The Regents of the University of California

COMMITTEE ON FINANCE
COMMITTEE ON GOVERNANCE
May 15, 2008

The Committees on Finance and Governance met on the above date at Covel Commons, Los Angeles campus.

Members present: Representing the Committee on Finance: Regents Blum, Brewer, Dynes, Garamendi, Gould, Island, Kozberg, and Wachter; Advisory members Scorza and Croughan; Staff advisors Brewer and Johansen

Representing the Committee on Governance: Regents Gould, Island, Lansing, Schilling, and Wachter

In attendance: Regents Allen, Bugay, De La Peña, Hotchkis, Lozano, Marcus, Reiss, Ruiz, and Varner, Regent-designate Shewmake, Faculty Representative Brown, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, Chief Investment Officer Berggren, Provost Hume, Executive Vice President Lapp, Vice Presidents Beckwith and Sakaki, Chancellors Block, Blumenthal, Drake, and Fox, and Recording Secretary Smith

The meeting convened at 12:10 p.m. with Committee on Finance Chair Gould presiding.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of March 19, 2008 were approved.

2. **AMENDMENT OF STANDING ORDER 100.4 CONCERNING THE PRESIDENT'S DUTIES RELATED TO REAL ESTATE**

The President recommended that, following service of appropriate notice, amendment of Standing Orders 100.4 (cc), (gg), and (jj) be approved as shown in the Attachment to increase the authority of the President 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 the Standing Orders to certain real estate transactions and related matters.

[Background material was mailed to Regents in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Regent Kozberg asked that this action be reviewed after an 18-month period.

Upon motion duly made and seconded, the Committees approved the President's recommendation as amended and voted to present it to the Board.

The meeting adjourned at 12:11 p.m.

Attest:

Secretary and Chief of Staff

ATTACHMENT

Standing Order 100.4—Duties of the President

Additions shown by underlining; 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, leases, ground leases and other documents pertaining to the use of ~~facilities~~real property for University-related purposes with a term ~~(excluding options)~~ of not more than ~~ten~~twenty years (excluding options when the University is the lessee but including options provided by the University as lessor).~~, provided that base rent 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, pertaining to the use of facilities for University-related purposes with a term (excluding options) of not more than than ten years, provided that base 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. For 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 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/or used by the University in furtherance of its mission, but excluding real property held for investment purposes.

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(gg) The President is authorized to approve the sale, purchase, receipt by gift, or other acquisition of all interests in real property used or to be used for University-related purposes when the consideration does not exceed $~~1~~120 million. The President is also authorized to approve the sale, purchase, receipt by gift, or other acquisition of all such interests in real property when the consideration exceeds $~~1~~120 million up to and including $~~2~~260 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 meeting of the Board. ~~Amounts~~Such transactions with consideration exceeding $~~2~~260 million require Board approval.

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(jj) The President is authorized to approve and execute licenses, easements, and rights-of-way with respect to (1) real property used or to be used for University-related purposes or (2) University-related real property to be used by others~~when (1) the consideration does not exceed $10 million or (2) such instruments are revocable with 120 days' notice~~.

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