|  |  |  |
| --- | --- | --- |
| Oklahoma Office of Management and Enterprise Services (OMES) logo |  | Real Estate and Leasing ServicesLease Agreement Instructions |

Real Estate and Leasing Services

2401 N. Lincoln Blvd., Ste. 126, Oklahoma City, OK 73105 – Phone: 405-521-3819

## PURPOSE OF FORM

The standard State of Oklahoma Lease Agreement will be used to document all initial leasing transactions for real property.

## INSTRUCTIONS FOR USE OF THE FORM

1. The agency must send a draft Lease Agreement to REALS for approval prior to obtaining signatures.
2. The standard Lease Agreement form is required for any type of space an agency leases, regardless of the amount of space or annual rate (OAC 260:95-1-7(b)).
3. The use of any other lease form must be preauthorized by the director of REALS.
4. No provisions of the form may be changed nor may nonstandard terms or conditions be added without prior approval by REALS.
5. If a change, addition and/or deletion to the Lease Agreement is authorized by REALS, it must also be initialed by both the lessor and the agency in order to indicate mutual knowledge and acceptance of the terms and conditions.
6. Reference rules: OAC 260:95-1 (all).

## INSTRUCTIONS FOR PREPARATION OF THE FORM

1. A draft lease should be prepared and submitted electronically to REALS for approval.
2. Upon approval, the agency should submit one electronically generated Adobe copy of the lease to the lessor for digital signature or obtain the lessor’s original signature on two hard copies the lease, after which it will be signed by the agency.
3. Each copy of the lease shall be signed by the agency director or designated representative authorized by REALS.

**DATE:**  Enter current date.

**LESSOR:** Enter name of person or company who has legal ownership of the property. A broker or property management company cannot be listed unless the broker or property management company has legal authority to represent the owner on the contract and has legal authority to receive rental payment on behalf of the owner. Written documentation of such delegation of authority shall be provided by the owner and attached to the lease.

**LESSEE:** Enter full name of agency. Do not use a division name or individual employee’s name.

### SECTION 1. PREMISES:

**Room, suite, street address:** Enter complete address, including room or suite number.

**City and ZIP code:** Enter appropriate information.

**Legal description and building:** Enter the name of the building, if applicable. The legal description must be provided. If more space is required, it should be included in Section 14 (Special Terms and Conditions) or as an attachment to the lease.

**Net usable square feet:** The state uses net usable square feet as the standard method of measurement of space in nonstate-owned facilities. It is defined as the area for which the State of Oklahoma will pay a square-foot rate and will be determined as follows:

* 1. If single tenant, computing the inside gross area of the space by measuring from the normal inside finish of the permanent exterior walls, or from the face of the convector (pipes or other wall-hung fixtures) if the convector occupies at least 50% of the length of the exterior walls.

1. If multiple tenant, measuring from the exterior building walls as above (a.) and to the room side finish of the fixed corridor, shaft walls and/or the tenant-separating partitions.
2. In all measurements, make no deductions for columns and projections enclosing the structural elements of the building and deduct the following from the gross area including their enclosing walls:
   1. Toilets and lounges.
   2. Stairwells and bearing partitions.
   3. Elevator and escalator shafts.
   4. Building equipment and service areas.
   5. Entrance and all elevator lobbies.
   6. Stacks and shafts.
3. Common area space accessible to and/or utilized by entities other than the state is not included as net usable square feet.
4. If restrooms are available in a common area of a multiple tenant building, those restrooms within the state’s leased space, which are for the state’s exclusive use, will be included in net usable square feet.
5. When the only accessible restroom facilities are within the state’s leased space, one set of restrooms and its enclosing walls will be deducted.

**Floor plan:** A dimensioned or scaled plan (1/8” = 1’ or 1/4" = 1’) of the space signed and dated by the lessor shall be attached to the lease and identified as **Attachment A**.

1. The square footage should be verified by the agency before preparing the Lease Agreement.
2. The square footage indicated on the floor plan must agree with the figure on the Lease Agreement.
3. If dimensions are indicated on the floor plan, they should be taken from the interior of the perimeter walls and must include the internal wall spaces.
4. A facsimile of a scaled plan will not be acceptable because it distorts the scale.

### SECTION 2. TERM:

1. The initial term cannot exceed one 12-month period; however, it does not have to end the last day of the fiscal period if that would be less than one year.
2. No month-to-month lease periods will be accepted.

### SECTION 3. RENT:

**Sum of:** Enter amount of monthly payment.

**Total of:** Enter amount of total payment for the full lease term. **Note:** If the lease term is less than 12 months, do not indicate a 12-month total.

