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This document is a guideline regarding current policies and procedures, which is provided to leaseholders for their information. The University reserves the right to change any and all of its policies and procedures in whole or in part at any time.

LEASE POLICIES AND PROCEDURES

LEASE COMMITTEE

According to the Ordinances of the University of the South, there shall be a Lease Committee in charge of the granting of leases, easements, and other conveyances under the provisions of these ordinances. The members of this Committee shall be the Provost, the Treasurer, serving *ex officio*; two members at large appointed by the Vice Chancellor; two members elected by the Sewanee Community Council; and two members elected by the Joint Faculties. All these members shall have voice and vote. Members other than *ex officio* members shall be named or elected for two-year terms and shall serve until reappointed or re-elected or a successor is named. The Provost, or in the Provost's absence, the Treasurer, shall act as Chair of this Committee. In addition, the Assistant Dean for Residential Life, Domain Manager, and a member of the Sewanee Business Community serve without vote on the Committee. The Committee makes recommendations to the Vice Chancellor who gives final approval.

There shall be a Superintendent of Leases appointed by the Vice Chancellor. The Superintendent of Leases shall be the administrator for all matters coming under the jurisdiction and charge of the Lease Committee, shall *ex officio* be a member of that Committee, with vote, and act as the Secretary and shall be authorized to execute all leases and other documents as directed by the Committee. The Superintendent shall keep and maintain a full and detailed record of all leases and other documents affecting the land or land uses within the Domain.

NEW CONSTRUCTION LEASES

The University has adopted policies and practices aimed at encouraging its employees to live on the Domain. These include discounted lease fees for employees and giving preference to employees when existing homes are sold. Only University of the South employees are eligible for a lease for new construction. In such cases employees must meet one of the following criteria:

1. Be a full-time continuing employee or have a term appointment of at least two years.
2. Be a part-time employee meeting the following conditions:
 - a. The home will be his or her primary residence.
 - b. He or she has worked for the University for at least four years in a position of at least one-third time.
 - c. The head of his or her division approves the request.
 - d. The approved lot must have been vacant, on the market for five years or more, and declared by the University as available for this purpose.

Other restrictions that apply to new leases include:

1. New leases will be granted only for sites approved for single family residential development.
2. All new construction must be served by electricity and city water and sewer.
3. Leases will not be granted until the proposed lessee is ready to proceed immediately with construction.

LEASE POLICIES AND PROCEDURES

4. Building plans, including the site plan, must be approved by the Lease Committee prior to construction.

A University employee who builds a home must own that home for at least five years before being eligible to build another home on the Domain.

Detailed design guidelines for Wiggins Creek Subdivision are available from the Superintendent of Leases. Those design guidelines should be helpful to persons planning to build in any location.

The following steps should be followed when applying for a new residential lease:

1. Confer with Superintendent of Leases about availability of lease sites.
2. Conduct lot inspection with the University Domain Manager or University Forester to discuss issues such as location of lease boundaries, setback requirements, appropriate building sites, drainage, erosion, tree removal and retention, and other environmental concerns.
3. Contact utility managers for information about availability of utilities.
4. Select house plan.
5. Secure building cost estimate from one or more contractors. This step will help confirm the feasibility of constructing a given house on a particular site and yield useful information for arranging financing.
6. Make preliminary arrangements for both construction and permanent financing.
7. Make formal request to Lease Committee for approval of lease site and house plans. This should be done several weeks in advance of projected construction starting date. Each design submittal should consist of a one-quarter inch floor plan, one-eighth or one-quarter inch scale elevations of all exterior surfaces, placement of house on lot in compliance with set back requirements (both University and County) location of proposed driveway, sidewalks, fences, outbuildings, etc., location of trees to be cut. Another meeting or two with the Domain Manager and you and your contractor to review the site plan will be necessary. The house and driveway must be staked out on the lot before a final inspection by the Domain Manager can take place.

Actual samples of exterior materials such as brick, siding, roofing, as well as exterior color schemes must be included in your proposal.
8. Identify contractor. Contractors must provide a copy of their license and proof of insurance.
9. Construction may not be started before the owner receives Lease Committee approval, appropriate building permits, and a fully executed lease. Any changes in the plan must be approved by the Lease Committee.

