Guidelines on Leasing Space Outside the U.S.

All draft leases should be negotiated and drafted by the Office of General Counsel (OGC). The OGC works with Columbia faculty and departments, as well as external counsel, both in the U.S. and internationally, as appropriate. The following provisions provide an overview of certain key terms as informational background only. Specific terms and conditions will be customized by the OGC as appropriate for the location, legal regime, local practices, and to meet the needs of the project.

Importantly, no lease or license of offices or other facilities outside the U.S. should be signed in the name of Columbia University unless specifically reviewed and approved by the OGC. Leases and licenses for space outside the U.S. typically are entered into by entities licensed to operate in the host country (such as individual Global Centers).

Routine illustrative terms:

1. If the unit's activity is funded through time-limited grants and contracts, it is preferred that the office lease be for a one-year period and be renewable;
2. To the extent possible, the lease should hold the landlord responsible for maintenance and renovations;
3. In areas where electrical power is unreliable, the unit's staff might negotiate to ensure that a generator is included with the office or house;
4. The lease agreement should include a Force Majeure clause, such as:

   "Lessee shall not be responsible for failure to fulfill its obligations under this Lease agreement due to causes beyond its reasonable control, including but not limited to war, sabotage, insurrection, riots, acts of foreign or domestic governments and agencies thereof, accidents, fires, or acts of God, or changes in laws or regulations, which make continuance of this Lease agreement and/or occupancy of the leased premises unsafe or impractical. In the event of force majeure, Lessee shall promptly notify Lessor s of the occurrence of the force majeure. If the circumstances making continuance of this Lease agreement and/or occupancy of the leased premises unsafe or impractical continue for a period of thirty (30) days, Lessee may terminate this Lease agreement immediately upon notice to Lessor, without obligation."

5. In general, a lease should not include a provision under which there is a disclaimer of liability by the landlord for damages or injury suffered due to a defect in the premises or the negligence or wrongdoing of the landlord;
6. Particularly where an international project is funded through U.S. government grants, the lease agreement should have a termination clause that allows for early termination of the lease, without undue penalties. This should include one or the other of the "termination for loss of funds" clauses below:

   Alternative A:

"*Lessor acknowledges that this Lease agreement is funded through Lessee's [Cooperative Agreement with the U.S. Government.] The Lessee's obligations under this Lease agreement are contingent upon the continued availability of funds from the U.S. Government, the agreement of the U.S. funding agency, and the mutual agreement between Lessee and the government of [country].*"

Alternative B:

"In the event of Lessee's loss of funding for the project t, Lessee may terminate this lease on [30] days' written notice, and shall have no obligations for lease payments beyond the effective date of termination. Lessor shall return to Lessee any payments for occupancy beyond the effective date of termination."

If major renovations are required and the landlord is not willing to fund them fully, the unit lead in-country must take several precautionary measures:

1. Assess the cost-effectiveness of the renovations and confirm that the local authorities have sanctioned the use of the premises as an office.
2. Negotiate which portion will be covered by the unit and stipulate in the lease the details of the renovation and cost arrangements.
3. Ensure compliance with U.S. government regulations regarding the use of funding for alterations and construction, which include a requirement to seek prior approval from the funding agency.
4. Review insurance requirements (with Columbia's Risk Management).

Property and Casualty Insurance

Insurance protects the department/schools and the University from all insurable losses which might significantly impact the University's financial condition. In case of leased office space, departments should reach out to **Insurance and Risk Management** (riskmanagement@columbia.edu) to help assess the insurance requirements of new international office spaces. This office has an established relationship with **Marsh**, a global insurance brokerage and risk management firm that is headquartered in New York and has branch offices throughout the world. Marsh was selected to work with Columbia internationally because:

- They are the University's U.S insurance broker and will coordinate local insurance policies with Columbia's global insurance needs. This is important so we do not have a gap in insurance coverage;
- Their local insurance broker is fluent in both the local language and English, which better enables **Insurance and Risk Management** to be able to contribute to the evaluation and selection of the insurance program;
- The on-site insurance broker has the "local knowledge" of that country and is able to incorporate insurance requirements that are particular to that country (i.e. decennial liability insurance for completed operations is required only in France).
- The local insurance broker reviews Columbia's current insurance coverage for programs in that country (if one already exists) and also gathers exposure information for new or existing entities. The type of information gathered includes the following:

    - Description of owned building (and corresponding values), including the type of construction, square footage, fire protection, etc;
    - Description of building contents (and corresponding values), such as equipment, furniture, fixtures, etc;
    - Description of operations including the number of faculty, administration, students, etc.
    - Listing of owned and leased vehicles and other motorized equipment, such as boats.
- The local insurance broker then creates an insurance proposal with the proposed insurance policies. This typically includes property insurance, general liability insurance, employer's liability insurance (required in some countries) and motor vehicle insurance (if the entity has owned or leased vehicles). In addition, they provide a description of each policy, including a listing of key coverage, exclusions and the annual premium.