception that faculty is not heard when making decisions, such as expansion of CHM and reorganization of several colleges of the University, he said the consensus of the group is that failure adequately to engage faculty is part of a broader mistrust between faculty and central administration. Faculty manage, implement and live with the outcome and need to be involved in a timely manner when major changes to academic programs are considered. Dr. Dyer and his constituents are not passing judgment on the merits of the actions; their focus is on the process.

Alice Dreger, Associate Professor, Science and Technology Studies, Lyman Briggs School, College of Natural Science, presented a list of examples where faculty were not promptly engaged in consequential changes to University programs. The faculty and administration of the University are pursuing the same goal – to continue to advance this great university. Faculty input, including dissenting input, will help faculty to feel like partners in the effort to improve the institution. Dr. Dreger asked the Trustees to work with the administration to explore ways of actively engaging faculty in addressing challenges that lie ahead.

Shel Veenstra, representing the Association of English Graduate Students, presented views on projected budget cuts in the English Department and in the Humanities, as a whole. If the Department is underfunded, the impact will be larger class size, which would further negatively impact students of lower ability; lessen instructor interaction by affording less one-on-one time; reduce instructor ability to assign and evaluate writing-based assignments; restrict the diversity perspective required for synthesis of ideas. Short-term benefits of cutting TA salaries and benefits are offset by the long-term detriment to undergraduate education. Ms. Veenstra urged MSU to focus, not just on offering the most affordable education in the Big Ten, but also the best value for students’ money.

Scott Henkel, appeared on behalf of the Graduate Employees Union (GEU), representing 1,200 doctoral, MA, MFA and MS students who are graduate teaching assistants at MSU. The GEU’s position is that any cut in the number of graduate teaching assistants will have a very detrimental effect on the quality of education offered at MSU: class sizes would
increase; programs would be eliminated; diversity would be negatively impacted; some international students might be required to return home without a degree. Worsening attrition rates for graduate teaching assistants will one day lead to a crisis in American higher education. The GEU feels graduate education is central to the mission of the research university and urges the Board to protect funding for graduate teaching assistants. Mr. Hinkel was critical of Provost Simon’s role in cuts to funding for graduate teaching assistants.

Theron Dobson, representing medical students from CHM, spoke regarding the potential expansion of CHM to Grand Rapids. Mr. Dobson expressed concern as to the lack of transparency and lack of input from students, faculty and staff in considering this change. The expansion could provide tremendous long-term benefits for CHM, if its culture is upheld. Mr. Dobson looks for CHM curriculum to remain progressive and continue to foster diversity and not be influenced by the flow of money. CHM human capital is not being used as a resource in making the decision. Ultimately, it is the students, staff and faculty of the medical school who will make the transition successful or not. Mr. Dobson respectfully requested student involvement in further discussions regarding the future of CHM.

Scott Clark, International Brotherhood of Electrical Workers Union 665, appeared to express concerns about subcontractors selected to work on certain MSU projects. Mr. Clark pointed out that “Michigan Public Act 166 of 1965, Prevailing Wages on State Projects” states that apprentices must be registered with the Bureau of Apprenticeship and Training (BAT). It also states that contracting agents for projects have the right and responsibility for the quality of work and for determining the classification and needs of projects. Mr. Clark interviewed some past and present employees of a contractor being considered for a project on campus. The apprentices were not registered with a BAT-approved apprenticeship, or with the State of Michigan, in compliance with the State licensing law. Mr. Clark asked for a policy by the Board that addresses reasonable progression in a BAT approved program, including mandatory registration, attendance, advancement, proper on-the-job training by qualified individuals, proper classroom instruction and documentation as a pre-qualifier for electrical contractors and other trades, as well as safety training and registration with the State of Michigan.

David Mitchell spoke on behalf of the Students for Economic Justice (SEJ), which feels there has been an undemocratic relationship between students and administration at MSU – that communication between students and President McPherson and the Board of Trustees has been inadequate, particularly as to the Worker Rights Consortium (WRC). A meeting between President McPherson and Scott Nova, Director of the
WRC, was held over spring break without involvement of SEJ. One hundred twenty colleges are members of the WRC, including nine of the 11 Big Ten universities. The WRC is a well-respected monitoring body for locations across the world where MSU apparel is manufactured. It has a proven track record for improving worker conditions where university apparel is made. MSU currently belongs to the Fair Labor Association (FLA). The differences between the two organizations are:

- The WRC meets with workers outside the factory for discussions. The FLA only does walk-throughs of factories.
- The WRC makes investigative reports public, resulting in more enforceable violations. The FLA does not release publicly so violations are not exposed to external groups.
- The WRC’s efficiency in reporting gets results. The FLA fails to promptly mediate changes in factories.

Mr. Mitchell urges the Board of Trustees to join the WRC.

Trustee Porteous and Trustee Ferguson voiced support for the efforts of the administration and Provost Simon, in particular, in response to what they perceived as personal attacks by some of the speakers.

President McPherson thanked all who addressed the Board.

President McPherson said that, assuming the agreement with the Governor and legislature stands, the University will have to absorb a total of approximately $100 million in cuts and reallocations for last year, this year and next year. The reallocations go to health care expenses and compensation increases. This has been an extraordinarily tough time for the University. Although there has been a great deal of engagement and discussion campus-wide, Dr. Simon and Dr. Poston have been on the front line in dealing with budget issues. President McPherson indicated that he supports the actions they have taken. The administration has sought to maintain fundamental financial integrity and educational integrity. The decisions have been painful and not ones that the University would like to make. Going hand-in-hand with these decisions has been the need to reposition the University as advantageously as possible for five or 10 years from now.

12. An Executive Session was not requested
13. On a motion by Mr. Porteous, supported by Mr. Romney, THE BOARD VOTED to adjourn at 11:50 A.M.

Respectfully submitted,

L. Susan Carter
Secretary of the Board of Trustees
ATTACHMENT A

Redlined

II. Evaluation of the UIIO

1. The UIIO shall submit a report annually to the UGC which shall set forth the number of cases handled by the UIIO's office during the previous academic year and their outcomes, along with information on the educational and other activities of the UIIO's office during that academic year.

2. The UGC shall evaluate the performance of the UIIO every five years, or earlier by request of the President, pursuant to criteria established by the President, the Provost, and the VPRGS in consultation with the UGC.

