

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

DATE: December 28, 2011

TIME: 2:00 p.m. EST

PLACE: One Ashburton Place, 21st Floor
Boston, Massachusetts

DIRECTORS PRESENT: Secretary Greg Bialecki
Josh Boger, Ph.D
Abbie Celniker, Ph.D.
Tom Chmura (Designee for Robert Caret)
Lydia Villa-Komaroff, Ph.D.

DIRECTOR(S) ABSENT: Secretary Jay Gonzalez
Edward Benz, M.D.
Robert Caret, Ph.D.

1. **Call to Order**

Secretary Greg Bialecki, 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”) at 2:11 p.m. and announced that a quorum of directors was present. The meeting, having been duly convened, was ready to proceed with its business.

2. **Executive’s Report**

Dr. Susan Windham-Bannister, the Center’s President and CEO, began her report to the Board by reflecting on the Center’s participation in the Governor’s recent trade mission to Chile and Brazil. She described their visit as “busy and productive” as it involved numerous meetings with their counterparts in the Brazilian government, whom are also focused on investing in the life sciences and innovation. She also noted that the Center’s Vice President for

Communications, Angus McQuilken, traveled to Germany to represent the Center at MEDICA, the largest international medical technology trade fair in the world. She then acknowledged Mr. McQuilken for his efforts to secure 385 media placements since the last Board meeting and in reaching an agreement with New England Cable News (NECN) for a monthly standing appearance.

3. Approval of Board Minutes

The Board then reviewed the minutes of the October 26, 2011 Board meeting. Upon motions duly made, seconded and unanimously carried, the Board adopted the resolution to approve the minutes.

4. Chairs' Updates

Secretary Greg Bialecki stated that he did not have any updates for this meeting.

5. Proposal: MLSC Accelerator Loan Program 2011-12 Round 1

Pamela Norton, the Center's Vice President for Industry Relations and Programs, presented to the Board on the Center's proposed Accelerator Loan Awards. She began by summarizing the parameters of the program and the Center's outreach strategy, and then provided an overview of the program's implementation plan. She explained that of the 28 applications received, eight were selected by the Scientific Advisory Board (SAB) as "finalists". These eight companies presented to the SAB and Investment Committee on November 16, 2011. Dr. Harvey Lodish, Chair of the SAB, shared with the Board his analysis of the SAB review process and company presentations.

Dr. Lydia Villa-Komaroff, member of the Board's Investment Committee, announced that based on extensive discussions about the eight finalists, the following three companies would be recommended for funding: 1) Intelligent Bio-Systems, a DNA sequencing company

with a patented, higher performance, lower cost next generation DNA sequencing instrument and consumable system; 2) Allurion Technologies, developing a novel medical device designed to induce significant weight loss by displacing volume in the stomach; and 3) Paragonix Technologies, commercializing first-in-class, single-use and highly portable Organ Preservation and Transport Devices called ‘Sherpas’.

After further discussion, the Board reviewed the relevant Resolution, and, upon motions duly made, seconded and unanimously carried by all voting Board members, the Board adopted the resolution approving an Accelerator Loan in the amount of \$750,000 to Allurion Technologies, Inc., an Accelerator Loan in the amount of \$750,000 to Intelligent Bio-Systems, Inc., and an Accelerator Loan in the amount of \$710,000 to Paragonix Technologies, Inc.

6. Proposal: MLSC Internship Challenge Program 2012-13

Beth Nicklas, the Center’s Counsel and Vice President for Academic and Research programs, presented to the Board on the Internship Challenge Program. She began her presentation with an overview of the program’s parameters and announced that since the program’s initial launch in 2009, the Center has placed 542 interns with 200 different companies. Of those interns, 101 (19%) reported that they were offered employment following their internship. She then reviewed the program’s statistics and noted the increase in demand by students and companies from year to year. She also discussed the Center’s efforts to increase the number of community college students placed in internships. She went on to provide a breakdown of the interns’ majors and the distribution of participating companies.

Ryan Mudawar, the Center’s Program Associate and Grants Administrator, then presented the results of this year’s survey of interns and their company mentors. He highlighted that 45 interns reported being hired post-internship for either full or part-time employment and that 100% of companies surveyed indicated that they would be interested in participating again

in the next round. Ms. Nicklas then proposed to the Board that the Center fund and administer another round of the program, which would run from May 1, 2012 through April 30, 2013.

After further discussion, the Board reviewed the relevant Resolution, and, upon motions duly made, seconded and unanimously carried by all voting Board members, the Board adopted the resolution authorizing a total investment of \$2.2 million for the 2012-13 round of the Internship Challenge.

