

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Approved by the Regents
January 21, 2010

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

Action

Requested: Authorization for the University of Michigan to Enter into a Lease Amendment Agreement with 555 South Forest LLC (University of Michigan Athletic Director William C. Martin, member)

Background:

The University of Michigan wishes to enter into a lease amendment agreement for 3,850 square feet of property located at 1301 South University Avenue, Ann Arbor, Michigan, to be leased from 555 South Forest LLC. The space will be utilized as a family assessment clinic and office space for the School of Social Work.

The proposed lease amendment agreement falls under the State of Michigan conflict of interest statute as William C. Martin is a University of Michigan employee and would be a party to the lease amendment agreement by virtue of his membership in 555 South Forest LLC. However, the statute allows university employees to participate in such lease agreements, if the following conditions are met:

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

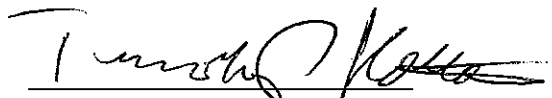
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the lease amendment agreement are the Regents of the University of Michigan and 555 South Forest LLC.
- ii) The service to be provided is the lease amendment of 3,850 square feet in a building at 1301 South University Avenue, Ann Arbor, Michigan for twenty-four months, beginning upon execution of the lease amendment through June 30, 2011, at a monthly rate of \$7,060.77. Tenant will be responsible for gas and electric usage plus janitorial service.
- iii) The pecuniary interest arises from the fact that William C. Martin, a University of Michigan employee, is a member of 555 South Forest LLC.

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

We recommend that the Board of Regents approve the lease amendment agreement between the University of Michigan and 555 South Forest LLC.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

January 2010