



OFFICE OF THE PRESIDENT

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VICE PRESIDENT FOR BUDGET

Delegation of Authority--Real Property Rental Agreements (Leases)

On January 18, 2001, The Regents amended Standing Order 100.4, Duties of the President of the University, to give greater authority to the President with respect to approval and execution of contracts, real property rental agreements, and other documents pertaining to the use of facilities for University-related purposes (Rental Agreements), as follows:

* * *

(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 University-related purposes with a term (excluding options) of not more than ten years, 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.

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3. For purposes 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 used by the University in furtherance of its mission, but excluding real property held for investment purposes.

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Effective immediately, you are delegated authority to approve and execute Rental Agreements, whether the University is tenant or landlord, as described in Standing Order 100.4 (cc) (1), (3) and (4), above, provided that:

1. the Rental Agreement pertains only to the use of facilities for University-related purposes;
2. the term of the Rental Agreement, excluding any option term to be exercised by the University as tenant, does not exceed 10 years; or, the term of the Rental Agreement, including all options exercisable by the tenant, does not exceed 10 years when the University is the landlord;
3. the annual base rent does not exceed \$500,000 for the initial year of the Rental Agreement, as adjusted pursuant to Standing Order 100.4 (cc) each November 1;
4. the annual rent increases for subsequent years are 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 term of the Rental Agreement, the total base rent does not exceed \$10 million, as adjusted pursuant to Standing Order 100.4 (cc) each November 1;
5. the Rental Agreement does not involve the assumption by the University of liability for conduct of persons other than University officers, agents, employees, students, invitees, and guests, except that this restriction does not apply if the University will assume responsibility for liability resulting from the condition of leased property that the University is obliged to maintain [subject to Regents' Bylaw 21.3 f.(2)(dd)] or unless otherwise authorized by The Regents;
6. the Rental Agreement is not a lease-purchase or similar transaction by which the University will ultimately take title to the property; and
7. the Rental Agreement is written on a University standard lease form without substantial changes or it has been approved as to form by General Counsel.

With respect to any options to expand the premises or extend the term of Rental Agreements exercisable by the University as tenant, you are delegated authority to approve and execute the exercise of such options provided that either: (i) the option terms, which are deemed to be a new Rental Agreement for purposes of determining authority, conform to the conditions set forth in paragraphs 1 through 7 above; or (ii) the authority to exercise the option has otherwise been delegated to the President.

You are further delegated the authority to approve and execute any ancillary documents, amendments or other modifications to any Rental Agreement, if such authority has been delegated to the President.

Any redelegation of the above authority shall be in writing with copies to the Universitywide Policy Coordinator and the General Counsel and Vice President for Legal Affairs.

This delegation supersedes the delegation of authority issued July 26, 2002 (DA 2133) to the Senior Vice President--Business and Finance on this same subject.

A handwritten signature in black ink, appearing to read "Robert C. Dynes", with a long horizontal flourish extending to the right.

Robert C. Dynes

cc: Chancellors
Laboratory Directors
Members, President's Cabinet
Assistant Vice President Bocchicchio
Principal Officers of The Regents