3. The UGC shall submit the results of its evaluation of the UIIO to the President, the Provost, and the VPRGS.

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3. The UGC shall submit the results of its evaluation of the UIIO to the President, the Provost, and the VPRGS.
March 16, 2004

MEMORANDUM

TO: Executive Committee of Academic Council

FROM: Jonathan Walton, Chairperson

University Committee on Academic

SUBJECT: Proposed Amendment to section 3.2.4.1. in the Bylaws for Academic Governance

The University Committee on Academic Governance met March 2, 2004 and approved the following amendments to section 3.2.4.1. in the Bylaws for Academic Governance:

The Academic Assembly of ASMSU shall select no more than thirty-four (34) undergraduate student representatives to the Academic Council. No more than one-third of these representatives may be non-members, or no more than eight, whichever number is greater. The selection of non-elected members shall occur only once per semester prior to the first Academic Council meeting. No non-member elected representative shall be selected in preference to an elected member representative. The overall selection shall ensure balanced collegiate representation. The Student Assembly of ASMSU shall select no more than three (3) of its members to serve on the Academic Council.

ASMSU’s definition of membership includes all tax paying undergraduate students and therefore, are representatives of ASMSU. It was agreed that the sentence which has a strike through should be removed. It was also agreed that ASMSU should have submitted the names of their representatives to Academic Council prior to the first Academic Council meeting of each semester. The other amendments are editorial.

JW/jh

Key:
— Deleted text
\textit{New text}
MEMORANDUM

To: Trustee Policy Committee
From: Dr. Lou Anna K. Simon, Provost
Date: April 13, 2004
Re: Memorandum of Understanding between Detroit College of Law and Michigan State University

RECOMMENDATION

The Trustee Policy Committee recommends to the Board of Trustees that it approve the following resolution.

BE IT RESOLVED, that the President and the Vice President for Finance and Operations are each hereby authorized to execute, on behalf of Michigan State University, a new Memorandum of Understanding Regarding Affiliation between the University and Detroit College of Law (the "Law College"), in substantially the form annexed hereto as Attachment 1 (the "MOU"); and be it further

RESOLVED, that the President, the Provost, the Vice President for Finance and Operations, the Secretary, and the Assistant Provost and Assistant Vice President for Academic Human Resources are hereby authorized to execute such documents and to take such other actions as may be necessary or appropriate to implement the MOU.

BACKGROUND

The University and the Detroit College of Law, presently operating as Michigan State University - DCL College of Law (the "Law College"), have been negotiating a new Memorandum of Understanding ("MOU"). The background to the new MOU is set forth in the Recitals at the beginning of the new MOU, which read as follows:

MSU and the Law College have been affiliated since 1995. The Law College operates a school of law, known as the Michigan State University—DCL College of Law, at a building on MSU’s campus. . . . The affiliation has generated more than a dozen joint degree programs, has
facilitated cross-disciplinary instruction, has enhanced research activities of faculty and students of both parties, has facilitated faculty enrichment, and has helped both parties to advance public service and outreach missions. To build on the success of their affiliation, MSU and the Law College now find it advantageous to align their academic reputations and identities more closely and to integrate Law College faculty and students more completely into the academic life of MSU, including its academic administration, academic governance, student government and curricular systems.

Because the Law College will remain an independent non-profit corporation, with its own board of trustees . . . , it will continue to be responsible for its own finances, including the retention and support of Law College faculty and staff. Consequently, as set forth in Article III of this Memorandum, certain Law College practices and policies, primarily those concerning the financial affairs of the College, employee compensation and faculty tenure, will not necessarily comport completely with those of MSU. The parties intend that as to all other matters the Law College will follow MSU administrative and academic policies and practices, which will enable the Law College to function like a constituent MSU college and form a basis for Law College faculty to participate in MSU academic governance and for Law College students to participate in MSU student government.

Under the new MOU, the Law College will be known publicly as Michigan State University College of Law, MSU College of Law, and MSU Law. The University will own these Law College names, but the Law College will be authorized to use them for the remaining term of the Law College’s lease, which runs at least 23 more years. The University also consents to the change of the Law College’s corporate name from Detroit College of Law to Michigan State University College of Law. In return, as the Recitals state, the Law College will be more closely aligned with, and integrated into, the University’s academic administration, academic governance, student government, and curricular systems.

In addition, a number of items have been added to the MOU list of “consequential matters.” These items include the Law College’s annual budget, the appointment of the Law College’s dean, major naming gifts at the Law College, and academic affiliations involving the Law College. Both the President of MSU and the President of the Law College may designate other “consequential matters.” As you may recall, “consequential
matters" require a three-fourths vote of the Law College board before the Law College can take action on them. Since approximately one-third of the trustees on the Law College board are appointed by the University, this structure is designed to produce a consensus on these issues between the University and the Law College.

The new MOU does not result in a merger between the Law College and the University. The Law College remains a private nonprofit corporation with its own board. The new MOU does not change the University's representation on the Law College's board. It does provide for the University's President to co-chair the Law College's Executive Committee with the President of the Law College, and for the University's Provost to serve as the Provost of the Law College. In each case, that has been the practice in recent years.

Vice President Noto, Assistant Provost and Assistant Vice President Banks, and Associate General Counsel Harwood have conducted the negotiations with the Law College regarding the new MOU, with guidance from President McPherson and me. They will join President McPherson and me at the Policy Committee work session to answer any questions you may have regarding the new MOU.

The concept of a closer academic alignment between MSU and the Law College was discussed with the Executive Committee of Academic Council, the University Graduate Council, the University Committee on Faculty Affairs, and the University Committee on Faculty Tenure. Though supportive of moving toward closer academic alignment, including the proposed name change for the Law College, specific questions may arise when these bodies have the opportunity to review implementation issues relating to the proposed MOU. The proposed MOU is being distributed to the members of the Executive Committee of Academic Council today.

The Law College's board will be reviewing the new MOU at its meeting tomorrow afternoon, April 14, 2004.

For your information, a copy of the original, April 24, 1995 Memorandum of Understanding between the University and the Law College is annexed as Attachment 2. It will be replaced by the new MOU, if the recommended resolution is adopted.

c: Trustee Finance Committee
President McPherson
Vice President Poston
Vice President Noto
Assistant Provost and Assistant Vice President Banks
Associate General Counsel Harwood
MEMORANDUM OF UNDERSTANDING REGARDING AFFILIATION

This Memorandum of Understanding Regarding Affiliation ("Memorandum") between Detroit College of Law (the "Law College"), a Michigan non-profit corporation, and Michigan State University ("MSU"), a Michigan public institution of higher education, replaces the Memorandum of Understanding dated April 24, 1995, between the Law College and MSU.

