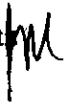


The California State University  
Office of the Chancellor  
400 Golden Shore  
Long Beach, California 90802-4275

(562) 985-2800

**Date:** April 21, 1997

**To:** Presidents

**From:** Barry Munitz   
Chancellor

**Subject:** Leases—Executive Order No. 669

The attached Executive Order delegates to the campus president authority to execute lease agreements with limited exceptions.

In exercising the authority conferred by this delegation, the campus president shall comply with all applicable law, policies and procedures of the Board of Trustees and the chancellor which may include but are not limited to financing, physical planning, and procurement.

In accordance with policy of The California State University, the campus president has the responsibility for implementing Executive Orders where applicable and for maintaining the campus repository and index for all Executive Orders.

BM:rp

Attachments

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**Distribution:** Vice Presidents, Administration  
Chancellor's Office Staff

**The California State University  
Office of the Chancellor  
400 Golden Shore  
Long Beach, California 90802-4275**

**(562) 985-2800**

**Executive Order No.:** 669  
**Title:** Leases  
**Effective Date:** May 1, 1997  
**Supersedes:** Executive Order No. 409 (as to provisions related to leases)

This Executive Order is issued pursuant to authority of Education Code Sections 89035, 89036 and 89046, and 89048, and Sections 1, 2, and 4-e of Chapter III of the Standing Orders of the Board of Trustees of The California State University.

**I. Authority**

Authority is delegated to the campus president or designee subject to the exceptions listed below to execute leases of real property as either lessor or lessee without approval by the Office of the Chancellor. The following leases shall require review and approval by the Office of the Chancellor prior to execution:

- A. Lease agreements where the commitment of the trustees, or the property leased, is to be used to support the issuance of bonds, certificates of participation or notes, or where there is a transfer of interest by installment sale or other form of security.
- B. Lease agreements with a term of twenty or more years, or with options that result in a potential term of twenty or more years.
- C. Lease agreements with any annual lease payment equal to or greater than \$1,000,000.
- D. Lease agreements that permit the development of real property of the CSU pursuant to policies of the trustees on public/private or public/public development (RFIN 03-94-06).

**II. Responsibility**

- A. All agreements executed by the campus president must include, at a minimum, the standard provisions and language included in the model lease agreements maintained by the Office of the Chancellor, including the model agreements with auxiliary organizations. These leases have been approved as to form by the Office of General Counsel and may be changed by that office from time to time. Campuses will be notified when changes are made to the standard lease agreements and where copies of model lease agreements may be obtained.
- B. The campus president must assess the risk of liability potential of each lease agreement. When the university acts as the lessee, provisions of the standard model lease agreements which address the issue of liability should be included. For agreements where the university acts as the lessor, similar provisions should be included in the lease agreement to address liability.

C. Whenever a determination has been made by the campus that leasing to a for-profit enterprise is in the best interest of the university and is consistent with the educational mission, the university shall utilize a competitive process to provide fair access to university business opportunities. This process may include but is not limited to solicitation of sealed proposals, advertising, informal quotations, and economic analysis of fair market consideration.

D. Leases that require approval of the chancellor's office prior to execution must be developed in consultation with the Chancellor's Office well in advance of the desired execution date and may involve financing, physical planning and/or procurement issues that require trustees approval or integration with other policies of the trustees. Prior to execution, agreements, including all referenced attachments and exhibits, subject to Chancellor's Office approval must be sent to the senior vice chancellor, business and finance for approval. Upon approval by the senior vice chancellor, the agreement may be executed by the campus president.

**III. Accountability**

A. The campus president is required to maintain a central repository containing all current lease agreements and related attachments and exhibits (including operating agreements with auxiliary organizations) to which the campus is a party.

B. The campus president is required to account for leases in the financial records of the campus and to provide reports of leasing activity as may be requested by the senior vice chancellor.

  
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Barry Munitz, Chancellor

Dated: April 21, 1997