

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

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DATE: June 25, 2010

TIME: 1:10 p.m. EST

PLACE: One Ashburton Place, 21<sup>st</sup> Floor  
Boston, Massachusetts

DIRECTORS PRESENT: Secretary Greg Bialecki  
Josh Boger, Ph.D.  
Tom Chmura (Designee for Jack Wilson)  
Secretary Jay Gonzalez  
Peter Slavin, M.D.  
Lydia Villa-Komaroff, Ph.D.

DIRECTOR(S) ABSENT: Marc Beer  
Jack Wilson, Ph.D.

1. **Call to Order**

Secretary Gonzalez, 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 1:10 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. **Approval of Board Minutes**

The Board then reviewed the minutes of the May 28, 2010 meeting. Following discussion, upon motion duly made, seconded and unanimously carried, the Board adopted the resolution to approve the minutes.

*Dr. Peter Slavin joined the meeting at 1:15 p.m., following the vote.*

3. **Chair’s Update**

Secretary Jay Gonzalez reported that the Legislature delivered its budget, and funding for

the Life Sciences Center will be \$10 million for fiscal year 2011. The Secretary proceeded to explain that the Legislature included in its budget for the first time a mandate that the Center fund \$210,000 for the Massachusetts Biomedical Initiatives. This required contribution will be one of the items under review by the Governor. The other section in the budget relevant to the Center is a provision that requires, for the first time, tax credit transparency in which tax payer information is made available to the public. The Secretary stated that the Center already discloses this information.

#### **4. Executive's Report**

Dr. Susan Windham-Bannister reminded the Board that the Center is celebrating the Second Anniversary of the Life Sciences Act, and reported that a number of events are scheduled to highlight how the Center's capital investments and grants are coming to fruition. Secondly, she informed the Board that the Center, Governor Patrick, MassBio and MassMEDIC issued a joint press release encouraging companies across the Commonwealth to apply to the Federal Therapeutic Discovery Tax Credit Program. She then updated the Board on the Center's Internship Challenge program, which has to date received nearly 900 student applications and placed 161 interns at 92 companies. Lastly, Dr. Windham-Bannister reported that, this month, she has made no additional grants using her discretionary budget.

#### **5. Presentation from 2009 Tax Incentive Recipient**

David Kolstad, President and CEO of LightLab Imaging, shared with the Board what the Center's investment has meant to his company, a small medical device company located in Westford, MA developing high resolution imaging technology. The technology was invented at MIT and MGH and Light Lab has just recently received FDA clearance for the device. Kolstad reported that his company is on track to hiring an additional 25 employees as planned, having hired 14 new employees thus far. LightLab was recently acquired by St. Jude Medical, Inc. of

Minnesota, and according to Kolstad, there is commitment to sustain business and growth in Massachusetts. In response to a question from Secretary Gonzalez regarding how the company specifically benefited from the tax credit, Kolstad cited how his company had been searching for a new facility and that this support from the Center provided a good economic argument to their Board for LightLab to maintain capacity growth and expansion in Massachusetts.

**6. Proposal for MLSC FY11 Operating Budget**

Brad Rosenblum, the Center's Chief Financial Officer, requested a part year appropriation of \$1.32 million for operating expenditures, which is statutorily compliant. Once the FY11 appropriation is determined, the Center plans to return to the Board to request the remaining amount. The projected FY11 operating expenditures is \$2.64 million dollars which in comparison to FY10, represents a 14% increase (due to an increase in benefit costs and statutorily required studies that need to be performed). Josh Boger, Chair of the Board's Finance Sub-Committee, stated that this budget is "conservative and proper."

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 the proposed part year MLSC FY11 Operating Budget.