LEASE POLICIES AND PROCEDURES

EXISTING LEASES

APPEARANCE OF LEASES

The Sewanee community is blessed with abundant natural beauty. The University takes seriously the importance of a visually attractive campus for the recruitment of students and is committed to maintaining the appearance of University-owned buildings and grounds. The University and the Community Council also recognize the importance of the appearance of the Domain and have adopted community-wide appearance standards. The following guidelines apply to all Sewanee residents and the University.

1. Buildings should be kept painted and in good repair.
2. Repair or renovation projects should be completed in a timely fashion and all debris or building material scraps promptly removed and properly disposed of.
3. Items which must be stored out of doors should be stowed as neatly and inconspicuously as possible.
4. Household appliances and furnishings (except those specifically designed for outdoor use) should not be left outside.
5. Wood piles should be stacked neatly.
6. Only those motorized vehicles, which are regularly and frequently used by the resident may be parked on the premises, and adequate, designated parking areas should be provided.
7. Mobile homes must not be parked on the Domain at any time. Camp trailers, boat trailers, and other recreational vehicles may be parked on the owner's lease; however, they may not be inhabited, even on a short-term basis, while parked. Owners should park such vehicles so as to be as inconspicuous as possible to public view and to avoid blocking driveways or other avenues of access which may be needed by emergency vehicles.
8. Yards should be kept clean and free of litter and debris.
9. Wooded, natural areas should be inspected periodically and dead trees and branches which threaten structures should be trimmed and removed.
10. Non-wooded areas should be kept neat; grassy areas should be mowed and trimmed.
11. Leaseholders wishing to make significant changes in landscape design (e.g., reforestation of previously mowed areas) should submit a landscape plan to the Lease Committee in advance. Once areas are converted to gardens they are not expected to be mowed, but during the transition period they should be neat in appearance and grass should not be allowed to grow high.
12. Every effort should be made to avoid a cluttered, unkempt appearance.
13. Disposal of Leaves and Brush:

LEASE POLICIES AND PROCEDURES

There is no community curbside brush or leaf pickup. Disposal of vegetation and yard waste over the bluff, on trails, in streams, in drainage ditches, etc., is prohibited.

- a. Leaves: For a fee, Grounds and Forestry Operations of Physical Plant Services will pick up leaves piled at the curbside (no brush or brush mixed in) at residential leaseholds on the Domain. This service is available seasonally, November through January. Call PPS for cost of service.
- b. Brush: For a fee, PPS will pick up brush piled at residential leasehold in an accessible location. Call PPS for cost of service.

14. Burning:

Leaseholders wishing to burn leaves, brush and or grass on their lease must first get a permit from the Tennessee Division of Forestry. The number to call is 598-5535. No burning is permitted off of your lease.

Problems should be reported to a Community Council representative or directly to the Lease Office. After reviewing the complaint in light of these guidelines, if the Community Council representative agrees that corrective action is needed, he or she will forward the complaint to the Lease Office. If the Superintendent of Leases agrees a problem exists and could be easily solved, he/she may try to resolve the problem with the leaseholder. If the problem is not easily solved, the Superintendent of Leases will ask the person making the complaint for a written statement describing the problem, which he/she will then forward to the Lease Committee. It is the responsibility of the Lease Committee to interpret the guidelines and policies. The Lease Committee will respond to the lessee in writing stating the problem and the proposed remedy. If the lessee refuses to comply within a reasonable time, the lease may be revoked.

The lessee may appeal a Lease Committee decision to the Treasurer/Director of University Services.

MAKING CHANGES TO IMPROVEMENTS ON A LEASE

All remodeling or additions to structures which change the external appearance or alter the primary use of the space must be approved by the Lease Committee prior to beginning construction. Approvals must be implemented within one year. If changes are not completed within a year the leaseholder must re-submit the request to the Lease Committee.

Examples of projects which require approval:

1. Adding a room or rooms to an existing house
2. Converting a garage or porch to living space
3. Adding porches, decks, garages, carports, storage sheds, and guest cottages
4. Installing fences
5. Installing a TV dish antenna over 30" or mounting one on a pole
6. Changing exterior paint colors/roof colors
7. Converting a store room to an office in a commercial lease

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8. Landscaping that will be a major change

Some projects which do not require University approval:

1. Remodeling or redecorating which refurbishes existing finished space
2. Routine maintenance

Structures must be at least 35 feet from all property lines. Exceptions may be made if there is no reasonable alternative to accomplish the needed expansion and provided adjoining lessees do not object to the proposed variance. The lessee may be required to change lot lines, where feasible, in order to preserve the 35-foot setback. All costs of changing the lot boundaries are to be paid by the lessee wishing to build the addition.