### SECTION 4. UTILITIES AND SERVICES

1. The lessor must initial all utilities and services that will **not** be provided.
2. The agency should only complete information regarding janitorial if less than five days of service will be provided. The standard number of days per week the lessor will provide janitorial is five. If janitorial services will be provided less than five days per week, the exact number must be indicated (Section 6).
3. Any additional services or utilities the lessor is providing should be included in Section 14, Special Terms and Conditions, or as an attachment to the lease (CAM 289-B).

### SECTION 5. MAINTENANCE, REPAIR, IMPROVEMENTS, EQUIPMENT, SERVICES:

1. Any action on the part of the agency in accordance with Section 5(l) of the lease should be taken only after all other avenues have been expended.
2. Section 5(l) of the Lease Agreement is not intended to remedy normal wear and tear such as paint, carpet or other cosmetic repairs.
3. In the event the agency does take action in accordance with Section 5(l) of the Lease Agreement, then the agency should retain all receipts and invoices for repairs made to the facility and should submit a copy of such to the lessor in a timely manner.
4. Section 5(m) of the Lease Agreement notifies the lessor that the state cannot legally pay for any permanent improvements to privately owned property.

### SECTION 6. JANITORIAL SERVICES:

1. The lessor shall provide the standard cleaning specifications as listed on the Lease Agreement unless it is indicated in Section 4 that janitorial services are not included in the lease rate.
2. If janitorial services are less than five days per week, Items 1-5 shall be adjusted and provided accordingly. **Example:** If janitorial is going to be provided three times per week, then the trash must be emptied three times per week.
3. If the lease rate includes janitorial services, indicate the number of days per week floors will be vacuumed if not daily.

### SECTION 7. LAWS, CODES, ORDINANCES, RULES, REGULATIONS:

1. These codes have been adopted by the State of Oklahoma to ensure all state facilities provide reasonable safety from fire, smoke, panic and related hazards, and ensure a high level of access, health, comfort and well-being for all occupants and the general public.
2. An architectural plan sealed by a licensed architect must be provided if required by current architectural laws for new construction or renovation to the space.
3. An inspector from the State Fire Marshal’s Office must inspect the facility prior to initial occupancy or renovation to existing space, and approve building plans for new construction, for compliance with Life Safety Codes, Fire Prevention Codes, and the National Fire Protection Association standards, and a written report shall be attached to the lease as **Attachment B**. For new construction or substantial renovation, a certificate of occupancy may be substituted for standard inspection by the state fire marshal.
4. Exceptions to this section will be made on an individual basis upon review by REALS for nontypical office space.
5. The facility shall be accessible to the handicapped.
6. The state shall not be responsible for any costs incurred by the lessor for inspections.

### SECTION 8. CASUALTY DAMAGE:

This clause allows the agency to either reduce or withhold lease payments if the space cannot be utilized by the agency because of damages to premises. If the premises are unfit, then the agency may terminate the lease without further obligation.

### SECTION 9. LESSOR’S LIABILITY INSURANCE:

1. The lessor must furnish a current certificate of liability insurance that names as the certificate holder: Office of Management and Enterprise Services, Real Estate and Leasing Services, 2401 N. Lincoln Blvd., Ste. 126, Oklahoma City, Oklahoma 73105.
2. The certificate of insurance shall be **Attachment C** of the lease.
3. If the lessor is another entity of the state, documentation of insurance is not needed.
4. If the lessor is a city, county or federal entity, a statement of self-insurance will be accepted in lieu of a certificate.

### SECTION 10. LESSEE LIABILITY INSURANCE:

The agency should maintain documentation of self-insurance on file at all times. Lessors may require proof the agency’s contents are insured. OMES Risk Management can provide agencies with documentation of self-insurance. If you have any questions, call your Risk Management representative.

### SECTION 11. LESSEE’S PERSONAL PROPERTY:

1. Each agency is responsible for its own contents, e.g., furniture, computers, file cabinets, etc.
2. If the lessor damages the agency’s personal property, equipment or fixtures through building system failures or lessor negligence, the lessor is responsible for the damage and shall replace or reimburse the agency for the damage.

### SECTION 12. TERMINATION:

The standard Lease Agreement permits the agency to terminate the lease with 30-days’ written notification to the lessor. No deviation from this clause can be made without preauthorization from OMES.

### SECTION 13. OPTION TO RENEW:

1. Enter the number of options for which the lessor agrees to renew the lease on the same terms and conditions.
2. It is recommended that the agency attempt to secure at least four additional 12-month periods on the same terms and conditions, if possible.
3. If the lease will be renewed at a different rate from the original rate, Section 13 can be amended to reflect the change or the rate for the renewals can be specified in Section 14.