7. Proposal: MLSC Small Business Matching Grant Program 2012

Pamela Norton, the Center's Vice President for Industry Relations and Programs, presented to the Board on the Center's proposed launch of the 2012 Small Business Matching Grant (SBMG) program. She provided an overview of the program, indicating that it is mainly consistent with the 2011 program. The program would provide grants of up to \$500,000, funded from the Center's capital fund, to companies that have received an SBIR/STTR Phase II, post Phase II or equivalent from federal agencies within the last seven years. The Center plans on launching this round of the program on January 4, 2012 with an application due date of February 10, 2012.

After further discussion, the Board reviewed the relevant Resolution, and, upon motions duly made, seconded and unanimously carried by all voting Board members, the Board adopted the resolution authorizing a total investment of \$3 million in capital funds for the 2012 round of the Small Business Matching Grant Program.

8. Proposal: MassChallenge Grant 2012

Dr. Josh Boger recused himself from the meeting at 2:55 p.m.

Brad Rosenblum, the Center's Chief Financial Officer, presented to the Board on the Center's proposal to provide a \$100,000 grant to support MassChallenge for its 2012 competition. He explained how MassChallenge contributes to the "life sciences ecosystem" and innovation economy as a whole in the Commonwealth.

After further discussion, the Board reviewed the relevant Resolution, and, upon motions duly made, seconded and unanimously carried by all voting Board members, the Board adopted the resolution approving a grant in the amount of \$100,000 to MassChallenge.

Dr. Josh Boger rejoined the meeting at 2:58 p.m.

9. Update: 2011-12 Capital Project Matching Grant Program Review

Process

Beth Nicklas, the Center's Counsel and Vice President for Academic and Research programs, presented to the Board on the Capital Project Matching Grant Program and its review process and announced that at next month's meeting the Center will be proposing awards for Board approval. She discussed the timing of capital commitments, and how the Center adopted an "advanced planning strategy" to maximize the likelihood that capital dollars will actually be utilized within the fiscal year for which they are awarded. This strategy, she explained, aims to commit all of the Center's allocated capital funds in advance of the next fiscal year. She also noted that going forward, consideration will be given to using uncommitted capital dollars to fund projects specifically designated in the life sciences legislation and other "discretionary" projects.

Ms. Nicklas went on to describe the open solicitation process, which would invest uncommitted capital dollars in high potential economic development projects that are not

specifically designated in the 2008 legislation. These projects would be identified using a competitive solicitation and award process. For the 2011 program, up to \$25 million has been allocated from the FY13 capital budget funds. She explained that the Center anticipates running an annual open solicitation process for a portion of capital dollars, with a comparable level of award in subsequent years. She continued to describe the parameters of the program and its eligibility requirements, followed by its selection criteria. This criteria, she explained, included the “shovel readiness” of the proposed project, its potential job creation/retention, contributions to the “life sciences ecosystem” and “culture of innovation”; as well as how critical the Center’s funds are in enabling the project to materialize.

Ms. Nicklas then described the review process, explaining that the Board Investment Committee met with the Capital Planning Work Group and determined the nine applicants that would move forward to the more detailed second phase of the application process. There were then a series of peer review panels to review these more detailed applications, followed by review by the members of the Center’s Scientific Advisory Board (SAB). There were ultimately four finalists selected, which are requesting a total funding amount of \$42.2 million.

In conclusion, Ms. Nicklas informed the Board that the Center’s staff will be meeting with the Capital Planning Work Group to debrief on “lessons learned” and recommendations for the 2012-13 round of the program. She noted that the considerations that have been identified to date include the minimum ask amount (and if there should be a cap), the matching requirement, the guidelines for applicants, having tracks for various applicant pools, ensuring coordination with other funders, and identifying gaps that this program would aim to fill. The Board proceeded to discuss some of these considerations in advance of more in depth conversations planned to take place in the months ahead.

10. Adjournment

Secretary Bialecki, upon motion duly made, seconded and unanimously carried, adjourned the meeting at 4:15 p.m.

Secretary Gregory Bialecki
Chairman of the Meeting

APPROVED:

Secretary Jay Gonzalez
Co-Chair of the Meeting

List of Materials and Exhibits Used During Meeting:

- Minutes from October 26, 2011 Board Meeting
- Executive Report to the Board of Directors
- “MLSC Accelerator Loan Program 2011-12 Round 1 Proposal” PowerPoint presentation
- “MLSC Internship Challenge Program 2012-13 Proposal” PowerPoint presentation
- “Real World Team” Inside Hire Ed article by Dennis Berkey.
<www.insidehighered.com/views/2011/11/22/essay-role-collaboration-and-internships>
- “Small Business Matching Grant Program 2012” PowerPoint presentation
- “Capital Project Matching Grant Program Review Process” PowerPoint presentation