Improvements that add value to leaseholds are subject to lessee agreeing to the adjustment of the lease fee to reflect the increased value of improvements.

It is the responsibility of the lessee to meet County requirements for construction and to secure a Franklin County building permit if needed.

To secure approval to add or alter improvements the following steps must be followed:

1. Prepare a written request for approval of the plans which includes the following information.
 - a. Nature and reason for change
 - b. Where and how it is to be constructed and by whom
 - c. Site plan that explains the location of the changes in relation to existing structures and lot lines
 - d. Elevations of all exterior surfaces
 - e. Samples of exterior materials as well as color schemes
2. Submit your request to the Superintendent of Leases for consideration by the Lease Committee. The Lease Committee meets once each month. You may present your request to the Lease Committee in person if you so desire.
3. Allow sufficient time to develop and present your plan. Feel free to consult the Superintendent of Leases for assistance in this process. If your proposal will require a variance in the setback requirement, approval of your plans including the variance will need to be secured from neighbors before presentation to the Lease Committee. The County has its own setbacks and any variance from those must be approved by Franklin County through its Planning and Zoning Office.

FENCES

The Lease Committee must approve all fences. When making a request for a fence, please include a drawing or brochure showing the design of the fence, a site plan showing the location of the fence, and a detailed description of the fence including its purpose, height, material, and color.

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Fence design should be compatible with the architectural design of the home and should blend appropriately with the home and neighborhood. Fences that are finished on both sides are desired over single-side designs. In all cases the “finished” side of a fence should be located toward the public view. Wood, stone, or a combination of the two are preferred materials for fences visible from the street or in public areas.

Front yards

Fences in the front yard are discouraged. Fences that face the street should not be further forward than the front of the house. Chain link and wire fences are generally not allowed in the front yard. In the event the Lease Committee approves a fence in the main front yard area, its maximum height should not exceed three feet six inches.

Rear yards

A fence may be allowed along the rear property lines or behind the rear plane of the house. The preferred height for rear yard fencing is four feet. The maximum height allowable is six feet.

Common side yards

Any fence proposed along a common property line must be coordinated with the adjacent leasee. Reasonable efforts must be taken to accommodate the needs, desire, and requirements of each owner. Front yard criteria is applicable to side yard fences that are not behind the rear plane of the house.

GARAGES AND OUTBUILDINGS

The Lease Committee must approve garages and outbuildings and they must be designed to blend with and compliment the main dwelling. Garages and outbuildings include carports, detached garages, and storage sheds.

Attached garages should be located so that the garage door is not facing the main street unless this is unavoidable due to topography. In that case the garage door should be at least five feet back from the front plane of the house. Carports and detached garages may be located in the side yard. Storage sheds should be located entirely in the rear yard.

The Lease Committee may make exceptions if required due to topography or other site-related issues.

SIGNS

Business Signs

All signs related to one’s business operation must be approved in advance by the Lease Committee. Requests for approval of signs should include the following: 1) a sketch of the sign showing its placement in relation to the building; and 2) a more detailed sketch of the sign showing size, colors, lettering, graphics, and materials to be used.

In general, signs should be mounted on the building horizontal with the face of the building. Freestanding signs will be considered. No plastic streamers, pennants, bunting or other decorations may be used except for brief seasonal purposes.

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Contractor Signs

A sign the size of a typical “real estate” sign representing the builder or landscaper may be placed on the building site if it is removed when the home or landscaping is finished. Advertising signs for subcontractors are prohibited.

House Numbering Signs

Recommendations for house numbering:

- a. All homeowners should endeavor to display their house numbers.
- b. Numbers should be displayed at the street, not on the house itself, unless the setback is minimal. A mailbox is the appropriate place.
- c. Numbers displayed should be the E-911 house address, not a University house number or other address.
- d. Numbers should not be flashy or gaudy. A height of 3-4” high is preferable. Routed, stained wood signs with painted numbers are acceptable, as are black or brass numbers sold at home supply stores.

