

ANNUAL NOTICE

2007 MEETINGS OF THE UMDNJ BOARD OF TRUSTEES

Tuesday, January 16, 2007	Stanley S. Bergen, Jr. Building 65 Bergen Street, Newark
Tuesday, February 20, 2007	UMDNJ-Robert Wood Johnson Medical School 125 Paterson Street, New Brunswick
Tuesday, March 20, 2007 +	Stanley S. Bergen, Jr. Building 65 Bergen Street, Newark
Tuesday, April 17, 2007	Stanley S. Bergen, Jr. Building 65 Bergen Street, Newark
Tuesday, May 15, 2007 +	UMDNJ-Robert Wood Johnson Medical School 125 Paterson Street, New Brunswick
Tuesday, June 19, 2007	Stanley S. Bergen, Jr. Building 65 Bergen Street, Newark
Tuesday, July 17, 2007 +	UMDNJ - Child Health Institute 89 French Street, New Brunswick
Tuesday, September 18, 2007	UMDNJ-School of Osteopathic Medicine One Medical Center Drive, Stratford
Tuesday, October 16, 2007	Center for Advanced Biotechnology & Medicine 675 Hoes Lane, Piscataway
Tuesday, November 20, 2007 +	Stanley S. Bergen, Jr. Building 65 Bergen Street, Newark
Tuesday, December 18, 2007	Stanley S. Bergen, Jr. Building 65 Bergen Street, Newark

All meetings will begin at 2:30 p.m.

+ The Board of Trustees will meet as the UMDNJ University Hospital Board of Trustees at 2:30 p.m. followed by the UMDNJ Board of Trustees meeting at 3:00 p.m.

**RESOLUTION OF THE BOARD OF TRUSTEES
UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY**

WHEREAS, the Federally – Appointed Monitor for the University of Medicine and Dentistry of New Jersey has issued an Interim Report dated November 13, 2006 and,

WHEREAS, the Interim Report makes certain recommendations with respect to the Deferred Prosecution Agreement between the University and the United States Attorney’s Office for the District of New Jersey,

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees adopts the following recommendation:

Every Central Administration staff member with a title of “Director” and above shall be provided with a copy of the Deferred Prosecution Agreement and required to thoroughly review all of its terms and obligations.

This resolution shall become effective immediately.

November 21, 2006

**RESOLUTION OF THE BOARD OF TRUSTEES
UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY**

WHEREAS, the Federally – Appointed Monitor for the University of Medicine and Dentistry of New Jersey has issued an Interim Report dated November 13, 2006 and,

WHEREAS, the Interim Report makes certain recommendations with respect to paragraph 11e of the Deferred Prosecution Agreement between the University and the United States Attorney’s Office for the District of New Jersey and,

WHEREAS, paragraph 11e states the Monitor shall: Review and give prior approval for the engagement of all outside counsel for UMDNJ. In the event the Monitor objects to outside counsel selected by UMDNJ, the Monitor shall so notify the Board of Trustees, the President, and General Counsel of UMDNJ, and the Office,

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees adopts the following recommendations:

Any and all outside law firms and consultants currently engaged by, under retainer with, or under contract with UMDNJ shall be provided with a copy of the Deferred Prosecution Agreement; and must acknowledge receipt of the DPA and agree to comply with the provisions of paragraph 9 of the DPA as if they were part of UMDNJ. UMDNJ shall amend its engagement letters with all existing law firms to comply with the preceding sentence.

Any and all outside law firms and consultants whom UMDNJ is contemplating retaining shall acknowledge in its retainer letter receipt of a copy of the DPA and its understanding of the obligations of paragraph 9 of the DPA as if it were UMDNJ. UMDNJ shall include in its engagement letters with all prospective law firms a paragraph to comply with the preceding sentence.

This resolution shall become effective immediately.

November 21, 2006

¹ Office refers to the United States Attorney’s Office for the District of New Jersey

**RESOLUTION OF THE BOARD OF TRUSTEES
UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY**

WHEREAS, the Federally – Appointed Monitor for the University of Medicine and Dentistry of New Jersey has issued an Interim Report dated November 13, 2006 and,

WHEREAS, the Interim Report directs that a policy concerning approval of all legal settlements be adopted by the Board of Trustees,

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees adopts the following legal settlement policy:

Any proposed settlement of any matter in which UMDNJ would be paying an amount in excess of \$100,000, inclusive of insurance retention or deductible, attorney's fees, and costs, must be presented to the Board of Trustees for review and approval. After examination by the Legal Committee of the UMDNJ Board of Trustees as to the appropriateness of the settlement, such proposals shall be presented to the entire Board of Trustees, with or without recommendation from the Legal Committee, for review and denial or approval of the settlement proposal. The Board must either approve or deny each such proposed settlement before any further action may be taken by any UMDNJ personnel.