*Secretary Greg Bialecki joined the meeting at 1:35 p.m., following the vote.*

**7. Presentation on the Massachusetts Biomanufacturing Roundtable**

Secretary Gonzalez recalled to the Board that the Center contributed \$50,000 to the Life Sciences Collaborative for the launch of the Massachusetts Biomanufacturing Roundtable. He invited Glen Comiso, Director of eHealth and Life Sciences at the Massachusetts Technology Collaborative, and Dr. Abbie Celniker, CEO of Taligen Therapeutics, to provide the Board with an update on this initiative. Glen Comiso began his presentation by describing the strong 3-year partnership between the Center and the Massachusetts Life Sciences Collaborative, gave an

overview of the Collaborative's mission and explained the genesis of the Massachusetts Biomanufacturing Roundtable. He expressed his appreciation for the Center's award and stated that it would allow the Collaborative to achieve some of its goals, which include development of a comprehensive biomanufacturing action plan for Massachusetts that requires consulting and program management/development, convening support, and research.

Dr. Elisabeth Reynolds, Research Affiliate at the MIT Industrial Performance Center, was unable to attend the meeting and Glen Comiso presented her findings on her behalf. She found that biotech R&D employment and manufacturing are closely tied, and that the New England region is very close to California in the level of biomanufacturing activity, with both outpacing the rest of the world. Comiso went on to present the factors that influence location in addition to talent, which consist of proximity to R&D, sales and tax, and technology. He also explained how Massachusetts has strengths in microbial R&D and production.

Dr. Celniker shared with the Board that the mission of the Biomanufacturing Roundtable includes engaging companies that represent a broad spectrum of biomanufacturing, promoting innovation in biopharma manufacturing, identifying gaps in the marketplace for particular aspects of manufacturing, and leveraging the resources in the region. She explained that the action plan involves having the Roundtable meet two to three times a year to discuss trends and priorities in the industry and provide guidance, acting as catalyst to the biomanufacturing agenda in the region. The Roundtable's three major initiatives are to create a center of excellence around drug product/delivery systems, develop, in partnership with the FDA, standard process procedures, and to develop a system for companies to engage researchers/labs in the region through an expedited and simplified process.

## **8. Proposal for the First Round of the 2010 Accelerator Loan Program**

On behalf of Dr. Harvey Lodish, Chair of the Center's Scientific Advisory Board, who was not in attendance, Dr. Susan Windham-Bannister summarized the 2010 Accelerator Loan Program's review process. The solicitation period ran from February to March of 2010 and the Center received a total of 44 applications. The applications were subjected to an administrative review conducted by the Center's staff, in which 40 applications were determined to have been complete and met the program's criteria. These 40 applications then went through a rigorous peer review process in which 25 were highly rated. The 25 applications were reviewed by the Center's Scientific Advisory Board, which recommended four finalists. The staff at the Center conducted due diligence on the four finalist companies prior to their presentations on June 16, 2010 to a panel that included the Board's Investment Committee and members of the Scientific Advisory Board. Representatives from the Center's Corporate Consortium member Johnson & Johnson were in attendance as observers. The second Corporate Consortium partner, sanofi-aventis, was not in attendance.

Josh Boger stated that this procedure is "a model for a tough competition" and explained that the Investment Committee meeting involved an intense question and answer period with each of the finalists. There was no target number of companies or amount of dollars to award. He proceeded to describe each of the four finalist companies that are being recommended to receive Accelerator loan awards.

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 award of \$750,000 to Aura Medsystems, Inc. (Dr. Slavin recused himself from this particular vote); \$375,000 to Avaxia Biologics, Inc.; \$600,000 to 4S3 Bioscience, Inc.; and \$750,000 to Connective Orthopaedics, Inc.

## **9. Adjournment**

Secretary Gonzalez asked if there was any other further business to come before the Board, and, hearing none, upon motion duly made, seconded and unanimously carried, he adjourned the meeting at 2:45 p.m.

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Peter Slavin, M.D.  
Secretary of the Meeting

APPROVED:

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Eric Nakajima  
Chairman of the Meeting