Political Signs

The Sewanee community appreciates political candidates who observe our request to use the corner of Sherwood Road and Highway 41A as the designated area for political signs. Candidates are required to remove the signs within five days after the election.

Miscellaneous Signs

Temporary signs such as garage sale signs or open house signs may be displayed on the day of the event but must be taken down the same day.

Realtor Signs

Realtor signs may be placed only in a yard advertising the availability of a given piece of property and must be removed within one week after a sale has been completed. Signs should not be used along the roads for directional purposes.

Signs may not be posted on trees or telephone/light poles on the Domain.

CUTTING OR REMOVAL OF TREES ON LEASES

The sylvan nature of the campus of the University of the South is one of its distinguishing characteristics. The integration of the campus into the wooded environment has been accomplished with greater success in Sewanee than in most other communities. Members of the Sewanee community admire and appreciate the trees of Sewanee for the many benefits they provide. It is therefore desirable to maintain as much as possible this characteristic of the campus and Domain.

University ordinances provide that trees may not be cut, bulldozed or otherwise removed or destroyed by a leaseholder without approval of the Domain Manager or University Forester.

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Nothing in the terms of a lease gives a leaseholder the right to cut trees on University-owned land not a part of the leasehold.

Approval for removal of trees for new construction must take place with the approval of house plans and the site plan.

Any leaseholder desiring to remove one or more trees shall first contact the Domain Manager or University Forester. If approval is given, the Domain Manager will advise the leaseholder whether the University wishes to retain the wood in the tree(s). If the University does wish to retain the wood, the tree(s) will be removed by the University at its expense and at such time as to be convenient for the University. If the University waives any claim to the wood, all costs of removing the tree(s) shall be at the expense of the lessee. Cleanup standards shall be set by the Domain Manager and agreed to by the leaseholder before cutting commences.

If there is disagreement between the leaseholder and the Domain Manager, the Domain Manager will make a recommendation to the Lease Committee, who will make the final decision.

On existing leases, the removal of dead trees, trees that have become dangerous, or major limbs that are broken or dangerous, is the responsibility of the lessee. However, the procedure for approval and for determining ownership of the wood and allocation of cost is the same as for other trees.

A residential leaseholder may remove, at his or her own expense, any tree which is less than 4.5 feet in height without permission. Trees which are greater than 4.5 feet in height and less than (6) inches in diameter at the ground line may be removed at the leaseholder's own expense without permission from the Domain Manager if it is one of the following species listed below. The Domain Manager will make identification of trees for this exception when necessary.

Black Locust	Mimosa	Sourwood
Blackgum	Princess Tree	Sumac
Devil's Walking Stick	Sassafras	Tree of Heaven

Disposal of vegetation and yard waste over the bluff is prohibited.

REQUESTING TO CHANGE THE SIZE OF AN EXISTING LEASE

The leaseholder is responsible for knowing where the lease boundaries are located.

A request to change the size of an existing lease should be submitted to the Lease Committee in writing. The request should include a description of the proposed change, the reason for wishing to make the change, and assurance that neighboring lessees have been consulted and have no objections to the requested change.

If approved, the lessee should be prepared to pay for the cost of resurveying the lot and preparing and recording a new lease. The lessee also should understand that changes in lot size may result in a change in the amount of the lease fee and the property taxes.

The Lease Committee has the responsibility for considering each request on its individual merit and in the context of the whole community both now and in the future.

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SEWER HOOKUP

If sewer lines are available, the Lease Committee will require a property to connect to the sewer. Leaseholders must first consult with the Sewanee Utility District to determine their options for hook up to the sewer and then seek approval from the University by contacting the University's Domain Manager or the University Forester.

SURVEYING OF LEASES

All leases should contain an accurate description of the lot covered by the lease and should have enduring and traceable points of reference. It is the leaseholder's responsibility to know where the lease boundaries are located.

Whenever a lease is written, the Superintendent of Leases will determine if a new survey is needed and arrange with a licensed surveyor to do the work. Every effort will be made to reproduce the original lot lines; however, some adjustments may be made in consultation with the leaseholder to ensure that fences and other improvements are situated on the lease. Whenever possible, adjoining leases should have contiguous boundaries, and access to the lease should be possible either directly from a public road or by a properly executed easement.

