

**MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
MASSACHUSETTS LIFE SCIENCES CENTER**

---

DATE: January 27, 2009

TIME: 3:05 p.m. EST

PLACE: Vertex Pharmaceuticals  
200 Sidney Street  
Cambridge, Massachusetts

DIRECTORS PRESENT: Secretary Daniel O'Connell  
Marc Beer  
Josh Boger, PhD  
Peter Slavin, MD  
Lydia Villa-Komaroff, PhD

DIRECTOR(S) ABSENT: Secretary Leslie Kirwan  
Jack Wilson, PhD

DESIGNEES: Jay Gonzalez, Undersecretary for Administration and Finance,  
representing Secretary Kirwan  
Tom Chmura, Vice President for Economic Development,  
University of Massachusetts Office of the President,  
representing President Jack Wilson

OTHERS PRESENT: Sue Windham-Bannister  
Luis Barros  
Dr. Harvey Lodish  
Angus McQuilken  
Beth Nicklas  
Robert Sepucha  
Melissa Walsh  
Geoff Mackay  
Paul Hanley

ATTENDEES:

Linda Grisham – Mass Bay CC  
Stephen Mullaney – MBC  
Joe Donovan  
Chris O’Keif – Write Way  
Dan Banks – Connective Orthopedics  
Greta Tinay – MTC  
Apple Lo – Ernst & Young  
Peter Antonellis – State Senator Moore  
Jessica Long – COBTH  
Lynn Sutherland - NSLSA  
Ginna Martin  
Peter Dewar- Consultant, Mass Assoc of Voc Administration  
David McClain– MIT  
Rebecca Kaiser – Partners  
Maureen Shanley – MGH  
Alain Lucaas  
Pat Cervoulol– Foley Hoag and Eliot  
Gary Magnant – Sage Science  
Oley Carpp – CWI  
Martha Farmer – NSLSA  
Brian Johnson – Mass Med Device  
John Riordan – Marlborough 2010  
Karin Wetmore – SkelScan  
Alexander Vyboran – Dental Photoma  
Brian Cohen – BBJ  
Ann Brown – Deloitte Tax LLP  
Paul Vigeant – Umass  
Tom Meese – MIT  
Leif Honda – Pxbiosciences  
Ted Hibben – Cequent Pharma  
John Seman  
Steve Silver – Choose Worcester  
Mary Johnson – MetroWest Medical Center  
Holly Gunner  
Tom Soerran  
Lynn Griesemer - Umass  
Jennifer Tansey – Deloitte Tax  
Bill McDermott – MCM LLP  
Mark Goldberg -  
Edward Freedman – Ensemble Discovery  
John Norris  
Rich Shaw - Alnylam  
Zachary Zimmerman - Alnylam  
Bob Boneyl  
Jennifer D’Erick – Dept. of Workforce Development, Newton

1. Call to Order.

After welcoming remarks from Dr. Joshua Boger, Secretary Dan O'Connell presiding as Chairman of the meeting, called to order the meeting of the Board of Directors (the "Board") of the Massachusetts Life Sciences Center (the "Center"). The Secretary announced that a quorum of directors was present and that Jay Gonzalez, the Undersecretary of Administration and Finance, would be representing Secretary Kirwan who was unable to attend. The meeting, having been duly convened, was ready to proceed with its business. Dr. Slavin acted as Secretary of the meeting.

2. Approval of Board Minutes.

The Board then reviewed the minutes of the December 16, 2008 meeting. Following discussion, upon motion duly made, seconded and unanimously carried, the Board adopted the following resolution:

**RESOLVED**, that the minutes of the meeting of the Center's Board held on December 16, 2008 be, and they hereby are, approved as presented at this meeting.

3. Chair Report.

Secretary O'Connell reported that the Governor was pleased with the progress of the Center, particularly with the leverage that is being obtained through matching grants and capital program implementation. He noted that a match has been present in virtually every board expenditure, and emphasized how important this is in the current fiscal environment. He then turned the meeting over to Dr. Susan Windham-Bannister for the President's Report.

