

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

March 14, 2001

The Regents of the University of California met on the above date at the James E. West Alumni Center, Los Angeles campus.

Present: Regents Atkinson, Bagley, Connerly, Davies, Fong, Hopkinson, O. Johnson, S. Johnson, Kohn, Kozberg, Lansing, Lee, Marcus, Miura, Montoya, Moores, Parsky, Preuss, and Sayles (19)

In attendance: Regents-designate T. Davis, Morrison, and Seymour, Faculty Representatives Cowan and Viswanathan, Secretary Trivette, General Counsel Holst, Interim Treasurer Bowman, Provost King, Senior Vice Presidents Darling and Mullinix, Vice Presidents Broome, Drake, Gomes, and Gurtner, Chancellors Berdahl, Bishop, Carnesale, Cicerone, Dynes, Orbach, Vanderhoef, and Yang, Executive Vice Chancellor Simpson representing Chancellor Greenwood, and Recording Secretary Nietfeld

The meeting convened at 10:00 a.m. with Chairman S. Johnson presiding.

1. **REPORT OF THE NOMINATING COMMITTEE**

The Nominating Committee recommended the following, effective immediately through June 30, 2001:

- A. Regent Marcus be appointed to the Committee on Health Services, Committee on Grounds and Buildings, and Committee on Investments.
- B. Regent Miura be appointed Chairman of the Committee on Oversight of the Department of Energy Laboratories, replacing former Regent Leach, whose term expired on March 1, 2001.
- C. Regent Moores be appointed Vice Chairman of the Committee on Oversight of the Department of Energy Laboratories, replacing Regent Miura.
- D. Regent O. Johnson be appointed Vice Chairman of the Committee on Grounds and Buildings, replacing former Regent Khachigian, whose term expired on March 1, 2001.
- E. Regent Davies be appointed as the Regents' Representative to the California Postsecondary Education Commission, replacing Regent Montoya, who has requested to be relieved of this duty.

Upon motion of Regent Preuss, duly seconded, the report of the Nominating Committee was approved.

2. **AMENDMENT OF STANDING ORDERS RELATED TO BOARD PRACTICES AND PROCEDURES – REAL ESTATE**

Pursuant to notice served at the January 18, 2001 meeting of The Regents of the University of California, the Special Committee on Regents' Procedures recommended the amendment of Standing Order 100.4 (cc), (ff), (gg), (hh), (ii), (jj), and (kk) and the addition of Standing Order 100.4 (oo), as shown in the Attachment, in order to further decrease the volume of routine administrative matters presented to The Regents, to further streamline the Board's practices and procedures, and to clarify the applicability of certain Standing Orders to real estate and related matters.

Upon motion of Regent Parsky, duly seconded, the report of the Special Committee on Regents' Procedures was approved, Regent Hopkinson voting "no."

The meeting adjourned at 10:05 a.m.

Attest:

Secretary

STANDING ORDER 100.

OFFICERS OF THE UNIVERSITY

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Additions shown by shading; deletions shown by strikeout

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(cc) Except as otherwise specifically provided in the Bylaws and Standing Orders:

- (1) The President is authorized to approve and execute on behalf of the Corporation contracts, real property rental agreements, and other documents pertaining to the use of facilities for academic, research, or public service programs of the University, or for related administrative support activities with a term of no more than ten years, including option periods provided that base annual rent (exclusive of operating expenses and all concessions to the University) shall not exceed \$500,000 for the initial year, and annual rent increases for subsequent years shall be limited to either (i) the actual annual percentage increases in the Consumer Price Index for all Urban Consumers (CPI-U all items), or (ii) such amounts that, when the rent is aggregated over the lease term, the total base rent does not exceed \$10 million.
- (2) Provided that concurrence is obtained from the Chairman of the Board and the Chairman of the Committee on Finance, the President is also authorized to approve and execute contracts, real property rental agreements, and other documents, as described above pertaining to the use of facilities for University-related purposes with a term (excluding options) of not more than ten years, provided that base annual rent shall not exceed \$1 million for the initial year, and annual rent increases for subsequent years shall be limited to either (i) the actual annual percentage increases in the CPI, or (ii) such amounts that, when the rent is aggregated over the lease term, the total base rent does not exceed \$20 million, and also provided that all actions taken for these amounts under this authority be reported at the next following meeting of the Board. Amounts in excess of the \$1 million and \$20 million limits described above require Board approval.
- (3) The For the purpose of computing the maximum initial year base rent and the maximum aggregate rent specified in (1) and (2) above, rent shall exclude (i) the effect of free or reduced rent periods or similar concessions, and (ii) operating expenses or other costs (including tenant improvement costs) paid by tenant in addition to base rent.