When there is a change of ownership the cost of the survey will be paid by the lessee (usually the buyer) according to the terms of the contract. If replacing a lease that has expired, the University will pay the cost to resurvey the lot.

OWNING MORE THAN ONE RESIDENTIAL LEASE

A person may have only one residential lease on the Domain except in the following cases:

1. The inheritance of a residence or residences.
2. The purchase of a residence for one's parents or other immediate family members.
3. The purchase of a residence to improve it for rental property that, in the opinion of the Lease Committee, is beneficial to the community.

Employees will be charged ground rent on the additional leases.

SUBLEASING / RENTING

First, we want you to know that we in no way want to interfere with your enjoyment of your home in Sewanee or your ability to have guests visit you in your home. Our goal is to protect the sense of community that we all love about Sewanee. Having frequent unsupervised guests may take a toll on your relationship with your neighbors. We also are concerned about the safety of visitors to the Mountain. Our emergency services people need to know about visitors in order to respond properly to a given emergency. Our policy has been to place limitations on renting and subleasing. As you read our policies, please know that they are written with the best interest of the community in mind, and we need your cooperation to make them work.

Also, we need to emphasize that the Dean of Students Office does not permit enrolled students from the college to live outside the residence halls system without permission. This includes the use of non-primary homes (also known as second homes or family homes) on the Domain or in

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the surrounding areas. The Guidelines for Renting to Undergraduates on the Domain shown below give further information about renting to students.

Below are the policies for hosting guests, for subleasing and renting leaseholds, and the guidelines for renting to undergraduates.

Guests

Leaseholders who wish to share their homes with guests are welcome to do so. We consider guests to be family and friends with whom you share the hospitality of your home. Our hope is that Sewanee homeowners, some of whom are permanent, and visitors to the Mountain will take an active role in our community life and make appropriate use of the homes while respecting their neighbors. If you do not plan to be in Sewanee when you have guests, you should give the lease office the name of a contact person in Sewanee who can address problems that may arise.

Short-Term Rental (less than 3 months) by Local Residents

A leaseholder whose primary residence is on the Domain who intends to rent his or her residence on an occasional basis (less than three times a year) for a period of less than three months should notify the lease office of his or her intention. An example would be renting your home while you are away on vacation.

A leaseholder whose primary residence is on the Domain who wishes to rent regularly (more than three times a year) a room, a guesthouse, an apartment, or a portion of his or her residence on a short-term basis for a period of less than three months (e.g. by the week, weekend, or month) must make that intention known to the lease office. With this type of rental the leaseholder must be in residence to oversee the rental. Under normal circumstances, such an arrangement will be approved with the following stipulations: no signs will be allowed in the yard for advertising, the leaseholder may advertise only in the local community (in the Messenger, for example), and no rentals may be made to undergraduate students. The rental approval will be reviewed annually and permission withdrawn if problems arise.

Short-Term Rental (less than 3 months) by Absentee Leaseholders

With the exception of Special Events as described below, short-term rental by absentee leaseholders is not permitted. Short-term rental is defined as rental arrangements for less than three months (e.g. by the week, weekend, or month) on a continuing basis made by absentee leaseholders whose lease is not their primary residence.

Special Events Rental by Local Residents and Absentee Leaseholders

Special events are University-sponsored or approved events and programs that include Family Weekend, Homecoming, Graduation, Lessons and Carols, D.Min. Program, School of Letters, Sewanee Writers' Conference, the Sewanee Summer Music Festival, and weddings and/or receptions on the Domain. All leaseholders who intend to make their homes available to persons who are not personal guests for these special events should notify the lease office and specify which events in advance. The rental approval will be reviewed annually and permission withdrawn if problems arise.

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Subleasing and Long-Term Rental (more than 3 months) by Local Residents and Absentee Leaseholders

Any leaseholder (local resident or absentee) who wishes to rent their residence or a portion of their residence (e.g. apartment, or guesthouse) on a long-term basis for a period of more than three months must obtain approval through the lease office.

The Superintendent of Leases is responsible for keeping a record of long-term subleases and rentals. Failure to secure approval from the University in advance may constitute a breach of lease, and the University has the option of canceling the lease in such cases.