RECITALS

MSU and the Law College have been affiliated since 1995. The Law College operates a school of law, known as the Michigan State University—DCL College of Law, at a building on MSU's campus which it occupies pursuant to a Lease Agreement (the "Lease") dated November 17, 1995. The affiliation has generated more than a dozen joint degree programs, has facilitated cross-disciplinary instruction, has enhanced research activities of faculty and students of both parties, has facilitated faculty enrichment, and has helped both parties to advance public service and outreach missions. To build on the success of their affiliation, MSU and the Law College now find it advantageous to align their academic reputations and identities more closely and to integrate Law College faculty and students more completely into the academic life of MSU, including its academic administration, academic governance, student government and curricular systems.

Because the Law College will remain an independent non-profit corporation, with its own board of trustees ("Law College Board"), it will continue to be responsible for its own finances, including the retention and support of Law College faculty and staff. Consequently, as set forth in Article III of this Memorandum, certain Law College practices and policies, primarily those concerning the financial affairs of the College, employee compensation and faculty tenure, will not necessarily comport completely with those of MSU. The parties intend that as to all other matters the Law College will follow MSU administrative and academic policies and practices, which will enable the Law College to function like a constituent MSU college and form a basis for Law College faculty to participate in MSU academic governance and for Law College students to participate in MSU student government.

Pursuant to these Recitals and in consideration of the mutual covenants herein, the parties agree as follows:

ARTICLE I
AFFILIATION

1.1 Cooperation. MSU and the Law College shall continue to cooperate in order to obtain the maximum academic and strategic benefits from their affiliation. MSU shall continue to make available to the Law College, on an equitable cost-sharing basis
where appropriate, various student and administrative services and support facilities and related services.

1.2 Name.

1.2.1 After the effective date of this Memorandum, the Law College shall be known and identified to the public solely as the “Michigan State University College of Law” and in abbreviated forms as “MSU College of Law” or “MSU Law” ("Law College Names"); provided, however, that the terms “Detroit College of Law,” “DCL,” “Michigan State University-Detroit College of Law,” “Michigan State University-DCL College of Law,” and “MSU-DCL” may be used as appropriate in reference to the Law College operation as conducted in Detroit and East Lansing prior to the effective date of this Memorandum.

1.2.2 MSU shall own all rights in the Law College Names, and MSU hereby grants to the Law College a license to use the Law College Names and to use the Michigan State University name, logos and symbols in connection with Law College operations, but in each case only in compliance with MSU policies and practices relating to the use of such names, logos and symbols by MSU administrative units, as if the Law College were a constituent MSU college.

1.2.3 The Law College shall change its corporate name to “Michigan State University College of Law,” and MSU hereby consents to such change.

1.2.4 The Law College’s right to any use of the Law College Names or of any form of the name “Michigan State University” shall end when this Memorandum terminates, and the Law College shall promptly take any and all actions necessary to cease such use, including without being limited to such actions as are necessary to remove MSU from its corporate name.

1.3 No Corporate Affiliation or Merger. Notwithstanding the close alignment of the parties’ academic administration, academic governance, student government and curricular systems, or any other matter set forth in this Memorandum or in any other agreement between the parties, including the Lease, the relationship of the parties is not intended and shall not be construed to create or result in a corporate merger, joint venture or partnership, or any parent-subsidiary or other form of common control or joint enterprise. The Law College and MSU shall retain their respective private and public characters. The Law College shall include in its publications a statement indicating that the Law College is a separate legal entity from MSU. Nothing contained in this Memorandum shall be construed in a way that makes the Law College or its faculty or other employees, or members of the Law College Board, state actors or that affects the status of the Law College as a private legal entity.

1.4 No Financial Obligations. MSU shall have no liability for any financial obligation incurred by the Law College, and the Law College shall have no liability for any financial
obligation incurred by MSU. The Law College shall include in any contract (i) obligating it to make payments of, or otherwise to incur liability for, more than $250,000 in any fiscal year or more than $1 million in any five-year period, or (ii) including an indemnity from the Law College, a statement that the obligations incurred in that contract are solely the obligations of the Law College and that MSU shall have no liability with respect to the performance of that contract.

1.5 **Employee Status.** Law College faculty and other employees shall remain employees of the Law College, and not employees of MSU, notwithstanding their participation in MSU academic affairs or other aspects of the affiliation between the parties. This Memorandum does not change the MSU Affiliate Faculty status of Law College faculty previously established by a separate agreement between the parties.

1.6 **Exculpation.** No MSU Board member, officer or employee shall be personally liable to the Law College for any default or breach by MSU of any of its obligations under the terms of, or arising from, this Memorandum. No Law College Board member, officer or employee shall be personally liable to MSU for any default or breach by the Law College of any of its obligations under the terms of, or arising from, this Memorandum.

1.7 **Term and Termination.** The term of this Memorandum shall commence as of its effective date, which shall be the date it has been signed by the respective authorized officers of MSU and of the Law College, and shall end on the date on which the Lease terminates.

**ARTICLE II**

**GOVERNANCE**

2.1 **Board and Executive Committee Membership.** In order to enhance cooperation between MSU and the Law College in achieving the common goals of the affiliation, to facilitate compliance with the Law College’s obligations under the Lease, and to ensure MSU’s participation in the oversight of the Law College, the Law College Bylaws shall provide that:

2.1.1 MSU shall be entitled to appoint certain trustees to the Law College Board as set forth in the Bylaws of the Law College in effect on the effective date of this Memorandum;

2.1.2 The President of MSU shall be a member of the Law College Board;

2.1.3 The President of MSU shall be a member of the Executive Committee of the Law College Board;

2.1.4 The President of the Law College and the President of MSU shall co-chair the Executive Committee of the Law College Board; and
2.1.5 MSU shall be entitled to appoint one additional Law College trustee to the Executive Committee of the Law College Board, which may have up to five members.

The MSU appointed members of the Law College Board shall be appointed with the approval of the MSU Board of Trustees and, subject to applicable law, may be members of the MSU Board of Trustees or other representatives of MSU.