4. President's Report.

Dr. Windham-Bannister presented to the Board a review of the Center's results of operations since the December 16, 2008 Board meeting and an overview of the Center's 2009 programs. Dr. Bannister reported that the staff is targeting to be in permanent office space

sometime in March and are working to ensure a smooth transition. She also said that the Center is committed to fair labor practices and that this will be reflected in the construction contracts for the build-out of space. Dr. Bannister noted that the Center continues to emphasize the need to leverage its investments and highlighted for the Board that while the Center has invested approximately \$29.3 million in various grants and other initiatives, it has leveraged approximately \$273 million in private capital. She also informed the Board that the Center has helped create 586 jobs in the Commonwealth.

##### 5. Program Overview.

Robert Sepucha, the Center's Senior Vice President and General Counsel, next provided the Board with an update of the status of applications for the Center's Accelerator and Tax Incentive Programs, including the number of applications received to date and the feedback the Center has received about its application process. Mr. Sepucha said that web-based application programs for companies went live on January 2, 2009 with minimal technical problems. He reported that six applications for the Accelerator Program had been submitted and 23 applications were in process; while there had not yet been any complete applications for the tax incentive program, sixteen applications were in progress and more are expected as the May deadline approaches. Interest in these programs is widespread across industry and geography from companies throughout the state.

Mr. Sepucha thanked the Investment Committee, and Josh Boger, in particular, for their time and effort in developing these programs. Mr. Sepucha noted the importance of a partnership with the investment community and gave an example of a partnership with Johnson & Johnson which yielded a \$250,000 investment. He also spoke about the recent economic crisis and how it impacts venture investments and the lack of early-stage funding. He said that the accelerator program will provide late-stage gap funding for these companies. Marc Beer, a member of the Board's Investment Committee, commented on how well the relationship with Johnson & Johnson was progressing and that it should serve as a model for other companies.

## 6. Upcoming Events.

Angus McQuilken, Vice President for Communications, then presented the Board with an overview of the Center's participation in the 2009 International Conference of the Biotechnology Industry Organization ("BIO"). Dr. Bannister noted that Dr. Boger recused himself from this discussion as he is the current Chair of BIO. This event, held May 18-21 in Atlanta, Georgia, is the leading international trade show of the life science industry and provides access to key audiences. Mr. McQuilken informed the Board that the Center, as Massachusetts' lead agency for purposes of BIO, is asking for Board authorization to spend \$150,000 for BIO, which is significantly less than last year's budget. In addition, the Board is being asked to permit the Center to secure industry partnerships in an effort to increase the total budget to approximately \$335,000.

Secretary O'Connell, a past attendee of the BIO conferences, noted the importance of the conference to the life sciences super-cluster and Massachusetts commitment to growing this industry. He noted his belief in the importance for MLSC to play a central role in BIO and to assume leadership responsibility for the Commonwealth's pavilion at the conference.

Peter Slavin asked for clarification around what dollar amount the Board was considering.

Robert Sepucha, General Counsel, stated that the resolution as it reads in the Board's binders was unclear and that he would modify it to clarify that the requested authorization was for \$150,000, and not \$335,000 which reflects the overall BIO budget. Following discussion, upon motion duly made, seconded and unanimously carried, the Board adopted the following resolutions, as amended:

**WHEREAS**, that the Board deems it to be in the best interest of the Center and the Commonwealth that the Center participate in the 2009 International

Conference of the Biotechnology Industry Organization in Atlanta, Georgia (the "BIO Conference");

**NOW, THEREFORE, BE IT RESOLVED**, that the Board, acting pursuant to the authority delegated under the Life Sciences Statute, does hereby authorize the expenditure of monies in fiscal year 2009 in an amount not to exceed \$150,000 for the Center's activities relating to the BIO Conference;

**RESOLVED FURTHER**, that the officers of the Center be, and they hereby are, authorized and directed to take such actions, including, without limitation, subletting exhibition space and entering into sponsorship and partnering arrangements, in an effort to increase the total budget for the BIO Conference to as much as \$335,000; and

**RESOLVED FURTHER**, that the officers of the Center be, and each of them hereby is, authorized, directed and empowered to execute any applications, certificates, agreements or any other instruments or documents or amendments or supplements to such documents, or to do or to cause to be done any and all other acts and things as such officers, in their discretion, may deem necessary or advisable and appropriate to carry out the purposes of the foregoing resolutions.