Subleases and long-term rentals require submission of an application to the lease office following the steps below.

1. Lessees wishing to sublet/rent all or any portion of their residential lease for more than a three-month period should obtain an application form from the Superintendent of Leases.
2. The leaseholder must be furnished with a copy of the University lease and clear instructions that the sub-lessee/renter must comply with the terms of the lease.
3. Information about the community garbage service must be provided to the sub-lessee/renter. The University will continue to bill the lessee who may in turn collect from the sub-lessee/renter or include that expense in the rent.
4. All leases contain a clause that describes how the premises are to be used. A lease that covers both a single-family residence and a separate apartment should describe this multiple use. A residential lease covering only a single family residence will state that the use is for "a single family residence and for no other purpose." Any change in this use requires prior written consent of the Lessor (University).

Routine requests will be handled by the Superintendent of Leases and reported to the Lease Committee on a regular basis. Special situations will be submitted to the Lease Committee for its consideration before a decision is rendered. The Superintendent of Leases will notify the lessee in writing of the University's action on the request. If the request is not approved, the reasons for rejecting it will be given.

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APPLICATION FOR SUBLEASE

I/we hereby request permission to sublet the residence located at (provide street address as shown in the E911 records) _____

_____ and also known as University Lease No. _____

to:

Name of sublessee(s): _____

Mailing address: _____

Telephone number: _____

For a period of time beginning _____ and ending _____

I/we understand that I/we remain responsible for compliance with all of the terms of the lease with the University and for the payment to the University for the community garbage service charged against this lease. I/we have furnished the sublessee named above with a copy of the University lease on this property and information about the community garbage service.

Date: _____ Signed: _____

Mailing address and phone number at which I may be reached during my absence from Sewanee:

I/we, as sublessee(s), affirm that we have received a copy of the University lease covering this property and hereby agree to comply with all applicable terms of said lease. Further, I/we have received a copy of the Sewanee Garbage Collection Services Policy and agree to comply with said policy.

Date: _____ Signed: _____

Name: (print or type) _____

Relationship to Sewanee:

School of Theology Faculty, Staff or Student _____

University Faculty, Staff or Student _____

Other: Please Specify: _____

The University hereby consents to the sublease of this property according to the terms and conditions set forth in this agreement.

Date: _____ Signed: _____

LEASE POLICIES AND PROCEDURES

Superintendent of Leases

LEASE POLICIES AND PROCEDURES

GUIDELINES FOR RENTING TO UNDERGRADUATES ON THE DOMAIN

The Sewanee community has had a long, and for the most part, positive experience in housing a small percentage of its undergraduate students outside the dormitory system. In recent years, 30 to 50 undergraduate students have requested and been granted permission to live outside our residence halls. Below are the guidelines used by the Lease Committee when the leaseholders on the Domain request permission to house undergraduates.

1. The Lease Committee prefers owner-occupied rental housing for undergraduates and is unlikely to permit undergraduates to rent a non-owner occupied home.
2. The Lease Committee seeks to avoid conflicts between residential neighborhoods and undergraduate rental housing. It is unlikely that the Lease Committee would permit a non-owner occupied house to be rented to undergraduates in a primarily single-family residential neighborhood. However, a small number of students might be permitted to live in an owner-occupied home in a residential neighborhood.
3. The committee will consider issues such as the impact of traffic, parking, garbage, and noise on the neighborhood.
4. Changes in garbage rate and lease fees may be required by the Lease Committee when a lease is approved for undergraduate rental.
5. Lessees must apply for and receive approval from the Lease Committee before entering into a rental agreement. A list of leaseholds approved to rent rooms to undergraduates is available in the Office of Residential Life. Permission to rent to undergraduates is subject to review on an annual basis.
6. Undergraduates must apply and be approved to live outside of the residence hall system, prior to entering into a rental agreement. The application process is part of the room lottery system.

Wiggins Creek subdivision was designed to be a single-family area, and the development plans stipulated that no undergraduate students would be allowed to rent there. Should an undergraduate student's parent or guardian's primary residence be in the Wiggins Creek subdivision or in other neighborhoods, a student could request permission to live there with their family.