2.2 Bylaws: Consequential Matters. The Law College Board shall amend its Bylaws to provide that the Law College will not take action on a consequential matter unless it is approved by the Law College Board by the positive vote of at least three-fourths (3/4) of the total number of votes that could be cast at the meeting of the Law College Board at which action on the consequential matter will be considered. The total number of votes that could be cast at that meeting shall be calculated by adding the number of votes that would be cast if all members of the Law College Board attended the meeting in question and voted plus all the votes the President of the Law College and the President of MSU would be entitled to cast at the meeting pursuant to Law College Bylaw 2.03. The following are consequential matters:

2.2.1 The approval or amendment of the Law College Articles or Bylaws, of the policies and bylaws for academic governance of the Law College, of the Law College code of student rights and responsibilities, or of the strategic vision for the Law College;

2.2.2 The approval of the Law College’s annual budget or of any capital or other expenditure by the Law College that reasonably could be expected materially to affect the Law College’s financial condition, operations or facilities;

2.2.3 The establishment or termination of any of the Law College’s academic programs;

2.2.4 The conferring of tenure at the Law College or the approval or amendment of the Law College’s rules of tenure, promotion and tenure revocation;

2.2.5 The naming of the Law College, any of its centers, institutes or other academic units or programs, or any of its major physical facilities, including without being limited to the acceptance of naming gifts for any of the foregoing;

2.2.6 Any joint degree program, joint clinical program, research institute or other such affiliation between the Law College and an entity other than MSU;

2.2.7 The appointment of the Dean of the Law College; and

2.2.8 Any other matter that the President of the Law College or the President of MSU determines, in good faith, to be a “consequential matter” because it materially affects the Law College, MSU or the relationship between them.
2.3 Provost.

2.3.1 The Provost of MSU also shall be the Provost of the Law College and shall have the role accorded to the Provost of the Law College by the Bylaws of the Law College in effect on the effective date of this Memorandum.

2.3.2 If and to the degree the deans of the constituent colleges of MSU would do so under then existing MSU policies, procedures and practices, the Dean of the Law College shall obtain the Provost’s approval before the Law College accepts any naming gift, or enters into any joint academic or research program, that is not required to be approved by the Law College Board as a consequential matter.

2.4 ABA Accreditation. The Law College at all times shall maintain the accreditation of its academic programs by the American Bar Association. MSU shall assist the Law College in maintaining such accreditation.

ARTICLE III
POLICIES AND PROCEDURES

3.1 Adoption. So that the Law College may function like a constituent MSU college, effective August 15, 2004, the Law College adopts and agrees to retain all academic and administrative MSU governance policies, procedures and practices, now existing or as established or amended after August 15, 2004, except as they relate to:

3.1.1 Financial affairs of the Law College, including without being limited to its annual budgets, revenues, expenses, capital expenditures, endowment funds, affiliated foundation and indemnification policy;

3.1.2 Terms and conditions of employment for Law College faculty members hired prior to the year 2000;

3.1.3 Compensation (salary and benefits) of Law College employees;

3.1.4 Faculty appointments, which will be made by the Law College upon the recommendation of the Provost, the Dean and the faculty of the Law College, and appointment of the Dean of the Law College, which will be made by the Law College Board upon the recommendation of the Provost;

3.1.5 Final decisions on the grant or denial of tenure or promotion for Law College faculty, which will be made by the Law College Board after compliance with MSU policies and procedures has resulted in a recommendation from the Dean of the Law College and the Provost to the Law College Board;
3.1.6 Final decisions on grievance appeals relating to disciplinary action against a Law College faculty member where dismissal is not sought, or to the denial of tenure to a Law College faculty member, each of which will be made by the President of the Law College with the concurrence of the President of MSU;

3.1.7 Presidential recommendations and final decisions on revocation of tenure for Law College faculty under the MSU Dismissal of Tenured Faculty for Cause Policy, which will be made, as to recommendations, by the President of the Law College with the concurrence of the President of MSU, and, as to final decisions, by the Law College Board; and

3.1.8 Conferral of the Juris Doctor degree and other advanced graduate degrees in law.

The policies, procedures and practices adopted by this section 3.1 shall supersede and replace any duplicative or contrary Law College policy, procedure or practice, unless an exception or modification is made pursuant to section 3.2.

3.2 Interpretation. In MSU policies and procedures as applied to the Law College, references to MSU faculty and MSU students shall be deemed to apply to Law College faculty and Law College students. Any question or ambiguity about the applicability to the Law College of MSU policies, procedures or practices will be resolved in favor of applicability. No exception to or modification of any MSU policies, procedures or practices, as applicable to the Law College, shall be effective unless, and then only to the extent, the exception or modification is approved in writing by a duly authorized MSU officer.

3.3 Policies, Procedures and Student Code Specific to Law College. To the same extent to which constituent MSU colleges adopt and operate under policies and procedures for academic administration and academic governance that are college-specific, the Law College may adopt college-based policies and procedures. Similarly, the Law College may adopt a code of student rights and responsibilities that is specific to Law College students. Such policies, procedures and code, and the process and requirements for their adoption, shall be consistent with sections 2.2, 3.1 and 3.2.

3.4 Participation in MSU Governance. MSU shall support the efforts of the Law College to enable Law College faculty members to participate in academic governance at MSU on the same terms as faculty members of constituent colleges of MSU do. MSU shall support the efforts of the Law College to enable Law College students to participate in the student government system at MSU on the same terms as students of constituent colleges of MSU do.
ARTICLE IV
GENERAL CONTRACT PROVISIONS

4.1 Notices. All notices, consents, approvals, requests and other communications required or permitted under this Memorandum shall be given in writing, signed by an authorized representative of MSU or the Law College, as applicable, and (i) mailed by certified or registered mail return receipt requested, (ii) hand delivered, or (iii) sent by facsimile transmission, with confirmation of receipt, (A) to the President of MSU and the Provost of MSU, at their respective business addresses and facsimile numbers, as to MSU, or (B) to the President of the Law College, the Provost of the Law College, and the Dean of the Law College, at their respective business addresses and facsimile numbers, as to the Law College.

Notices shall be effective when delivered, if hand delivered; on the first business day after mailing, if mailed; if refused, when first refused; or when confirmation is received, if sent by facsimile.

4.2 Entire Agreement; Amendments. This Memorandum, together with the Lease and the existing Operating Agreements between the parties, constitute the entire agreement of the parties with respect to the affiliation between the parties. This Memorandum supersedes all negotiations or previous agreements between the parties (other than the Lease and such Operating Agreements) with respect to all or any part of its subject matter. No amendment of this Memorandum shall be effective unless contained in a writing signed by both MSU and the Law College.

