

NORTH CAMPUS-UNIVERSITY PARK DEVELOPMENT CORPORATION
Board of Directors
March 25, 2011 - Summary

ITEM #1 CONSIDERATION OF APRIL 13, 2010 MEETING MINUTES

The minutes were approved.

ITEM #2 ELECTION OF BOARD MEMBERS

Colin Donahue was re-elected to a three-year term (2011-2014), and William Watkins was elected to complete the term of Terry Piper (2011-2013).

ITEM #3 2011/2012 OPERATING BUDGET

The proposed 2011/12 operating budget was reviewed. Higher repairs & maintenance are the result of stadium press box demolition. Medtronic MiniMed rent credits have ended and licensing income is limited to cell site revenues. For the current year, the projected net surplus is \$422,000.

The 2011/2012 operating budget was approved as presented.

ITEM #4 OPERATING AGREEMENT

The operating agreement with the University will expire on June 30, 2011. All auxiliary organizations must have an operating agreement with the CSU Board of Trustees; a five-year term is the norm.

MSP: That The North Campus-University Park Development Corporation Board of Directors delegate and authorize the North Campus-University Park Development Corporation Executive Director to execute the new operating agreement with the California State University Board of Trustees.

ITEM #5 AUDIT

The Auxiliary Audit Committee recommended that there be a Request for Proposal process, and that is currently underway. Four firms submitted bids; three were invited to make presentations and two of the three have been invited back to interview with the Audit Committee.

ITEM #6 FINANCIAL STATEMENTS/INVESTMENTS REPORT

The February 28, 2011 financial statements were reviewed. The net operating surplus is \$215,000 positive to budget; investment earnings are 16.3%.

Item #7 DEVONSHIRE DOWNS UPDATE

Since the Board voted to suspend work on Devonshire Downs in 2009, sales of new and existing homes declined 8.4%, while building costs increased 6%. If

construction were to begin today, a greater subsidy would be required than in 2009. The project therefore is still not viable.