

VII. STANDING COMMITTEES**B. Finance, Audit and Facilities Committee****METROPOLITAN TRACT: Unico Corporate Restructure – Amendment of Lease****RECOMMENDED ACTION:**

It is the recommendation of the Finance, Audit and Facilities Committee that the Board of Regents delegates authority to the President or his designee to execute an amendment to the Unico Lease and related documents, and an amendment to the Cobb Building lease and related documents, which provides the University's consent to Unico's proposed corporate restructure, on the condition that there is no material adverse impact to the University.

BACKGROUND:

Unico Properties, Inc. is the tenant under the Unico Lease, and Cobb LLC, a subsidiary of Unico Properties, Inc., is the tenant under the Cobb Lease. Unico Properties, Inc. and Cobb LLC are each subsidiaries of Unico Investment Corp. Unico has proposed a restructure of its overall corporate structure which would, among other things, convert Unico Properties, Inc. to a limited liability company and make Cobb LLC a sister company of Unico Properties, rather than its direct subsidiary. Unico has advised the University that the restructure will allow the company to achieve corporate goals for incentive compensation to its employees and officers and to operate in a more tax-efficient manner.

Pursuant to the Unico Lease and the Cobb Lease, these proposed actions by Unico require the University's consent.

This Action is recommended on the condition that, following complete review of Unico's proposed restructure and negotiation of documentation to effectuate the restructure, it is determined by the University that there will be no material adverse impact to the University.

This Action has been recommended by the Executive Vice President, the Director of Real Estate and the Asset Managers for the Metropolitan Tract.