4.3 Successors; Third Parties. The provisions of this Memorandum shall bind and inure exclusively to the benefit of MSU and the Law College and their respective permitted successors and assigns. Such provisions are not for the benefit of any third person, nor shall this Memorandum be deemed to have conferred any rights, express or implied, upon any third person.

4.4 Captions; Section Numbers. Captions and headings in this Memorandum are for convenience of reference only, are not a part of the provisions of this Memorandum, and shall not be used to affect their interpretation. When not otherwise expressly designated, section numbers refer to sections or subsections of this Memorandum.

4.5 Termination of Earlier MOU. This Memorandum replaces in its entirety the Memorandum of Understanding dated April 24, 1995, between the Law College and MSU, which is terminated and has no further force or effect.
IN WITNESS WHEREOF, Michigan State University and the Detroit College of Law have duly executed this Memorandum of Understanding Regarding Affiliation.

MICHIGAN STATE UNIVERSITY

By: ___________________________
Title: __________________________
Date: __________________________

DETROIT COLLEGE OF LAW

By: ___________________________
Title: __________________________
Date: __________________________
MEMORANDUM OF UNDERSTANDING

REGARDING AFFILIATION BETWEEN
THE DETROIT COLLEGE OF LAW AND MICHIGAN STATE UNIVERSITY

This Memorandum of Understanding Regarding Affiliation between The Detroit College of Law and Michigan State University ("Memorandum") is made on April 24, 1995, on behalf of Michigan State University ("MSU"), a Michigan public institution of higher education and The Detroit College of Law ("DCL"), a Michigan non-profit corporation, for the benefit and enhancement of the academic missions of each institution. This memorandum shall be effective when signed by the President of Michigan State University and the President of the Board of Trustees of DCL ("DCL Board").

RECITALS

A. Michigan State University is a Michigan public land grant institution of higher education having authority to grant baccalaureate and graduate degrees, with its main campus at East Lansing, Michigan.

B. DCL is a private, non-profit corporation operating a graduate school of law (the "Law School") at facilities currently located in the City of Detroit, Wayne County, Michigan.

C. This Memorandum expresses the common purpose of MSU and DCL to enhance and further their academic quality and academic missions by means of affiliation at the MSU main campus in East Lansing, Michigan (the "MSU Campus").

D. The MSU Board of Trustees ("MSU Board") has determined that the presence of a fully-accredited professional law school at MSU would enhance MSU's academic programs, particularly its interest in developing interdisciplinary law and graduate study degree programs, and other graduate level educational offerings consonant with its mission as a land grant institution.

E. The DCL Board foresees expansion of the Law School's faculty, programs and assets in line with its mission to provide high quality legal education and scholarship serving the State of Michigan, and the DCL Board has concluded that DCL's academic mission, strategic goals and purpose would be significantly enhanced by the benefits offered by a comprehensive university campus setting.

F. Accordingly, the DCL Board and the MSU Board have agreed to affiliate and provide facilities serving the Law School including, without limitation, classrooms, lecture halls, libraries, faculty offices, special purpose facilities and activity centers, media centers and other related facilities (the "Law School facility") which would be located on the MSU Campus.

G. This agreement shall not be interpreted as compromising the independence of DCL or MSU, nor as causing a corporate affiliation or merger. DCL and MSU shall retain their respective private and public characters. The MSU Board and the DCL Board have determined that their affiliation will facilitate opportunities for cooperation and synergy in such areas as academic
program and curricular offerings, faculty enrichment, special events, and public service and outreach, for the benefit of both institutions.

H. The parties acknowledge the need to move expeditiously to consummate the relationship described herein, including signing a lease for an appropriate Law School facility on the MSU Campus. The DCL Board will continue as presently constituted until the DCL Board Bylaws are rewritten and approved as indicated in section 3.05 below.

Pursuant to the Recitals and in consideration of the mutual covenants herein, the parties agree as follows:

ARTICLE I

AFFILIATION WITH RESPECT TO LOCATION AND OPERATION OF THE DETROIT COLLEGE OF LAW AT THE MICHIGAN STATE UNIVERSITY CAMPUS

1.01. Location of Law School by DCL on the MSU Campus. DCL shall, subject to the terms hereinafter set forth and the conditions to be set forth in the Lease, locate, open and operate the Law School on the MSU Campus as soon as possible after MSU has constructed the Law School facility as defined in the Lease.

1.02. Use of Name. The Law School shall be known and identified to the public solely as "Detroit College of Law at Michigan State University," and, in abbreviated form, as "DCLMSU" ("DCLMSU"). DCL shall not use the name "Michigan State University" or any abbreviation, logo or symbol thereof in any context, manner or style other than the foregoing without the express written permission of MSU, nor, upon opening of classes on the MSU Campus, shall it continue to use the name "Detroit College of Law" or the abbreviation "DCL" except in connection with formal corporate records and corporate proceedings. As used herein, the term "DCL" shall refer either to the existing Law School operation as conducted in Detroit prior to any affiliation with MSU or, from time to time, to the corporate body operating the Law School.

1.03. Cooperation. The parties shall cooperate on a continuing basis in order to obtain the maximum academic and strategic benefits from the affiliation arrangements to be instituted in connection with the establishment of DCL and the Law School on the MSU Campus.

1.04. No Corporate Affiliation or Merger. Notwithstanding the goals of mutual academic cooperation and enhancement, including, without limitation, such endeavors as establishment of joint academic programs, the provision of services by one party to the other, joint or shared use of facilities, or any other matters set forth in the Lease, the relationship of the parties shall be strictly defined and limited by the express terms of this Memorandum and the Lease, and in no way shall such relationship be construed as a corporate merger, joint venture, partnership, parent–subsidiary or other form of common control or joint enterprise.

1.05. Representations and Warranties. Each party hereby represents and warrants to the other that it is validly organized and in good standing under the laws and constitution of the State of Michigan, that the execution and delivery of this Memorandum have been duly authorized by all
requisite corporate action, that this Memorandum has been validly signed and delivered by duly authorized persons, that each party has all necessary legal power and authority to incur and perform its obligations hereunder and that the execution and delivery of this Memorandum and the Lease, to the best knowledge of the respective parties, the incurrence or performance of the obligations of the parties hereunder, and, under the Lease, do not and will not violate or conflict with any law, regulation, ordinance, order or decree of any court or administrative forum, any articles, bylaws or other corporate or trust documents applicable to the respective parties, or any contract or agreement by which either party is bound.