The Legal Committee to the Board must be presented with a written summary of the proposed settlement completed by Legal Management (and outside counsel where applicable). The summary shall include a written component from the President recommending approval or denial of the proposed settlement; a written statement from the Senior Vice President for Finance detailing the account and/or Departmental budget from which funds for the settlement would come if approved; and a written statement from the Vice President/Chief Compliance Officer evaluating the settlement proposal (and any substantive claims from the case) for any compliance or ethics concerns.

Only the General Counsel shall have signatory authority to enter into any settlement agreement or other similar instrument settling any pending, contemplated, or threatened litigation. The General Counsel shall not enter into any settlement agreement or other similar instrument

settling any pending, contemplated, or threatened litigation which requires Board approval until after the Board of Trustees has approved the settlement.

In the absence of the General Counsel when the Office of General Counsel is vacant, no acting, interim, or associate General Counsel shall have the authority to enter into any settlement. In such circumstances, in the absence of the General Counsel, only the President shall have signatory authority to enter into a settlement after Board approval.

This resolution shall become effective immediately.

November 21, 2006

**RESOLUTION OF THE BOARD OF TRUSTEES
 UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY**

WHEREAS, the University of Medicine and Dentistry of New Jersey has developed Policy #00-01-90-05:00 which identifies legal commitment authority; and

WHEREAS, in accordance with this Policy, the following contracts are submitted for review and approval:

<u>Vendor/Lessor</u>	<u>Services</u>	<u>Amount</u>
Drager Medical, Inc.	Company to provide biomedical parts and computer software support for the 51 patient ventilators manufactured by Drager, at University Hospital. (W07-117 - Sole source)	\$66,045 per year, \$198,135 total. Three years.
Rutgers, The State University of New Jersey	Bioinformatic services from Dr. Gyan Bhanot, Department of Biomedical Engineering, BioMaPS Center, Rutgers, to develop data analysis for cancer research and provide training of faculty and students. (W07-097 - Tech. & professional)	Year 1 \$219,584 Year 2 \$226,033 Year 3 \$116,469 Year 4 \$ 60,461 Year 5 \$ 62,879 September 1, 2006 to August 31, 2011.
Affymetrix, Inc.	Purchase of upgraded scanner and software for microarray system. (W07-074 - Sole source)	\$137,500. One time purchase.

WHEREAS, the Director of Legal Management has reviewed and approved this action as to form and legality; and

WHEREAS, these contracts have been presented to and recommended for approval by the Finance, Investment and Administration Committee; and

WHEREAS, these waivers have been presented to the Monitor for review, now therefore;

BE IT RESOLVED, that the University of Medicine and Dentistry of New Jersey Board of Trustees, upon recommendation of the Finance, Investment and Administration Committee, accepts, ratifies and approves the aforementioned contracts.

November 21, 2006

**RESOLUTION OF THE BOARD OF TRUSTEES
UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY**

WHEREAS, the University published a request for proposal (RFP) on independent auditor services (P06-069) in February 2006, and

WHEREAS, interested vendors submitted responses to this publicly advertised bid, and

WHEREAS, under Section 4.1A of the Audit Committee charter, the Audit Committee shall recommend to the full Board the appointment of independent auditors, and

WHEREAS, at the October 17, 2006 Board of Trustees meeting, an evaluation committee, comprised of members of the Audit Committee, was established to select the vendor to perform the independent audit services for the University in fiscal year 2006 under this RFP, and

WHEREAS, the evaluation committee reviewed the vendor responses to the RFP and recommended the firm of PricewaterhouseCoopers to the Audit Committee, and

WHEREAS, the PricewaterhouseCoopers response included audit fees for FY 2006 of \$801,000 to \$873,000 dependent on the implementation of internal controls enhancements, now therefore,

BE IT RESOLVED, that the UMDNJ Board of Trustees upon recommendation of the evaluation committee and the Audit Committee approves the selection of PricewaterhouseCoopers to perform independent audit services for fiscal year 2006 in accordance with their Bid P06-069 response.