### SECTION 14. SPECIAL TERMS AND CONDITIONS:

1. Any special terms, conditions, modifications, additions or deletions to the Lease Agreement should be included in this section.
2. If additional space is required to address a specific term or condition, the provisions should be included on an attachment to the lease (CAM 289-B). In this case, the attachment should also be referenced in Section 14. **For example:** “Refer to **Attachment F**.”
3. If remodeling will be necessary before the agency can occupy the space, this should be indicated in Section 14 to ensure it will be done.

Example: “Lessor, at lessor’s sole expense, shall remodel the premises in accordance with Attachment A (floor plan), to include the following: new carpet, cove base and paint throughout the premises, replacement of damaged or stained ceiling tiles, lighting and electrical.”

1. Other examples of items to be included in Special Terms and Conditions would include special options to renew the lease, special parking, the legal description, security issues, etc.

### SECTION 15. SIX-MONTH NOTIFICATION:

The standard Lease Agreement requires the lessor to provide written notification to the user agency if the lease will not be renewed on the same terms and conditions as the Lease Agreement. The notification must be made six months prior to the end of the lease term if the agency has no options to renew the lease.

Failure by the lessor to provide the appropriate notification will result in the automatic renewal of the Lease Agreement at the option of the lessee for an additional 12-month period on the same terms and conditions.

### SECTION 16. SUBLET OR TRANSFER:

1. This section provides the agency the ability to sublet to another state agency as long as the agency remains the primary tenant of the space.
2. If the agency, or the division of an agency, occupying the space is transferred to another state agency, or the division becomes an independent state agency, this clause enables the lease to transfer to the new agency.

### SECTION 17. ASBESTOS:

1. Must obtain written documentation from the Oklahoma Department of Labor certifying that friable asbestos is not present in the space to be leased. The agency should contact the Department of Labor to request the inspection.
2. The documentation shall be identified as **Attachment D** of the lease.
3. If documentation is already on file for a current lease between the lessor and the agency for the same space, it will not be necessary to have the space reinspected.

### SECTION 18. AMERICANS WITH DISABILITIES ACT:

The lessor is responsible for ensuring the space is compliant. Contact your agency’s ADA compliance officer regarding any related questions/information.

### SECTION 19. HEALTH & SAFETY STANDARDS:

The lessor is responsible for ensuring the leased space meets all applicable health and safety standards. If you have concerns or questions about the compliance of the leased space, contact the Oklahoma Department of Labor.

### SECTION 20. CHANGE OF OWNERSHIP:

1. The lessor is responsible for notifying the agency when there is a change in legal ownership of the property.
2. A Notice of Change of Lessor form (CAM 289-F) must be provided to the appropriate parties for signature.
3. Payment cannot be made to the new owner until OMES has approved the Notice of Change of Lessor.

### SECTION 21. OWNERSHIP/FINANCIAL INTEREST:

The lessor shall attest that no person holding an ownership or other financial interest in the property is a current legislator, or ex-legislator whose ownership or financial interest violates any prohibitions of the Oklahoma Constitution.

### SECTION 22. CHOICE OF LAW:

The lease will be governed by the law of the State of Oklahoma.

### SECTION 23. MODIFICATION:

The lease cannot be modified, altered or amended except through the use of an Addendum to the Lease Agreement, which must be authorized by OMES, or through initiation of a new Lease Agreement.

### NOTE:

The lease is not effective or binding until it has been signed by the lessor, lessee and OMES.

### SIGNATURES:

Lessor: Lessor’s signature or signature of the legal authorized agent of owner.

Lessee: Signature and title of agency director or designated representative authorized by REALS.

State of Oklahoma: Signature of the director of OMES or designated representative.

### CERTIFICATE OF NON-COLLUSION AND OWNERSHIP:

This shall be completed by the lessor, signed by the lessor and attached to the Lease Agreement.

### LESSOR INFORMATION:

If the lessor has legally delegated signature authority to an agent, both sections of the Lessor Information shall be completed accordingly, and written documentation from the lessor verifying the agent’s authority shall be attached to the Lease Agreement.

## REQUIRED ATTACHMENTS

* 1. A dimensioned or scaled floor plan (1/8” or 1/4”= 1’) of the space – signed and dated by the lessor (**Attachment A**).
  2. A written statement from the fire marshal documenting the building’s compliance with the applicable codes (**Attachment B**).
  3. Certificate of liability insurance (**Attachment C**).
  4. Asbestos documentation from the state Department of Labor (**Attachment D**).
  5. Purchase order.

The Lease Agreement and required attachments must be submitted to REALS for execution.