1.06. Opening of DCL MSU. It is intended that commencement of construction of the Law School facility shall begin in the early fall of 1995, with construction time of approximately two years.

1.07. Transition to the MSU Campus. It is anticipated that an entering class of DCL students will begin their academic program on the MSU Campus in MSU facilities the year before completion of a building on the MSU Campus to house DCL. Planning targets are August 1996 for the first year class to begin study on the MSU Campus, and August 1997 for completion of the Law School facility and the move by DCL of the Law School and its operations to the MSU Campus.

ARTICLE II
LEASE

2.01. Lease of Law School Facility. MSU and DCL are engaged in planning the design, financing, and construction of the Law School facility, which shall be leased to DCL upon agreement of the parties.

2.02. Lease Exculpation. The Lease shall provide that no Board member, official, officer or employee of either party shall be personally liable to the other party for any default or breach by such party of any obligation under the terms of or growing out of the Lease.

ARTICLE III
GOVERNANCE

3.01. DCL Board membership by MSU. In order to enhance and insure cooperation between the two institutions in achieving the common goals of this affiliation, and in order to provide for facilitating DCL's obligations under the Lease, MSU shall be entitled to appoint one-third (1/3) of the members of the DCL Board, and in addition, the President of MSU shall be a member of the DCL Board. The MSU appointed DCL Board members shall be appointed with the approval of the MSU Board, and, subject to applicable law, such members may be members of the MSU Board or other representatives of MSU.

3.02. Executive Committee Membership by MSU. To further insure the MSU participation in the operation of the DCL Board, the MSU members of the DCL Board shall appoint two-fifths (2/5) of the Executive Committee of the DCL Board.
3.03. **Operating Committee.** There will be established an Operating Committee of five members, three representing DCL and two representing MSU. The President of MSU will appoint the Chair of the Operating Committee. MSU intends to appoint the MSU Provost as a member of the Operating Committee. The Operating Committee will meet from time to time to consider matters of common concern to DCL and MSU, and report its considerations and recommendations to the DCL Board as appropriate. With regard to Consequential Matters (as identified in section 3.05 below), the DCL Dean will inform the MSU Provost of proposed actions in writing on a timely basis. If the Provost does not concur in the proposed action, the Provost will provide the DCL Dean and the Operating Committee with comments and recommendations in writing on a timely basis.

3.04. **Day To Day Operations of DCL.** The day to day operations of DCL shall be managed by the Dean of DCL. The DCL Dean will inform the MSU Provost of proposed actions on a timely basis. If the MSU Provost does not concur in the proposed action, the MSU Provost will provide the DCL Dean and the operating committee with comments and recommendations on a timely basis.

3.05. **Consequential Matters.** The Bylaws of DCL shall be rewritten and approved by the DCL Board as soon as possible after the date of this Memorandum and shall contain the following provision: any matter dealing with the approval or amendment of the DCL Bylaws, the strategic vision for DCL, any capital spending by DCL and any matter relating to the establishment or disestablishment of DCL academic programs, or conferring of tenure shall require the vote of three-fourths (3/4) of the DCL Board for approval.

3.06. **MSU President.** The MSU President may bring to the attention of the DCL Board matters related to the Law School or the DCL-MSU relationship which the MSU President or MSU Provost deems to warrant DCL Board attention.

**ARTICLE IV**

**COOPERATION**

4.01. **Academic Matters.** MSU and DCL will have ongoing and continuous discussions regarding all aspects of the individual academic programs of DCL and joint academic programs between DCL and MSU and any third parties they may select. The internal processes of each institution will function with regard to these programs.

4.02. **Student and Administrative Services.** MSU shall make available to DCL/MSU, on an equitable cost-sharing basis where appropriate, various student and administrative services and support facilities and related services.

4.03. **Material Breach.** In the event that the financial condition, accreditation or academic standards of either of the parties hereto shall deteriorate to a level that constitutes a violation of the covenants contained in this Memorandum or the Lease, then the other party shall have the option of declaring the same a default by notifying the party whose condition was so changed in writing of such election. Thereafter, the parties shall mutually attempt to agree upon a satisfactory mechanism to correct such default within the one (1) year period subsequent to the notice of election. In the event that parties are unable to agree upon such a mechanism within said time, then the non-defaulting party shall have the right to terminate this Memorandum and the Lease by notice.
in writing to the other party. Any such notice shall contain an effective date for termination, which date shall in no event be sooner than two (2) years after the date of notice, nor later than three (3) years after the date of notice. During said interim period, the parties shall continue to operate their respective institutions in accordance with their obligations under the Lease and this Memorandum. At the expiration of the interim period, DCL shall relocate the Law School to an alternative location and MSU shall reimburse DCL for the fair market value (as determined by a process agreed to by the parties) of the trade fixtures and other improvements constructed by DCL pursuant to the terms of the Lease. Such fair market value shall be determined as of the date of relocation and shall be paid to DCL upon delivery of possession of the Law School facility and related improvements to MSU.

4.04. Interpretation. In the event of any conflict between the terms of this Memorandum and the terms of the Lease, the provisions of the Lease shall prevail. However, if the Lease is not clear as to such matter, then the general intention of the parties as set forth in this Memorandum shall prevail.

ARTICLE V
SPECIAL GOVERNMENTAL REQUIREMENTS

Because of MSU’s status as a public educational institution, DCLMSU may be subject to or wish to submit to certain requirements that apply to programs or facilities located on public land or within a public institution. These may or would apply on or after DCLMSU physically locates on the MSU Campus. These may include such matters as civil rights and non-discrimination, open meetings and FOIA. The parties will be guided in these matters by the opinion of legal counsel and by appropriate public policy.

ARTICLE VI
EXCULPATION; EFFECT OF TERMINATION

6.01. Exculpation. No MSU Board member, official, officer or employee shall be personally liable to DCL for any default or breach by MSU of any obligations under the terms of, or growing out of this Memorandum, and no DCL Board member, official, officer or employee shall be personally liable to MSU for any default or breach by DCL of any obligations under the terms of, or growing out of this Memorandum.

6.02. Effect of Termination. In the event of the termination of the Lease by either party in accordance with the express terms thereof, this Memorandum shall thereafter be without further force or effect between the parties.