7. Scientific Advisory Board Membership.

Dr. Harvey Lodish, chairman of the Center's Scientific Advisory Board ("SAB"), next updated the Board on the activities of the SAB, including the recent addition of several members to the SAB to provide a broader range of expertise to its activities and deliberations. Dr. Lodish said that 12 SAB members are leading academics and scientists charged with oversight of all the grant processes and finding the best opportunities for business development and job creation. At this point, all of the grants have been awarded to academic institutions and

that the SAB hopes to expand its activities to also make investments in companies. Dr. Lodish said that it's important to expand the SAB to assess new business investment opportunities. He recommended that the Board appoints three members of the investment community in Massachusetts: Douglas Cole, Jonathan Flemming and Jean George. He also suggested the formation of a sub-committee of the SAB, the Investment Sub-Committee, charged with peer of review of companies and making recommendations to the SAB. The SAB will review these recommendations and then make recommendations to the Board for funding.

A comment was made by Lydia Villa-Komaroff that these are three exceptional individuals who will bring an enormous wealth of experience to their roles.

Following discussion, upon motion duly made, seconded and unanimously carried, the Board adopted the following resolution:

**NOW, THEREFORE, BE IT RESOLVED**, that the Board, acting pursuant to the authority delegated under Chapter 23I of the General Laws of the Commonwealth of Massachusetts, does hereby approve the appointment of the individuals listed below as members of the Scientific Advisory Board ("SAB"), comprised of eminent life science researchers from academia and industry, to provide expert scientific and technical advice to inform the decisions of the Board in effectuating the mission of the Center:

Doug Cole, M.D.

Jonathan Fleming

Jean George

**RESOLVED FURTHER**, that as members of the SAB, the individuals set forth above shall serve in a volunteer capacity, and shall function at the discretion of the Board.

8. MIT 100K Entrepreneurship Competition.

Mr. Beer next presented the Board with a proposal to provide a grant in the amount of ten thousand dollars (\$10,000) to the winner of the biotech track of the MIT 100K Entrepreneurship Competition's business plan competition. Dr. Bannister noted that Dr. Slavin recused himself from this discussion and vote as he is affiliated with MIT. Mr. Beer reported that the MIT Entrepreneurship Competition is funded by a matching grant with the Genzyme Corporation and that the program has a 20-year track record of success. Mr. Beer emphasized that the grant shall be awarded to the company that wins the business plan competition, rather than Massachusetts Institute of Technology. The grant would also be contingent on execution of a grant agreement in the form approved by the Center and to the certification requirements under Chapter 23I of the Massachusetts General Law.

Mr. Chmura expressed his support for the proposal and spoke about other emerging entrepreneurship competitions throughout the state, including in Pioneer Valley and Western Massachusetts, that could benefit from promotion and support from the Center.

Luis Barros from the Life Sciences Center, recognized leaders of the MIT \$100k Competition, who were present in the audience.

Following discussion, upon motion duly made, seconded and unanimously carried, the Board adopted the following resolutions:

**WHEREAS**, the Board has authorized the Center's Innovation Program to from which the Center may make loans, grants and other investments to certified life sciences companies;

**NOW, THEREFORE, BE IT RESOLVED**, that, subject to compliance with all applicable laws and negotiation of terms and conditions agreeable to the Center, a grant in the amount of ten thousand dollars (\$10,000) be, and it hereby is, approved for the winner of the biotech track of the MIT 100K Entrepreneurship Competition's business plan competition;

**RESOLVED FURTHER**, that the officers of the Center be, and each of them hereby is, authorized, directed and empowered to execute any applications, certificates, agreements or any other instruments or documents or amendments or supplements to such documents, or to do or to cause to be done any and all other



acts and things as such officers, in their discretion, may deem necessary or advisable and appropriate to carry out the purposes of the foregoing resolutions.

9. Audit Report.

Dr. Windham-Bannister thanked Melissa Walsh for her diligence and tremendous work around ensuring a second smooth independent audit for the Center. Ms. Walsh and Mr. Hanley next presented the annual report of the Center's outside auditors, PricewaterhouseCoopers. Mr. Hanley reported that the audit is complete and has issued an unqualified, or "clean," audit. Mr. Hanley reviewed PricewaterhouseCoopers's policies and procedures with respect to the audit, and informed the Board that the audit was done with the full cooperation of the Center's management, as well as the State Comptroller's Office. He noted that the Center had a confirmed cash balance of \$25.7 million as June 30, 2008. Finally, he emphasized that PricewaterhouseCoopers is a completely independent entity with no affiliation to the Center or the Commonwealth of Massachusetts.