TRANSFERS OF LEASES

TRANSFER OR SALE OF LEASES

Leaseholders wishing to sell or transfer their property should contact the Superintendent of Leases for guidance and assistance. A leaseholder wishing to sell may handle his/her own property or list it with a licensed realtor.

Several steps must be followed to sell or transfer a lease.

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1. All residential leases that are offered for sale must be posted with the Superintendent of Leases for at least 30 days and all commercial leases must be posted for at least 15 days before the University will consider a request to transfer a lease. The lessee or Realtor may use other normal means of advertising the availability of the property.
 - a. Employees planning to be away may request notification by mail as residential leaseholds are posted for sale by completing the appropriate request form in the Office of the Superintendent of Leases.
 - b. If a Realtor's sign is placed in a yard advertising the availability of a given piece of property, the sign must be removed within one week after a sale has been completed.
 - c. If a sale is not consummated and the subject property is placed back on the market, the sign may be replaced in the yard.
2. The University, through its Lease Committee, must approve all transfers of leases. A contract between the lessee and a buyer does not guarantee that the University will approve a transfer, and the University recommends that all contracts state they are subject to the University's approval. The University gives preference for lease transfers to University employees, and in the event an employee and non-employee seek to purchase the same lease, the University will normally approve a transfer to the employee who is offering to pay the same purchase price as the non-employee. The University may do so anytime before a lease transfer request has been approved by the Lease Committee.
3. All lease transfers are subject to the University's right of first refusal which may be exercised at any time before a lease transfer request has been approved by the Lease Committee.
4. Requests to transfer ownership must be submitted in writing to the Superintendent of Leases and if a transfer is a sale must include a copy of the purchase agreement plus a brief biographical sketch of the proposed new lessee(s).
5. All liens and all amounts due the University by the lessee or buyer must be paid in full by the time of closing. These include but are not limited to taxes, University accounts, and mortgages.
6. The University must consent to Deeds of Trust which secure mortgages against the leasehold property.
7. New leases must be prepared using an up-to-date lot description and survey, and all instruments must be recorded.
8. The cost of surveying the lot and preparing and recording documents must be paid by the buyer or seller as specified in the purchase agreement.

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9. Compliance with Sewer Hookup Policy is a condition of transfer.
10. The University, through its Lease Committee, may impose other requirements as a condition for approving the transfer of the lease. These include, but are not limited to:
 - a. Bringing the property up to an acceptable standard of condition.
 - b. Correcting fire code violations.
 - c. Reducing the size of the leased property.
11. A request to add or delete a name or names to or from a lease constitutes a transfer of ownership and will be subject to all applicable conditions.
12. The University may permit the transfer of a Lease into a Trust for the benefit of an individual and spouse. Upon the death of the individual and spouse, whichever is last, the Trustee(s) of the Trust must transfer the Lease out of the Trust within one year from the date of death, subject to the University's approval of such transfer. If the Trustee(s) fail to timely transfer the Lease from the Trust, then the University has the right to terminate the Lease. A transfer fee shall be due and payable to the University upon transfer of the Lease out of Trust.
13. Lessee will procure and maintain liability insurance on the property, including the improvements thereon.

HANDLING SIGNIFICANT REDUCTION IN SALE PRICE OF A RESIDENTIAL LEASEHOLD

Whenever the seller of a leasehold agrees to sell to a non-employee for an amount that is 15% or more below the posted selling price, the seller will:

Request the Superintendent of Leases to circulate an e-mail to employees to notify them of the price reduction. Employees will have two weeks to make an offer under this option. The notice, instead of stating the actual price, will state that the price has been reduced by 15% or more.

An employee wishing more information should first contact the Superintendent of Leases who will in turn refer him or her to the appropriate agent or individual.

SELLING UNIVERSITY-OWNED RENTAL UNITS

1. The Vice Chancellor, upon the recommendation of the Provost and the Treasurer, determines which units the University is willing to sell.
2. Normally units are offered for sale at the expiration of a rental agreement when a vacancy is expected.
3. The selling price is determined using an independent certified real estate appraiser.