ARTICLE VII
GENERAL CONTRACT PROVISIONS

7.01. Notices. All notices, consents, approvals, requests and other communications required or permitted under this Memorandum shall be given in writing, signed by an authorized
representative of MSU or DCL, as applicable, and mailed by certified or registered mail return receipt requested, or hand delivered and addressed as follows:

To MSU:

The President of Michigan State University
At the business address of the President at Michigan State University

With a copy to:

The Provost of Michigan State University
At the business address of the Provost at Michigan State University

To DCL:

The President of the DCL Board of Trustees
At the business address of the President of the Board of Trustees

With a copy to:

The Dean of DCL
At the business address of the Dean of DCL

Notices shall be effective when delivered, if hand delivered, and the first business day after mailing, if mailed, or if refused, when first refused.

7.02. Amendments. The parties agree to consider in good faith reasonable requests for amendments to this Memorandum which may be made by either of the parties hereto.

7.03. Time Periods. In computing any time period prescribed as allowed under this Memorandum, the day of the act, event or default from which the designated time period begins to run shall not be included.

7.04. Entire Agreement; Counterparts.

(a) This Memorandum constitutes the entire agreement of the parties and integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

(b) This Memorandum may be executed in duplicates, each of which shall be deemed an original.

7.05. Binding on Successors. The provisions of this Memorandum shall bind and inure exclusively to the benefit of MSU and DCL and their respective permitted successors and assigns.
Such provisions are not for the benefit of any third person, nor shall this Memorandum be deemed to have conferred any rights, express or implied, upon any third person.

7.06. **Governing Law.** This Memorandum will be interpreted and enforced under the laws of the State of Michigan, and, as applicable, the laws of the United States.

7.07. **Captions.** Captions and section headings herein are for reference only and are not part of the provisions of this Memorandum, and, whether or not expressly designated, section numbers refer to sections or subsections of this Memorandum.

7.08. **Effective Date.** The Effective Date of this Memorandum shall be on the date on which it is signed by the President of Michigan State University and the President of the Board of Trustees of DCL.

7.09. **Term.** The term of this Memorandum shall commence on the Effective Date and shall end on the date on which the Lease terminates, according to its terms and provisions, or, in the event such Lease is not signed by twelve (12) months from the Effective Date, the date either party acknowledges in writing that the Lease will not be signed.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first above set forth.

**MICHIGAN STATE UNIVERSITY**

By: [Signature]

Its: President

**DETROIT COLLEGE OF LAW**

By: [Signature]

Its: President of the Board of Trustees
RESEARCH SUBCONTRACT TERM SHEET


Subcontract to MSU of Small Business Innovated Research (SBIR Phase I) award from the Department of Homeland Security (DHS), Homeland Security Advanced Research Projects Agency (HSARPA).


Potential Commercial Utilization: Efficient Concentration of Airborne Aerosols

Payment Terms: MSU subcontract total: $10,310.

Services Provided: By MSU to Digital Flow Technologies: research and evaluation.

Use of University Facilities/Personnel: Use of MSU facilities/personnel by Digital Flow Technologies, Inc. provided at prevailing rates for industrial research.

Organization Type: Incorporated Michigan-based small business.

Personnel Interest: Dr. John F. Foss, a Professor in the Department of Mechanical Engineering, and his immediate family cumulatively own or have options to buy an equity interest of more than 5% of the company. Dr. Foss is also an officer of the company.
April 6, 2004

To: President Peter McPherson  
Provores Lou Anna-K. Simon

From: Robert J. Nugget, Vice President for Research and Graduate Studies

Subject: Recommendation to the Board of Trustees

In compliance with the *Interim Guidelines for Potential Conflicts of Interest in Academic Areas of the University*, Dr. John Foss, of the Department of Mechanical Engineering, has formally notified the University of his involvement in a company named Digital Flow Technologies, Inc. That firm has expressed a desire to enter into agreements with MSU. Pursuant to state law, on February 12, 2003, the Board of Trustees gave public notice of its intent to negotiate agreements with Digital Flow Technologies, Inc. The terms of a research subcontract are now ready for approval by the Board of Trustees.

Dr. Foss has proposed mechanisms for the management of his conflicts of interest under the *Interim Guidelines*. The conflict management provisions include disinterested administrative oversight of Digital Flow Technologies, Inc.-sponsored research at MSU and criteria for ensuring that potential MSU research contracts are not diverted inappropriately to Digital Flow Technologies, Inc.

The proposed subcontract terms and the associated conflict management provisions have been reviewed in the Office of the Vice President for Research & Graduate Studies. On the basis of that review, I now recommend that you seek Board approval of an administrative recommendation to execute this subcontract with Digital Flow Technologies, Inc. If the arrangement is approved, responsibility for the subcontract will rest with Contract and Grant Administration. The College of Engineering will manage conflicts in the ongoing research program of Dr. Foss.

Cc: S. Carter  
P. M. Hunt  
L. J. Hudson
LICENSE AMENDMENT TERM SHEET

Party: InfoPOEM, Inc.

Substance: Following Board approval on December 10, 1999, MSU agreed to cease using the name “InfoRetriever” and to support InfoPOEM’s use of this name on a software product designed to gather medical information in exchange for InfoPOEMS’s payment to MSU of a 2% royalty on product sales. This amendment would permit InfoPOEM to pay MSU a lump sum of $7,500 in lieu of future royalties.

Term: Perpetual.

Financial Terms: One-time fee of $7,500 in lieu of future royalties.

Services Provided: By MSU to InfoPOEM, Inc.: None under contemplated agreement.

By InfoPOEM, Inc. to MSU: None under contemplated agreement.

Use of University Facilities/Personnel: No use of MSU facilities/personnel by InfoPOEM, Inc. under the contemplated agreement.

Organization Type: Incorporated Virginia-based small business.

Personnel Interest: Drs. Henry Barry and Mark Ebell, both of the Department of Family Practice, and their immediate families cumulatively own or have options to buy equity interests of more than 5% of the company. Drs. Barry and Ebell are also officers of the company.
April 5, 2004

To: President Peter McPherson  
Provost Lou Anna K. Simon

From: Robert J. Huggett, Vice President for Research and Graduate Studies

Subject: Recommendation to the Board of Trustees

In compliance with the Interim Guidelines for Potential Conflicts of Interest in Academic Areas of the University, Drs. Henry Barry and Mark Ebell of the Department of Family Practice have formally notified the University of their involvement in a company named InfoPOEM, Inc. That firm has expressed a desire to enter into agreements with MSU. Pursuant to state law, on October 11, 2002, the Board of Trustees gave public notice of its intent to enter into agreements with InfoPOEM, Inc. The terms of an agreement are now ready for approval by the Board of Trustees.

