



## **Disposition of Real Property Policy**

**Policy Section: Capital Assets & Construction**

**Policy Number: 1.42**

**Effective Date: 09/12/2025**

### **1. Purpose**

The Arkansas State University System (the "System") Board of Trustees (the "Board") seeks to establish a formal policy governing the sale, purchase or leasing of real property in the System and its member institutions.

### **2. Definitions**

- A. "Easement" shall mean a nonpossessory legal right to enter onto the real property of another person or entity for a particular purpose.
- B. "Leasing" of real property shall mean the entering into of a contract between a lessor and lessee that conveys control of the right to use the property for a specified period of time in exchange for consideration. Subleasing of real property is included in this definition and policy. Contracts between an institution and a student or employee for housing is not included in this definition and policy.
- C. "Lessee" shall mean the tenant, the person or entity who holds a lease of a property.
- D. "Lessor" shall mean the landlord, the person or entity who is the owner of a property and leases it to another person or entity.
- E. "Purchase" of real property shall mean a transaction in which a System institution acquires any interest in real property held by another party.

- F. “Sale” of real property shall mean a transaction that transfers any interest in real property, other than a leasehold interest or an easement, held by a System institution to another party.

### **3. Purchases of Real Property**

- A. Prior to making an offer to purchase real property, the institution seeking to purchase a property shall provide written notice to the System General Counsel’s office of the intent to purchase.
- B. The institution shall obtain at least one appraisal of the relevant real property from a licensed appraiser qualified to appraise the property, as well as a survey from a licensed surveyor.
- C. In consultation with the System General Counsel’s office, a negotiation of the terms of the purchase with the seller shall be conducted.
- D. Upon agreement of terms and subject to Board approval, which will be conferred by a formal Board resolution, the institution and the seller may execute a sales agreement and other closing documents required to finalize the transaction. The institution is responsible for arranging the closing. All agreements and closing documents shall be reviewed by the System General Counsel’s office prior to the closing.

### **4. Sales of Real Property**

- A. Prior to offering real property for sale, the institution selling the property shall provide written notice to the System General Counsel’s office of the intent to sell, and the institution and System General Counsel’s office will collaborate on preparing any necessary Board resolutions.
- B. The institution shall obtain at least one appraisal of the relevant real property from a licensed appraiser qualified to appraise the property, as well as a survey from a licensed surveyor.
- C. In consultation with the System General Counsel’s office, the method of sale most advantageous to the institution and pursuant to applicable law will be selected, including a negotiated sale with or without the services of a licensed real estate agent, or a public sale utilizing sealed bids. Any contracts procured for the services of a licensed real estate agent shall be pursuant to applicable contracting authority policies and procedures and applicable law.

- D. Sales of property should be in cash, unless otherwise authorized by the System President, and should be equal to at least the appraised value. In the event of unique circumstances justifying a sale for less than appraised value, the institution should provide documented reasoning and justification to the System General Counsel's office.
- E. All sales of real property are subject to Board approval, which will be conferred by a formal Board resolution.
- F. The Board may delegate by a formal Board resolution the authority to the institution to finalize a sale of real property transfer, including the execution of contracts and legal instruments necessary to effectuate the sale.
- G. Upon agreement of terms and subject to Board approval, the institution and the buyer may execute a sales agreement and other closing documents required to finalize the transaction. The institution is responsible for arranging the closing. All agreements and closing documents shall be reviewed by the System General Counsel's office prior to the closing.

## **5. Leasing**

- A. Prior to entering into any leases, whether the institution is lessor or lessee, and including any renewals or amendments to existing leases, the institution seeking to enter into a lease shall provide written notice to the System General Counsel's office of the intent to lease.
- B. In consultation with the System General Counsel's office, a negotiation of the terms of the lease shall be conducted. All leases and related documents shall be reviewed by the System General Counsel's office prior to execution.
- C. Campus Space Utilization
  - (1) Each institution shall designate one (1) or more persons to act as a lease manager for leases in which the institution is the lessor.
  - (2) Lease managers shall assess their respective institution's space utilization and consider opportunities to lease or rent underutilized campus space or property, including long-term leases and short-term rental arrangements.
  - (3) Lease managers shall determine applicable market rates, as well as ensure the prioritization of academic uses and campus safety, before making any recommendations to the chancellor.

## **6. Easements**

- A. All conveyances of easements are subject to Board approval, which will be conferred by a formal Board resolution.

## **7. Short Term Rentals of Institutional Facilities and Grounds Excluded**

This Disposition of Real Property policy does not apply to short term rentals of institutional facilities or grounds, to include but not be limited to sporting events, rodeos, concerts, performance arts events, conventions, conferences, and other short-term events.

(Adopted by the Arkansas State University System Board of Trustees on September 12, 2025, Resolution 25-28)