

Policy Number: 7-207	Policy Name: Leases of Real Property
Policy Revision Dates: 6/2009, 6/05, 4/99 (Previous 7-306 Leases of Real Property 1/94, 3/92, 9/90, 1/88 - 7-403 Lease-Back Agreements)	Page 1

7-207 Leases of Real Property

- A. All lease agreements and amendments of lease agreements of real property, including lease agreements in connection with any development of capital projects, as defined in Board policy 7-102(B)(3) shall be reviewed by the Capital Committee and approved by the Board before becoming effective, except as provided below:
1. A university may enter into a lease or lease amendments as Landlord or Lessor without Board approval (except for use of athletic facilities by professional teams), provided all of the following criteria are met:
 - a. The lease term including all renewals shall not exceed 120 months;
 - b. The annual base lease amount does not exceed \$500,000; and
 - c. The rental rate meets or exceeds the fair rental value of the property.
 2. A university may enter into leases or lease amendments as tenant or lessee without Board approval provided all of the following criteria are met:
 - a. The original lease term shall not exceed a total of 60 months;
 - b. Renewal options in total shall not exceed an additional 60 months;
 - c. The total annual rental including tax, insurance and maintenance payable to, through, or on behalf of the landlord shall not exceed \$500,000;
 - d. The rental rate does not exceed fair rental value; and

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- e. Funds are available.

- B. A university shall report to the Capital Committee on its intent to solicit proposals for commercial development on university property, where the majority of the project's business is anticipated to come from a non-university population, and involving a lease or lease amendments that will require review by the Capital Committee and approval by the Board pursuant to Subsection A. above. A university also shall report to the Capital Committee on negotiating parameters after a proposal has been selected. As applicable, reports may be provided in executive session.

- C. All leases entered into shall be reported to the Central Office annually in accordance with procedures developed by the Executive Director.