Mr. Beer asked Mr. Hanley to elaborate on any accounting or audit risks that a quasi-public agency faces. Mr. Hanley responded that the primary risks are cash or investments that either do not exist or are not valued properly, or unreported liabilities. Mr. Hanley reiterated that PricewaterhouseCoopers found no evidence of any such event and that PricewaterhouseCoopers was fully prepared to issue an unqualified audit report. At the conclusion of Mr. Hanley's presentation to the Board, Ms. Walsh thanked MassDevelopment for its assistance in managing many of the Center's accounting and administrative functions, including bookkeeping.

Following discussion, upon motion duly made, seconded and approved, the Board adopted the following resolutions:

**WHEREAS**, the Audit Committee has reviewed and approved the annual audit report of the Center's outside auditors;

**NOW, THEREFORE, BE IT RESOLVED**, that the annual audit report, as presented to the Board by the Audit Committee, be, and it hereby is, accepted and approved.

10. Organogenesis, Inc.

Dr. Windham-Bannister next presented the Board with an overview of an application the Center received from Organogenesis, Inc. (the “Company”) for a \$7.4 million, two-year grant out of the Center’s Innovation Program to assist in the funding of the construction of the Company’s new facilities in Canton, Massachusetts. Dr. Bannister noted that Dr. Slavin, recused himself from this discussion and vote as he is affiliated with MIT, which has a financial relationship with the Company.

Geoff Mackay, the Company’s chief executive officer, gave a presentation outlining the company’s work in regenerative medicine using living human cells to treat a variety of illnesses and disorders. Mr. Mackay spoke about the proposed project and the Company’s plan to construct a state-of-the-art regenerative medicine manufacturing and research facility with the assistance of a grant from the Center. He noted the direct economic impact the expansion will have on the Massachusetts economy, specifically addressing the creation of jobs in manufacturing, sales and research.

Secretary O’Connell spoke about his initial meeting with the Company and briefly described his favorable impressions of the Company’s plans for the future. He also commented on the Company’s growth to date and offered his opinion that this is the type of company Massachusetts should seek to foster, noting that at least one other state had sought to provide the Company with financial incentives if it decided to relocate there. He informed the Board that he supported the proposed grant.

Following discussion, upon motion duly made, seconded and approved, the Board adopted the following resolutions:

**WHEREAS**, the Board has authorized the Center’s Innovation Program to from which the Center may make loans, grants and other investments to certified life sciences companies;

**WHEREAS**, Organogenesis, Inc. (the “Company”) has submitted an application (the “Application”) to the Center pursuant to which it has requested, out

of the Innovation Program, a grant of seven million four hundred thousand dollars (\$7,400,000), to be funded in two equal installments in fiscal year 2009 and fiscal year 2010 (the "Grant"), to assist the Company in the construction of its regenerative medicine research and development and manufacturing plant in Canton, Massachusetts (the "Project");

**WHEREAS**, the Application sets forth the proposed schedule of the activities to be supported by the Grant, as well as a budget and timeline for each phase of the Project; and

**WHEREAS**, the Board believes that the Center's mission of solidifying Massachusetts status as a worldwide leader in the life sciences, creating jobs and supporting innovative research that will save and improve lives is best served by pursuing and promoting the type of public-private partnerships described in the Application;

**NOW, THEREFORE, BE IT RESOLVED**, that subject to compliance with all applicable laws, certification of the Company and negotiation of terms and conditions mutually agreeable to the Center and the Company including, without limitation, timing and manner of Grant disbursements, the Grant be, and it hereby is, approved as presented at this meeting and as described in the Application; and

**RESOLVED FURTHER**, that each officer of the Center be, and each such officer hereby is, authorized and directed to take all action and to prepare, execute and deliver all documents or agreements which such officer deems necessary or advisable to carry out the intent of these resolutions in accordance with all applicable laws and the best interest of the Center and the Commonwealth of Massachusetts, and to evidence the issuance of the Grant, including without limitation a grant agreement and all related supporting documentation.

*[Remainder of Page Intentionally Left Blank]*

10. Adjournment.

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting was adjourned.

---

Undersecretary Jay Gonzalez  
Co-Chair