November 21, 2006

SUPPLEMENTAL RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY APPROVING THE ACQUISITION OF SUBSTANTIALLY ALL OF THE ASSETS OF THE PUBLIC HEALTH RESEARCH INSTITUTE OF THE CITY OF NEW YORK, INC. AND AUTHORIZING AUTHORIZED OFFICERS TO EXECUTE AND DELIVER ALL DOCUMENTS AND INSTRUMENTS WITH RESPECT THERETO AND TO TAKE ALL OTHER ACTIONS NECESSARY OR ADVISABLE IN CONNECTION THEREWITH

WHEREAS, the Public Health Research Institute of the City of New York, Inc. (“PHRI”) has experienced severe financial difficulties which have caused PHRI to default under the: (i) Memorandum of Understanding dated February 1, 2000 (the “MOU”) between The University of Medicine and Dentistry of New Jersey (“UMDNJ”) and PHRI; and (ii) Sublease dated April 10, 2001 (the “Sublease”) between UMDNJ and PHRI; and

WHEREAS, the respective defaults by PHRI under the MOU and Sublease have resulted in significant debt to UMDNJ in the amount of approximately \$6,800,000; and

WHEREAS, UMDNJ and PHRI have attempted to resolve various issues under the MOU and Sublease, including, but not limited to, the amounts owed by PHRI to UMDNJ thereunder; and

WHEREAS, all such attempts have proven unsuccessful, resulting in an on-going legal proceeding currently pending in The Superior Court of New Jersey, Essex County, Chancery Division, General Equity Part under the caption: Public Health Research Institute of the City of New York v. University of Medicine and Dentistry of New Jersey (Docket Number C-410-04);

WHEREAS, notwithstanding the unresolved financial issues between PHRI and UMDNJ, the research relationship between PHRI and the University of Medicine and Dentistry of New Jersey – New Jersey Medical School (“NJMS”) has, as described in the Memorandum dated October 11, 2005 of Robert Johnson, M.D., Interim Dean of NJMS and presented to the January 17, 2006 meeting of this Board of Trustees, enhanced the expertise of NJMS in infectious disease research and it is therefore advantageous to NJMS to have PHRI continue on as a going concern so that the PHRI researchers and/or staff can continue to provide beneficial services to NJMS; and

WHEREAS, PHRI has previously proposed to sell substantially all of its assets to UMDNJ and to encourage its researchers and/or staff to accept positions at UMDNJ; and

WHEREAS, the Finance Committee of this Board of Trustees, on January 3, 2006, reviewed the financial terms of the transaction proposed by PHRI and found such terms as described in: (i) the Memorandum dated October 11, 2005 (the “Finance Memorandum”) of Francis X. Colford, Vice President for Finance and Treasurer of UMDNJ presented on January 3, 2006 to such Finance Committee; and (ii) the Memorandum dated October 5, 2005 (the “M&E Memorandum”) of McCarter & English, LLP, counsel to UMDNJ, presented to such Finance Committee to be satisfactory; and

WHEREAS, the Finance Committee of this Board of Trustees, on January 3, 2006, recommended that the acquisition of PHRI, as described under the Finance Memorandum and the M&E Memorandum, respectively, be approved by this Board of Trustees and, on January 17, 2006, this Board of Trustees authorized such acquisition in accordance with the terms described in the Finance Memorandum and the M&E Memorandum, respectively; and

WHEREAS, certain of the terms relating to the contemplated acquisition of PHRI described in the Finance Memorandum and the M&E Memorandum, namely the amount of funds available to PHRI from NIH and the magnitude of PHRI’s Accounts Payable at the time of the expected consummation of the acquisition of PHRI have changed, as detailed in the Memorandum dated March 1, 2006 (the “Updated Memorandum”) of Francis X Colford, Vice-President of Finance and Treasurer of UMDNJ presented to the Finance Committee of this Board of Trustees on March 7, 2006 and presented to the March 21, 2006 meeting of this Board of Trustees; and

WHEREAS, the Finance Committee of this Board of Trustees reviewed the terms of the Updated Memorandum and, on March 7, 2006, recommended that this Board of Trustees approve the acquisition of PHRI, as described under the Finance Memorandum, the M&E Memorandum, and the Updated Memorandum, respectively which include, without limitation: (i) an obligation that PHRI require the majority of the researchers to accept employment at UMDNJ; (ii) that there be no direct liability of UMDNJ to pay retirement annuity to the former PHRI President and (iii) that the payment to PHRI not exceed the approximately \$4.5 million described in the Updated Memorandum; and, on March 21, 2006, this Board of Trustees authorized such acquisition in accordance with such terms; and