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4. The Superintendent of Leases notifies all University employees in writing of the opportunity to purchase a given rental unit at the stated price. In the event that more than one employee wishes to buy a given property, the University will accept the highest offer over the stated price.
5. After 30 days, if no employee has entered into a contract to purchase, the property may be listed with appropriate Realtors.
6. An employee may request to purchase a unit which he or she currently rents. If the University is willing to sell the unit, the above procedure will apply for determining the price. The employee occupant has 30 days in which to exercise an option to purchase at the price determined. Rental units sold to an occupant may include a repurchase option.
7. The Superintendent of Leases is authorized to handle the sale of University-owned rental property on behalf of the University.

LEASE FEES

HOW LEASE FEES ARE DETERMINED

The leasing of ground on the Domain is governed by the Ordinances of the University of the South. According to the Ordinances, the annual lease fee “shall include a fair rental for the use of the land involved, based upon the then current value of that land, and a fair and proportionate share of the then current cost to the University of the municipal-type services which it furnishes within the Domain and without other charge to lessees. A lease may provide for the re-determination of this fee each year or at such other intervals as the lease may state.”

The Ground Rent is calculated at six percent (6%) of the appraised value of the lot as determined by the Franklin County Tax Assessor.

The charge for municipal-type services is calculated by determining the total cost to the University of these services, dividing that cost between University and leaseholders in a ratio based on the appraised value of the improvements (buildings) as determined by the Franklin County Tax Assessor on its most recent appraisal.

The following example shows the calculation of a residential lease fee where, according to the county appraisal, the lot is valued at \$8,000 and the improvements (buildings) are valued at \$100,000.

Ground Rent: 6% x \$8,000 =	\$480
Municipal-type Services: .0039* x \$100,000 =	<u>\$390</u>
Total Lease Fee	\$870
*2006 multiplier	

Lease fees are recalculated each year and a letter is sent to leaseholders notifying them of the rate that goes into effect in September.

In addition, any time there is a change in a lease, the lease form will be updated and the lease fee adjusted based on the then current tax assessor’s appraisal. Examples include: a sale, adding or

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deleting names to a lease, transferring the lease into a trust, refinancing, and changing the size of a lease.

LEASE TRANSFER FEE

Anyone who acquires an interest in any residential or commercial lease through purchase, gift or otherwise must pay a transfer fee based on the purchase price or fair market value of the property. Currently the transfer fee is 6% of this amount, but the rate is subject to change at the University's discretion.

Some University employees and retired employees who purchase or otherwise acquire an interest in a lease for their primary residence are exempt from paying the transfer fee. For purposes of a transfer fee waiver an employee is defined as a full-time continuing employee. A spouse of an employee or retired employee who inherits the lease of a primary residence upon the death of an employee or retired employee is also exempt from the transfer fee.

Any person who is not an employee or retired employee and who had a primary residential lease as of October 1989 is exempt from the transfer fee when he or she sells that lease and purchases another one for a primary residence. This is a one-time exemption.

If a lease is acquired by two parties, one of whom is not exempt from the transfer fee, the non-exempt person(s) will pay 6% of his or her proportional share.

No transfer fee is due if a spouse or child is added to an existing lease. However, the lease form will be updated and the lease fee adjusted based on the then current tax assessor's appraisal.

GRANTING SPECIAL LEASE FEE DISCOUNT

The minimum residential lease fee shall be \$50 per year. Current residents who acquired their property prior to 1982 and whose house is valued at \$10,000 or less according to the 1982 Franklin County Tax Appraisal, and those lessees who receive county property tax relief based on age and income will automatically be charged the \$50 minimum fee. Property acquired after 1982 is not covered by this policy. Property occupied by someone other than the owner will not be eligible for this discount.

Hardship cases that fall outside of these parameters will be dealt with on a case by case basis. Request for special consideration should be sent to the Superintendent of Leases.

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HOW RESIDENTIAL PROPERTY TAXES ARE DETERMINED

Franklin County property taxes are based on the property assessor's assessed value which is twenty-five percent (25%) of the appraised value. In order to determine the property taxes for a leasehold on the Domain, twenty-five percent (25%) of the appraised value of the land and improvements are multiplied by the tax rate for the area. The following example shows the calculation of residential property taxes for a leasehold:

Appraised value of land	\$8,000
Appraised value of improvements	<u>\$100,000</u>
Total appraised value	\$108,000
 25% of appraised value = assessed value:	 \$27,000

$\$27,000 \times \text{tax rate of } .0262 = \707.40 (2006 county taxes)