



DAVID PIERPONT GARDNER
President

OFFICE OF THE PRESIDENT
300 Lakeside Drive
Oakland, California 94612-3550
(415) 987-9074

June 19, 1989

CHANCELLOR YOUNG:

Delegation of Authority--Administration of the Village Terrace Condominium Project, Los Angeles Campus

At the March 18, 1988 meeting, The Regents authorized the President or designee, in consultation with the Treasurer and the General Counsel, to execute the groundleases or subleases, the Declaration of Covenants, Conditions and Restrictions, Home Purchase Contracts, and other related documents as necessary for the completion, sale, and administration of condominium units in the Village Terrace Condominium Project, Los Angeles campus. The Regents also authorized the establishment of a California nonprofit corporation for the sole purpose of acquiring and administering leasehold rights in the Project.

Effective immediately, subject to the terms of the attached copy of the March 18, 1988 Regental authorization, as Chancellor of the Los Angeles campus you are authorized to administer the Project, including the following specific responsibilities:

1. To execute on behalf of the University, in consultation with the Treasurer and the General Counsel, all approved documents for the Project, including Residential Lot Leases, the Declaration of Covenants, Conditions and Restrictions, the Common Area Lease, Home Purchase Contracts, Home Warranties, and other related documents as necessary for the completion and sale of residences in the Project.
2. To establish policies on temporary rental of the residences.
3. To perform investigations regarding compliance with use and occupancy limitations and reassignment of leasehold interests in the event of noncompliance.
4. To determine residence resale price limitations with respect to the resale of the residences in the Project pursuant to the provisions contained in the Project documents.
5. To inspect the property and exercise the rights of the University regarding operations and maintenance of the Project pursuant to the Project documents.

6. To determine whether to exercise any of the University's options to buy under the provisions of the Residential Lot Leases and, if an option is to be exercised, determine whether and to whom to assign the option.
7. To determine the increase, if any, in the ground rent under the Residential Lot Leases.
8. To select all initial and subsequent purchasers of the residential units pursuant to the priority system established in the Project documents.
9. To determine, in consultation with the Treasurer and the General Counsel upon subsequent sale of a residence, whether a new groundlease will be executed and for what term, not to exceed 60 years.
10. To appoint two members, subject to approval by the President, to the Board of Directors of the non-profit corporation.

The following authorities are not delegated:

1. Major changes in the design or in the permitted uses of the Village Terrace Condominium Project shall be approved by The Regents.
2. Modifications to the priority system of eligible purchasers of the residences shall be approved by the President.
3. All future amendments of the Project documents shall be approved by the President, prior to their execution, in consultation with the Treasurer and the General Counsel.

Any redelegation of these authorities shall be in writing with copies to the Senior Vice President--Administration, the Director--Coordination & Review, the Treasurer, and the General Counsel.


David Pierpont Gardner

Attachment

cc: Senior Vice President Brady
Senior Vice President Frazer
Special Assistant Young
Director Mathews
Director Rogin
Director Scrudder
Treasurer Gordon
General Counsel Holst

Approved
Approved as amended
Accepted
Notice served
Deferred
Withdrawn
Disapproved

CX

DA 0999

CX REPORT

March 18, 1988

M. Authorization for Condominium and Leasehold Rights and Establishment of Nonprofit Corporation, Faculty For-Sale Housing Project, Los Angeles Campus

The Committee recommends that:

- (1) The President or designee, in consultation with the Treasurer and the General Counsel, be authorized to execute the groundleases or subleases, the Declaration of Covenants, Conditions and Restrictions, Home Purchase Contracts, and other related documents as necessary for the completion and sale of condominium units in the Village Terrace Condominium Project, Los Angeles campus, the purchase of which was approved by The Regents in July 1986, said documents to contain the following provisions:
 - a. The duration of the leases or subleases shall be sixty years;
 - b. Each Lessee shall pay to The Regents annual ground rent of \$120, subject to annual increases at the discretion of the University by an amount not to exceed 5 percent of the previous year's rent;
 - c. The initial purchasers of the units shall be persons determined to be eligible by the Chancellor of the Los Angeles campus using the following priority system, with priority within each category given to newly hired employees:
 - i. first priority shall be given to members of the Academic Senate; and
 - ii. second priority shall be given to those employees of the University who are an integral part of the Los Angeles campus community and for whom the Chancellor shall have determined that providing adequate housing is a priority.

DA 0999

- d. Upon subsequent assignment of a unit lease and the resale of a unit, the owner shall offer the unit to buyers in the priority established in (1)c. above, at a price which conforms with (1)f. below, with the understanding that the University has prior options to acquire the unit, provided, however, that if there is no such priority sale and if the University fails to exercise its options, the unit may be sold to a member of the general public at a price and on terms agreeable to buyer and seller;
- e. Upon subsequent sale of a unit, the University will review requests for a new groundlease and will enter into such lease for a term not to exceed sixty years if, in the opinion of the University, the Faculty For-Sale Housing Program will benefit thereby;
- f. To ensure that units remain affordable by members of the academic community, resale prices shall be limited to the lesser of:
 - i. the price negotiated between the buyer and the owner; or
 - ii. the sum of:
 - (a) the original purchase price of the unit paid by the owner, plus
 - (b) the product of the original purchase price of the unit paid by the owner and the fractional change in the National Consumer Price Index (All Items), as published for the month immediately preceding the date on which the owner originally purchased the unit, to said Index as last published prior to the date of the offer to sell, plus
 - (c) the cost of all capital improvements to the unit made by the owner, but only to the extent that each such capital improvement exceeds \$1,000 in cost and was certified by the University at the time such improvement was completed.

DA 0999

- (2) The President, in consultation with the Treasurer and the General Counsel, be authorized to approve and execute future amendments to the above-referenced documents and to approve and execute other documents for the Project as may be necessary or appropriate related to changing circumstances or unforeseen conditions, as long as such amendments or other documents do not contravene the basic meaning or purpose or provisions approved by The Regents.
- (3) The Regents authorize the establishment of a California nonprofit corporation for the sole purpose of acquiring and administering leasehold rights in the Project, said corporation to be subject to the following restrictive conditions:
 - a. The corporation shall have no power to create or incur any legal obligation on behalf of or affecting The Regents, or any debt obligation of whatever nature;
 - b. The activities and affairs of the corporation shall be controlled by a board of directors consisting of three members, one of whom shall be the Director of Faculty Housing Programs or his or her designee (or if there is no such officer, such person as the President shall designate), and the balance of whom shall be appointed by the Chancellor of the Los Angeles campus with the approval of the President;
 - c. Any annual net revenues of the corporation shall be paid to the University, except revenues used to carry out additional corporate functions as approved by The Regents;
 - d. Upon dissolution of the corporation and after paying or adequately providing for its debts and obligations, all remaining assets of the corporation shall be distributed to The Regents; and
 - e. The Articles of Incorporation of the corporation may be amended only upon the affirmative vote of all of the authorized directors.
- (4) The President, after consultation with General Counsel, be authorized to execute all documents necessary and appropriate to establish the corporation described in (3) above.

DA 0999

- (5) The President annually monitor the business and affairs of the nonprofit corporation to be established pursuant to (3) above, to determine whether there is a continuing need for said corporation.
- (6) If the President determines under (5) above that there is no continuing need for said corporation, he be authorized to execute and file any documents necessary to dissolve said corporation.

[Action to be released to the public upon close of escrow]