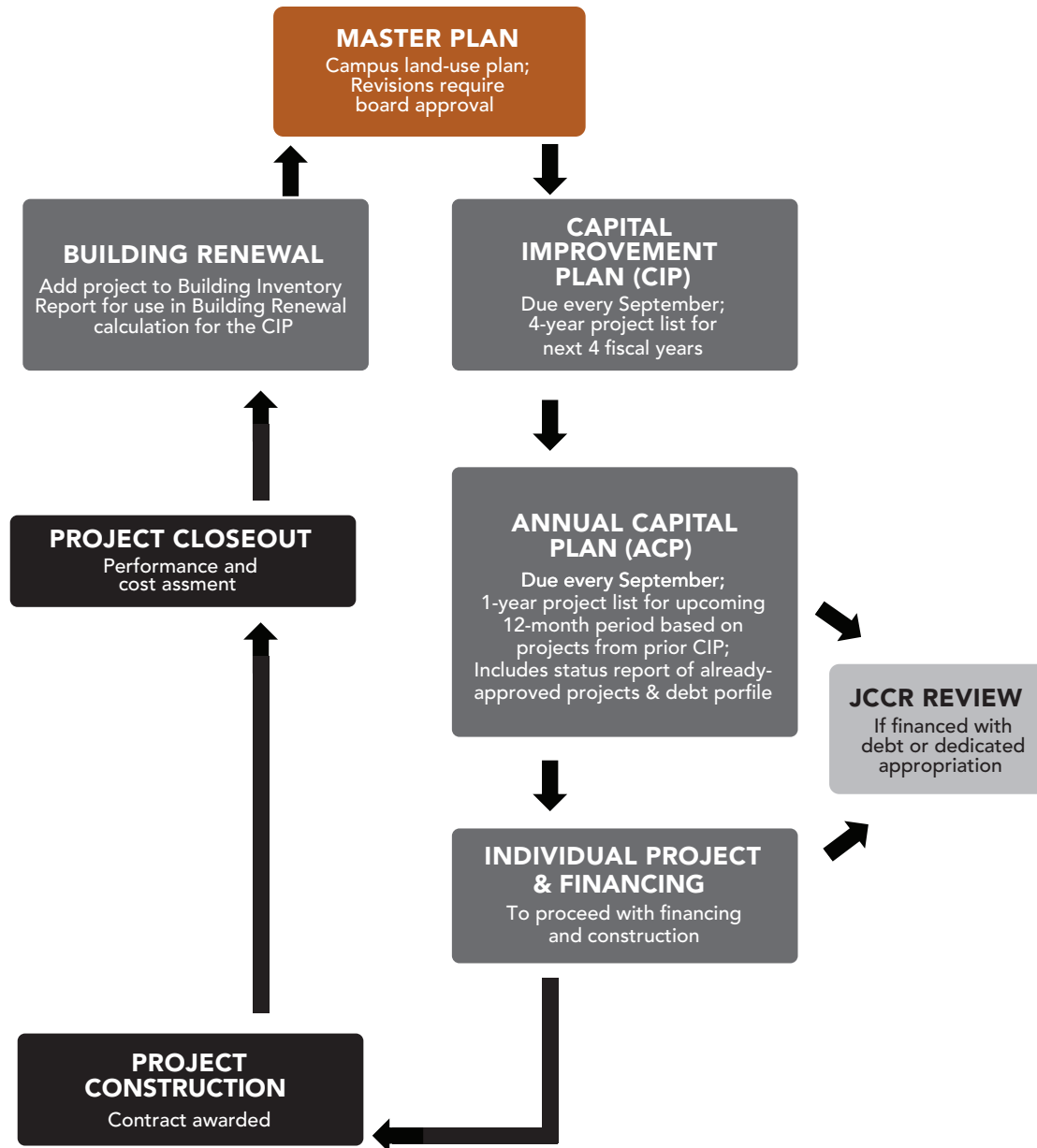


CAPITAL DEVELOPMENT PROCESS

FOR MAJOR CAPITAL PROJECTS THAT ARE \$10 MILLION OR GREATER



REAL PROPERTY TRANSACTIONS REQUIRING ABOR APPROVAL

LEASES AS LESSEE/TENANT: 7-207.A.1.a.(ii)

- Original lease term greater than 60 months;
- Renewal terms greater than 60 months;
- Annual base lease greater than \$2.5M;
- Rental rate greater than fair rental value.

LEASES AS LESSOR/LANDLORD: 7-207.A.1.a.(i)

- Projects for university use:
 - Original and renewal lease term greater than 10 years;
 - Annual base lease greater than \$2.5M;
 - Rental rate less than fair rental value.
- Commercial development (long-term leases that are commercial in nature, 7-207.B.):
 - Report on intent to solicit proposals;
 - Present a preliminary lease plan;
 - Request approval of the lease, including terms and conditions, market analysis, risk assessment, agreements with other jurisdictions, etc.;
- Provide at least annual status reports.

PURCHASES: 7-201.B. & F.

- Property is located outside the State of Arizona;
- Purchase price is greater than \$2.5M.
- Appraisal(s) required:
 - one if value between \$250k-\$2.5M;
 - two if value \$2.5M or greater.

SALES: 7-201.C. & F.

- Sold by public auction;
- Value is \$500k or greater.
- Appraisal(s) required:
 - one if value \$250k-\$2.5M;
 - two if value \$1M or greater.
- Residential property may be sold without ABOR approval by listing it with a licensed broker