

APPENDIX H

Lease of Space – North Carolina State University

In 1998, the General Assembly passed House Bill 1737 to provide North Carolina State University with expanded flexibility for the development of the Centennial Campus. One of the changes included in the Bill enabled the Board of Governors to approve certain out-leases of space on the Centennial Campus and then report the leases to the Council of State rather than secure the approval of the Council of State in advance. This change provided the University with the ability to execute leases in a shorter time period than had previously been possible. Once the Board had approved a lease, the Vice President for Finance was authorized to execute the lease on behalf of the Chairman of the Board of Governors.

The Board of Trustees of North Carolina State University has requested approval of an out-lease of space to Advanced Energy Corporation (AEC). Advanced Energy Corporation has been a tenant of the Centennial Campus since 1997 and has leased additional space since the initial lease to meet expansion needs. This request is to consolidate all leases and to enter into an amended lease agreement. The lease will provide AEC approximately 20,250 square feet of space on the Centennial Campus and will have an initial term of 7.5 years with two five-year renewal options. The initial annual rent will be \$19.55 per square foot and adjusted annually thereafter by the CPI.

It is recommended that the request of the Board of Trustees be approved and that it be reported to the Council of State.