

APPENDIX I

Disposition of Property by Lease – North Carolina State University

The Board of Trustees of North Carolina State University has requested approval to lease State property to the Beta Upsilon Chapter of Kappa Sigma for the purpose of providing student housing and organization space for a fraternity.

NCSU would lease the property at 2601 Fraternity Court to provide a 11,421 square-foot chapter house with a 40-bed capacity. The initial lease would be for five years with two five-year renewal options. Rent for the first year would be \$159,600. Annual rent for the subsequent years would be no more than 110% of the prior year or the percentage increase for residence hall occupants housed in comparable space, whichever is less. Rental proceeds would be used for the operation of fraternity and sorority housing at NCSU.

It is recommended that the request of the Board of Trustees be approved and transmitted to the Council of State for final action.