

Contact: Brad Berg

**MASTER LEASE AGREEMENT UPDATE**

**Action Requested:** Receive an update on the master lease agreement for tax-exempt issues.

**Executive Summary:** The Board approved the selection of a Banc of America Leasing as a master lease agreement provider for tax-exempt issues at the November 2006 meeting. A key component in the selection process was the proposed interest rate structure. The Board also authorized the Executive Director to execute a master lease contract on behalf of the Board. A master lease agreement was subsequently signed on February 28, 2007.

Per the agreement, the Lessor (Banc of America Leasing) is not obligated to enter into any proposed lease at their discretion. Banc of America Leasing notified the Board Office on August 17, 2007 of a proposed new interest rate structure to replace the terms in the current agreement. Representatives from the Universities, the Board Office, and the Regent's bond counsel and financial advisor, reviewed and discussed the proposal on August 23, 2007.

The group concluded the master lease provider for tax-exempt issues should be identified through a new competitive process. The Board Office plans to issue an RFP in September 2007.