

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents

ACTION REQUEST

September 20, 2007

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

Action

Requested: Authorization for the University to Enter into a Lease Agreement with C-3 Partners (University of Michigan Athletic Director William C. Martin, partner of C-3 Partners)

Background:

The University of Michigan wishes to enter into a lease agreement renewal with C-3 Partners for 9,339 square feet of space at 519 West William Street, Ann Arbor, Michigan. The space is utilized by the Medical School's Department of Radiation Oncology.

The proposed lease amendment falls under the State of Michigan Conflict of Interest Statute as William C. Martin is a University employee and would be a party to the lease agreement by virtue of his position as partner of C-3 Partners. However, the Statute allows University employees to participate in such leases, if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the lease agreement to the official body that has power to approve the lease agreement, which disclosure shall be a matter of record in its official proceedings.
- b) The agreement is approved by a vote of not less than 2/3 of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the lease agreement.
 - ii) The terms of the lease agreement, including duration, financial consideration between the parties, facilities or services of the public entity included in the lease agreement, and the nature and degree of assignment of employees of the public entity for fulfillment of the lease agreement.
 - iii) The nature of any pecuniary interest.

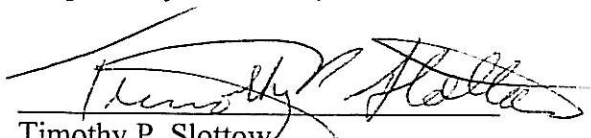
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the lease agreement are the Regents of the University of Michigan and C-3 Partners.
- ii) The service to be provided is a lease agreement for 9,339 square feet of space at 519 West William Street, Ann Arbor, Michigan for five years, commencing on September 1, 2007 through August 31, 2012, at a monthly rate of \$0 for the first three months and \$3,581.00 for the fourth month of the term. The monthly rate for the following twenty months will be \$12,569.00. The rate for the third year will be \$12,946.00, \$13,334.00 for the fourth year and \$13,734.00 for the fifth year. Tenant is responsible for gas and electric usage.
- iii) The pecuniary interest arises from the fact that William C. Martin, a University of Michigan employee, is a partner of C-3 Partners.

William C. Martin has properly disclosed his pecuniary interest, and his formal appointment arrangements with the University of Michigan.

We recommend that the Regents approve the lease amendment between the University of Michigan and C-3 Partners.

Respectfully submitted,


Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

September 2007