Drs. Barry and Ebell have proposed mechanisms for the management of their conflicts of interest under the Interim Guidelines. The conflict management provisions include disinterested administrative oversight of InfoPOEM, Inc.-sponsored research at MSU and criteria for ensuring that potential MSU contracts are not diverted inappropriately to InfoPOEM, Inc.

The proposed contract terms and the associated conflict management provisions have been reviewed in the Office of the Vice President for Research & Graduate Studies. On the basis of that review, I now recommend that you seek Board approval of an administrative recommendation to execute the contract with InfoPOEM, Inc. If the arrangement is approved, responsibility for the contract will rest with the office of the Associate Vice President for Research and Graduate Studies. The College of Human Medicine will manage conflicts in the ongoing research program of Drs. Barry and Ebell.

Cc: S. Carter  
P. M. Hunt  
L. Hudson
LICENSE AMENDMENT TERM SHEET

Party: AFID Therapeutics, Inc.

License: Amendment to exclusive technology license between MSU and AFID (the "December 30, 2003 license") as specified below.

Term: Extending to the expiration of the last to expire of the patents.

Technology: Add technology to license: MSU Invention Disclosure No. 02-026 "A General Method for the Preparation of 5-(Substituted Methyl)-3-Alkyl or Aryl-2-Oxazolidinones Libraries"

Return technology to MSU: Under MSU Invention Disclosure No. 02-028 "3-Alkacyl-5-Oxymethyl-2-Oxazolidiones with Atypical Enantiochemistry as Antibacterial Agents" – exclude compounds #2621, 2629 and 2634 from license.

All other terms of the December 30, 2003 license are unchanged.

Technology's Potential Commercial Utilization: Drug delivery, tissue engineering, implant and sensor fabrication.

Services Provided: By MSU to AFID Therapeutics: None under contemplated agreement.

By AFID Therapeutics to MSU: None under contemplated agreement.

Use of University Facilities/Personnel: No use of MSU facilities/personnel by AFID Therapeutics under the contemplated agreement.

Organization Type: Incorporated, Michigan-based small business.

Personnel Interest: Dr. Rawle I. Hollingsworth, a Professor in the Department of Biochemistry and Molecular Biology and the Department of Chemistry, and his immediate family cumulatively own or have options to buy an equity interest in AFID Therapeutics which exceeds 5% of the company. Dr. Hollingsworth is also an officer in AFID Therapeutics.
April 6, 2004

To: President Peter McPherson  
    Provost Lou Anna K. Simon

From: Robert J. Huggett, Vice President for Research and Graduate Studies

Subject: Recommendation to the Board of Trustees

In compliance with the Interim Guidelines for Potential Conflicts of Interest in Academic Areas of the University, Dr. Rawle Hollingsworth, of the Department of Biochemistry and Molecular Biology, formally notified the University of his involvement in a company named AFID Therapeutics, Inc. That firm expressed a desire to enter into a license agreement with MSU. Pursuant to state law, on October 10, 2003, the Board of Trustees gave public notice of its intent to enter into such an agreement with AFID Therapeutics, Inc. The Board approved the administration’s recommendation for execution of an exclusive technology license agreement with AFID Therapeutics, Inc., on December 5, 2003. An amendment to the resulting agreement is now being proposed.

Dr. Hollingsworth has proposed mechanisms for the management of his conflict of interest under the Interim Guidelines. The conflict management provisions include disinterested administrative oversight of AFID Therapeutics, Inc.-sponsored research at MSU and criteria for ensuring that potential MSU contracts are not diverted inappropriately to AFID Therapeutics, Inc.

The proposed license amendment terms and the associated conflict management provisions have been reviewed in the Office of the Vice President for Research & Graduate Studies. On the basis of that review, I now recommend that you seek Board approval of an administrative recommendation to execute the contract with AFID Therapeutics, Inc. If the arrangement is approved, responsibility for the contract will rest with the Office of the Associate Vice President for Research & Graduate Studies. The College of Natural Science will manage conflicts in the ongoing research program of Dr. Hollingsworth.

Cc: S. Carter  
P. M. Hunt  
L. Hudson
A Statement to the Board of Trustees from CHM Faculty in Relation to the Proposed Expansion of CHM into Grand Rapids

Whereas the faculty of CHM has and will have primary responsibility for constructing and implementing any plan to expand the college to Grand Rapids, including:

- Developing, approving and assessing the curriculum.
- Preparing the College for accreditation by the Liaison Committee on Medical Education (LCME).
- Recruiting medical students, graduate students, residents, clinical and research fellows in both East Lansing and Grand Rapids.
- Recruiting new faculty members for both communities.
- Teaching students, residents and fellows in both communities.
- Seeing patients and generating clinical income in both communities.
- Performing research and attracting research funding in both communities.

And

Whereas the expansion of the College to Grand Rapids represents both an opportunity and a threat to the educational, clinical and research missions of the College,

We, the undersigned faculty members of CHM, request the Trustees of Michigan State University to adopt as policy the following statement:

1. Any implementation of expansion of CHM's current activities in Grand Rapids occur only after the CHM faculty is satisfied, as evidenced by approval by the appropriate College standing committees, that available resources are sufficient to establish first-class programs in medical education, research and clinical care.

2. All MSU transition and implementation teams involved in the CHM expansion to Grand Rapids have majority membership of CHM faculty.

3. A substantial and viable presence of CHM faculty and staff will be retained in East Lansing to provide the full range of medical school activities required by the LCME, including instruction of at least 25 first year and 25 second year CHM medical students, provision of clinical in-patient and out-patient care to residents of the Lansing area, and participation in major research ventures both independently and in collaboration with the larger university community.

4. The final step, before any implementation of expansion into Grand Rapids takes place, will be a vote of the entire CHM faculty as to whether
a. They are well and appropriately represented in the implementation plan.
b. The proposed resources for expansion are adequate to establish and maintain first-class programs in Grand Rapids and East Lansing.
c. That the proposed plan has built in safeguards to maintain the College's longstanding commitment to humanism, diversity, educational innovation, and commitment to medically-underserved populations.