

1. Title

Matters Relating to Real Property

2. Rule and Regulation

Sec. 1 Management of Real Property Generally. All interests in real property owned or controlled by the Board of Regents shall be administered and managed by System Administration's Real Estate Office, except Permanent University Fund lands, real properties used for institutional purposes, and real property investments managed by UTIMCO. "Institutional purposes" shall not include use solely to generate funds for the institution.

Sec. 2 Management of Real Properties Used for Institutional Purposes. All interests in real property owned or controlled by the Board of Regents and used for institutional purposes shall be administered and managed by the institution, with the assistance and supervision of U. T. System Administration's Real Estate Office.

Sec. 3 Management of Permanent University Fund Lands. Permanent University Fund lands shall be administered and managed by U. T. System Administration's West Texas Operations Office.

Sec. 4 Delegation of Authority. Subject to Sections 4.1, 4.2, and 4.3 below and the general provisions of Series 10501 of the Regents' *Rules and Regulations* and except as otherwise specified in these *Rules and Regulations*, the Board of Regents delegates to the Executive Vice Chancellor for Business Affairs or a designee specified in writing the authority to execute and deliver on behalf of the Board contracts, agreements, and other documents or instruments regarding or conveying interests in, real property owned or controlled by the Board, including Permanent University Fund lands; real property acquired by purchase, gift, or bequest; and real property used for institutional purposes. The authority granted in this section shall include all instruments necessary and convenient relating to the management, control, sale, acquisition, lease, and disposition of any real property, including mineral interests, owned or controlled by the Board, and licenses, permits for activities on such lands, and instruments relating to mortgages.

4.1 The delegate shall comply with all guidelines issued by U. T. System Administration's Office of General Counsel.

- 4.2 The delegate shall consult with the institutional chief business officer prior to approving and executing any agreement or instrument relating to lands used or to be used for institutional purposes.
- 4.3 The authority granted by this section to execute and deliver binding contracts, agreements, and other documents or instruments relating to the acquisition of real property applies only if the real property is within a Campus Master Plan approved by the Board of Regents or if the matter is an easement or other similar agreement necessary to implement projects approved by the Board in the Capital Improvement Program and the Capital Budget.
- 4.4 If approval of the Board of Regents is required by Section 3 of Series 10501 of the Regents' *Rules and Regulations* before the real property may be sold or leased to a third party, the following information shall be provided to the Board of Regents with the request for approval:
 - (a) a description of the process used to select the third party and the rationale for using the process described;
 - (b) a description of the process used to set the consideration to be received by U. T. System; and
 - (c) a statement of the appraised value as determined by an independent appraisal conducted no earlier than 12 months prior to the Board of Regents' meeting date at which the sale or lease is to be presented for approval.

Sec. 5 Board for Lease. The Board of Regents delegates to the Executive Vice Chancellor for Business Affairs authority to take any action on behalf of the Board as may be necessary or desirable with regard to the management and administration of oil and gas leases and other instruments issued by the Board for Lease of University Lands, including without limitation, promulgating forms and requiring submission of documents, records, or reports to verify gross production, and disposition and market value of the production.

- Sec. 6 Title. Title to all interests in real property, including leasehold interests, held for the use or benefit of the U. T. System, an institution, or otherwise shall be held in the name of the Board of Regents.
- Sec. 7 Planned Gifts and Bequests. The Office of Development and Gift Planning Services shall, in accordance with applicable Board of Regents policies, process and administer the receipt of real property received by the Board through a bequest, an interest in an account held in trust, a gift to establish or modify an endowment (other than the Permanent University Fund), a fund functioning as an endowment, or a life income or annuity fund. The Office of Development and Gift Planning Services shall promptly notify the Real Estate Office and University Lands - West Texas Operations of gifts of surface and mineral estates in real property received, processed, and administered pursuant to this Section to be managed by the Real Estate Office and University Lands - West Texas Operations, respectively. This section shall not apply to current purpose gifts of surface and mineral estates in real property (other than gifts received through a bequest or a trust) or additions to an existing endowment, a fund functioning as an endowment, or a life income or annuity fund if the addition does not change or modify the purpose of the endowment or fund.
- Sec. 8 Current Purpose Gifts. The Real Estate Office and University Lands - West Texas Operations shall, in accordance with Board of Regents policies, process and administer the receipt of all gifts of surface and mineral estates in real property that are not processed and administered in accordance with Section 7 above, unless the property is used as campus property by the institution. The institution shall manage real property used for campus purposes.
- Sec. 9 Rents, Mortgages, and Other Charges. The Board delegates to U. T. System Administration's Real Estate Office authority to collect, and account for, all rents, mortgages, and other charges relating to real property managed by that Office.

3. Definitions

None

4. Relevant Federal and State Statutes

None

5. Relevant System Policies, Procedures, and Forms

None

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of Business Affairs

8. Dates Approved or Amended

May 12, 2005

December 10, 2004

9. Contact Information

Questions or comments regarding this rule should be directed to:

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