

September 7, 2000

MEMORANDUM

TO: The Executive Committee:

John P. Ackerly, III, Chair  
Charles M. Caravati, Jr., M.D.  
William H. Goodwin, Jr.  
Terence P. Ross  
Elizabeth A. Twohy

and

The Remaining Members of the Board:

Thomas J. Bliley, Jr.	Gordon F. Rainey, Jr.
William G. Crutchfield, Jr.	Timothy B. Robertson
Charles L. Glazer	Walter F. Walker
T. Keister Greer	Benjamin P.A. Warthen
Elsie Goodwyn Holland	James C. Wheat, III
Stephen S. Phelan, Jr.	Joseph E. Wolfe

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Executive Committee  
on September 7, 2000

The Executive Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 2:25 p.m., Thursday, September 7, 2000, in Room 3001 at McKim Hall; John P. Ackerly, III, Rector, presided. Charles M. Caravati, Jr., M.D., William H. Goodwin, Jr., Terence P. Ross, and Ms. Elizabeth A. Twohy were present. William G. Crutchfield, Jr. also was present.

Present as well were John T. Casteen, III, Leonard W. Sandridge, Alexander G. Gilliam, Jr., and Ms. Jeanne Flippo Bailes.

The Rector asked Mr. Sandridge, Executive Vice President and Chief Operating Officer, to present the Agenda.

The first item, which was a Consent Agenda item, concerned a conflict of interest exemption in the School of Medicine. Mr. Ronald Taylor, a member of the Medical faculty, owns in excess of three percent of the equity of EluSys Therapeutics Inc., a Delaware biotechnology company, which would put him in violation of the Virginia Conflicts of Interests Act if the University enters into a research agreement with the company. The Board of Visitors' approval of the conflict of interest will remove the violation.

On motion, the Committee approved the necessary resolution, which will be reported to the full Board as a matter of record 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.

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Continuing the Agenda, Mr. Sandridge asked for a resolution authorizing the increase of 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. The lesser figures in both instances were approved by the Finance Committee on June 15<sup>th</sup>, but they were underestimated.

On motion, the Committee approved the necessary resolution, which will be reported to the full Board as a matter of record 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.

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Finally, the Committee was asked to renew for two years the lease of Ms. Sarah Farrell on the lower apartment in Pavilion VIII. Ms. Farrell, who is an Assistant Professor of Nursing, has lived in the apartment for four years and wished to extend her lease. Her request was approved by the committee established by the Board to consider the assignment of Pavilions, the apartments in Pavilion VIII, and Montebello. Under the terms of the Board's Pavilion assignment policy, the committee's recommendations are considered by the Executive Committee.

On motion, the Committee approved the necessary resolution, which will be reported to the full Board as a matter of record 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.

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On motion, the meeting was adjourned at 2:30 p.m.

AGG:lah

- Copies to: Mr. John T. Casteen, III  
Mr. Gene D. Block  
Dr. Robert W. Cantrell  
Ms. Louise Dudley  
Mr. Ernest H. Ern  
Mr. Paul J. Forch  
Mr. William W. Harmon  
Mr. Terry Holland  
Mr. L. Jay Lemons  
Mr. Peter W. Low  
Dr. Robert E. Reynolds  
Mr. Leonard W. Sandridge  
Ms. Colette Sheehy  
Mr. Robert D. Sweeney