(4) Beginning November 1, 2000, the maximum initial year base rent and the maximum aggregate rent specified in (1) and (2) above shall each be increased annually by a percentage equal to the percentage increase in the National Consumer Price Index for all Urban Consumers (CPI-U all items) CPI for the preceding year, said increase to be reported annually to the Committee on Finance.

As used in these Standing Orders, the term University-related purposes refers to real property and interests therein held and used by the University in furtherance of its mission, but excluding real property held for investment purposes.

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- (ff) The President is authorized to negotiate the sale, purchase, receipt by gift, or lease of all interests in real properties property which are used, held, or to be acquired for campus used for University-related purposes, and to administer all such properties, which are defined as properties within the boundaries of a campus of the University and other properties used, held, or to be acquired for student and employee housing, parking, athletic programs, research, public service, educational programs, or administrative staff purposes of the University and interests.
- (gg) The President is authorized to approve the sale, purchase, receipt by gift, or other acquisition of real property when such real property (1) is used, held, or to be acquired for campus-related purposes as defined in (ff) above, and all interests in real property used or to be used for University-related purposes when the consideration does not exceed \$10 million, (2) consists of for-sale housing units within an approved University for-sale housing program, (3) is acquired through foreclosure, deed-in-lieu of foreclosure, or otherwise in realization of a security interest under an approved University home loan program, or (4) is the former residence of a recently recruited employee acquired pursuant to an established personnel policy for covered moving expenses. The President is also authorized to approve the sale, purchase, receipt by gift, or other acquisition of all such interests in real property, as described above, when the consideration is in excess of exceeds \$10 million up to and including \$20 million, provided that concurrence is obtained from the Chairman of the Board and the Chairman of the Committee on Finance, and also provided that all actions taken for these amounts under this authority be reported at the next following meeting of the Board. Amounts in excess of exceeding \$20 million require Board approval.
- (hh) In furtherance of the authority authorities set forth in (ff) and (gg) above, the President is authorized to execute all documents, except those conveying title; provided, however, that any such documents executed prior to approval by the Board or by a Committee thereof empowered to act, or by the President required in accordance with (gg) above; shall be conditioned upon obtaining such approval.

- (ii) The President shall be the custodian of all contracts of sale, mortgages, and deeds of trust for all real property held or acquired for campus-related purposes and of all purchase and sale, gift agreements, leases, licenses, easements and rights of way, ground leases, mortgages, deeds of trust, insurance policies and other documents relating to such instruments real property transactions for University-related purposes custody for which is not established elsewhere in the Bylaws and Standing Orders.
- (jj) The President is authorized to approve and execute licenses, easements, and rights-of-way with respect to real property held or acquired for campus- used or to be used for University-related purposes when (1) the consideration does not exceed \$10 million or (2) such instruments are revocable with 120 days' notice.
- (kk) The President is authorized to approve leases, assignment assignments of leases or subleases, and related amendments of such documents for mineral rights, including gas, oil, and other hydrocarbons, or geothermal resources as to real property held or acquired campus- used or to be used for University-related purposes if the land rent does not exceed \$500,000 per year during the primary lease term.

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- (oo) The President is authorized to administer University participation in corporations, companies, and partnerships, provided that such participations have been approved by the Board for University-related purposes, and to execute all documents in connection therewith on behalf of the University. The President shall be the custodian of all documents related to such participations.

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