WHEREAS, in light of certain arrangements heretofore entered into between PHRI and Paul Royalty Fund, L.P. (“Paul Capital”), it has been proposed that the structure of the contemplated acquisition of PHRI be modified in accordance with the Memorandum dated November 1, 2006 of McCarter & English, LLP, counsel to UMDNJ (the “Revised Structure Memo”), which includes: (i) PHRI’s formation of a New Jersey non-profit corporation (“NEWCO”); (ii) PHRI’s transfer to NEWCO of all assets and liabilities relating to PHRI’s “molecular beacons” technology; (iii) UMDNJ’s indemnification of Paul Capital with respect to damages incurred from NEWCO’s non-performance of its contractual obligations to Paul Capital and (iv) UMDNJ’s purchase of the entire membership interest in NEWCO;

WHEREAS, the Finance Committee of this Board of Directors has reviewed the terms of the Structure Memo and, on November 7, 2006, recommended that the acquisition of PHRI, as supplemented and in accordance by the Structural Memo, be approved by this Board of Trustees; and

WHEREAS, adequate resources have been identified to fund the acquisition of PHRI as described thereunder.

NOW, THEREFORE BE IT RESOLVED, that upon recommendation of the Finance Committee of this Board of Trustees, this Board of Trustees hereby authorizes the President of UMDNJ, the Senior Vice President for Administration and Finance of UMDNJ or the Vice President for Finance and Treasurer of UMDNJ (each an “Authorized Officer” and, collectively, the “Authorized Officers”), acting with the advice of McCarter & English, LLP, to execute the documents necessary to effectuate the acquisition of PHRI in accordance with the Finance Memorandum, the M&E Memorandum, the Updated Memorandum, and the Structure Memo, respectively; and it is

FURTHER RESOLVED, that the Authorized Officers be, and they hereby are, authorized and empowered to perform such other acts as they or any of them may deem necessary or appropriate for the purpose of causing UMDNJ to acquire PHRI in accordance with such terms, and carrying out the intent of each of the foregoing resolutions; and that the authority of the Authorized Officers to execute and deliver the requisite documents, and to take any such other actions shall be conclusively evidenced by their execution and delivery thereof or their taking thereof; and it is

FURTHER RESOLVED, that the Authorized Officers be, and they hereby are authorized and empowered, in the name and on behalf of UMDNJ, to deliver any of the foregoing resolutions duly certified to such persons as they may deem advisable.

November 21, 2006

**RESOLUTION OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY**

WHEREAS, the UMDNJ-School of Health Related Professions conducts allied health programs at every level of the educational spectrum; and

WHEREAS, the School's heavy dependency on revenues from tuition and fees has increased the financial liability of its students; and

WHEREAS, the availability of financial aid has decreased in real dollars both from scholarship and grant funds; and

WHEREAS, students enrolled in undergraduate and graduate programs are increasingly dependent on loans as a substantial part of their financial assistance; and

WHEREAS, the dean and faculty of the School of Health Related Professions wish to establish with the UMDNJ Foundation, an endowed scholarship for SHRP students using a portion of the School's fund balance, derived from net tuition revenue associated with favorable enrollment; and

WHEREAS, the University's administration endorses the School of Health Related Professions' endowment of \$400,000 to establish the SHRP Student Endowment Fund with the UMDNJ Foundation; and

WHEREAS, the School has established an agreement with the Foundation for the distribution of funds for scholarships from the accrued interest from the SHRP Student Endowment Fund; and

WHEREAS, the School has a Scholarship Committee which will make specific recommendations of criteria based on financial need and other criteria;

WHEREAS, the Finance, Investment and Administration Committee has reviewed and recommended approval of this recommendation; now therefore,

BE IT RESOLVED that the Board of Trustees accept, ratify and approve the recommendation of the Finance, Investment and Administration Committee for the establishment of the SHRP Student Endowment Fund in the Foundation of UMDNJ.

November 21, 2006

**RESOLUTION OF THE BOARD OF TRUSTEES
UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY**

WHEREAS, the University owns ten (10) membership units in the Stone Center LLC, and

WHEREAS, an independent valuation identified a current unit value of \$28,000 for the LLC units, and

WHEREAS, the University desires to sell these units to the LLC, and

WHEREAS, University Lithotripsy Associates Management Corporation (ULAMC) is a jointly owned entity by the University of Medicine and Dentistry of New Jersey (UMDNJ) and St. Barnabas Medical Center and provides certain management services to the Stone Center LLC under an agreement which will be terminated simultaneously with the sale of the aforementioned units, and

WHEREAS, the termination value of the management agreement has been independently determined to be \$79,000, now therefore:

BE IT RESOLVED, that the UMDNJ Board of Trustee upon recommendation of the Finance, Investment and Administration Committee, accepts, ratifies and approves the sale of the University's membership units to the LLC and the termination of the ULAMC management agreement.

November 21, 2006