

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
EXECUTIVE COMMITTEE
MEETING
SEPTEMBER 7, 2000**

EXECUTIVE COMMITTEE

Thursday, September 7, 2000
Immediately following the Health Affairs Committee Meeting
Dr. Cantrell's Conference Room, McKim Hall

Committee Members:

John P. Ackerly, III, Chair

Charles M. Caravati, Jr., M.D.

William H. Goodwin, Jr.

Terence P. Ross

Elizabeth A. Twohy

AGENDA

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BOARD OF VISITORS CONSENT AGENDA

I. CONFLICT OF INTEREST EXEMPTION: Approval to enter into a sponsored research contract with EluSys Therapeutics, Inc.

The School of Medicine is negotiating a sponsored research contract with EluSys Therapeutics Inc., a Delaware biotechnology company created in 1998 for funding basic research in the use of antibodies in the diagnosis, imaging, prevention, treatment and monitoring of disease. Technology developed at the University of Virginia has been licensed to EluSys Therapeutics, Inc., by the University of Virginia Patent Foundation, which has a 3.3 percent equity interest in the company.

One University faculty member, Ronald Taylor, Ph.D., owns in excess of three percent of the equity in the company. Under the Virginia Conflict of Interests Act, the University's contracting with EluSys Therapeutics, Inc. would place Mr. Taylor in violation of the Act, unless the Board of Visitors approves the conflict created by his equity interest. State law grants such approval authority to the Board in the case of sponsored research in order to allow research furthering the public interest.

Virginia law and University of Virginia policy will require Mr. Taylor to file annual disclosure statements of his economic interests in the company. Mr. Taylor will not be involved in the University's negotiation, approval, or procurement of contract terms with EluSys Therapeutics, Inc. The chair of the Department of Biochemistry heads a University oversight team responsible for managing and overseeing the research, including independently supervising, evaluating, and making personnel decisions to ensure that the continuing best interests of the University are served. As an additional precaution, the chair will report at least each quarter to the Dean of the School of Medicine on the progress of sponsored research activity and the utilization of University resources.

ACTION REQUIRED: Approval by the Executive Committee, with the action to be reported to the Board of Visitors on October 6, 2000.

CONFLICT OF INTEREST EXEMPTION

WHEREAS, the School of Medicine wishes to enter into a sponsored research contract with EluSys Therapeutics, Inc., for developing technology for the treatment of chronic Hepatitis C; and

WHEREAS, Ronald P. Taylor, Ph.D. has disclosed in advance his equity interests of 3.3 percent in EluSys Therapeutics, Inc.; and

WHEREAS, the University's entry into a research agreement with EluSys Therapeutics, Inc., would thereby expose Mr. Taylor to violation of the Virginia Conflicts of Interests Act unless approved by the Board as permitted by §2.1-639.6(c) (7) of the Code of Virginia;

RESOLVED that the conflict of interest of Ronald P. Taylor, Ph.D., is approved by the Board of Visitors in order to permit the University to enter into an agreement with EluSys Therapeutics, Inc., for research funding for the development of technology for the treatment of Hepatitis C; provided, as required by the Virginia Conflict of Interests Act, Mr. Taylor files the required annual disclosure statement of personal interests in EluSys Therapeutics Inc., the University files the required annual report concerning the contract with the Secretary of the Commonwealth, and the relevant department chair vigilantly oversees application of University resources in the best interests of the University and in accordance with policy.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: September 7, 2000

COMMITTEE: Executive Committee

AGENDA ITEM: II.A. Endowment Income Distribution

BACKGROUND: The Finance Committee of the Board of Visitors annually sets the distribution rate on the endowment. At its June 15, 2000, meeting, the Finance Committee approved of a thirty percent increase in the distribution for fiscal year 2000-2001. The estimated amounts to achieve the thirty percent increase were understated in the June 15 resolution. All other information and estimates used in support of the proposed resolution were correct.

DISCUSSION: The proposed resolution corrects the dollar amounts stated in the June 15 resolution, consistent with the intent of the action taken by the Board. All other elements of the earlier resolution were correct.

ACTION REQUIRED: Approval by the Executive Committee, with the action to be report to the Board of Visitors on October 6, 2000

AUTHORIZATION TO AMEND THE FISCAL YEAR 2000-2001 ENDOWMENT
INCOME DISTRIBUTION

RESOLVED that the Executive Vice President and Chief Operating Officer is authorized to increase the Fiscal Year 2000-2001 income distribution of Class A shares from \$89.39 to \$90.56 per share and Class B shares from \$122.76 to \$125.89 per share.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: September 7, 2000

COMMITTEE: Executive Committee

AGENDA ITEM: II.B. Renewal of Lease on Lower
Apartment, Pavilion VIII

BACKGROUND: When the Board of Visitors revised its policy on assigning Pavilions in 1999, it directed that a committee made up of faculty (the Chair of the Faculty Senate) and student (the holder of the Grey-Carrington Award) representatives, a representative of the administration (appointed by the President), and the Secretary of the Board, should make recommendations on assignments to the Executive Committee. The Executive Committee makes the formal assignment and reports its action to the full Board.

The assignment committee, whose members are Patricia Werhane (Chair of the Faculty Senate), Esther Adams (Grey-Carrington winner this year), Shirley Menaker (Associate Provost), and the Secretary, has recommended that the lease of the current tenant in the Lower Apartment of Pavilion VIII be extended for two years, to July 31, 2002. The tenant, Ms. Sarah Farrell, Assistant Professor of Nursing, has lived in the apartment since 1996. She has been an excellent Lawn resident: she teaches undergraduate classes in her apartment, has frequent contact with students living on the Lawn and even lets Lawn students use her kitchen.

ACTION REQUIRED: Approval by the Executive Committee, with the action to be reported to the Board of Visitors on October 6, 2000.

APPROVAL OF RENEWAL OF LEASE ON LOWER APARTMENT, PAVILION VIII

RESOLVED, the Executive Committee of the Board of Visitors approves the renewal of the lease on the Lower Apartment in Pavilion VIII, held by Ms. Sarah Farrell, Assistant Professor of Nursing, for a term of two years; the lease shall expire on July 31, 2002.