



**State of Oklahoma
Office of Management and Enterprise Services
Real Estate and Leasing Services**

Lease Agreement Instructions

Real Estate and Leasing Services Office
2401 N. Lincoln Blvd., Oklahoma City, OK 73105 - Telephone: (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.

INSTRUCTION FOR USE OF THE FORM

1. A draft Lease Agreement must be sent by the agency to Real Estate and Leasing Services 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 Real Estate and Leasing Services.
4. No provisions of the form may be changed nor may nonstandard terms or conditions be added without prior approval by Real Estate and Leasing Services.
5. If a change, addition, and/or deletion to the Lease Agreement is authorized by Real Estate and Leasing Services, 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).

INSTRUCTION FOR PREPARATION OF THE FORM

1. A draft lease should be prepared and submitted electronically to Real Estate and Leasing Services for approval.
2. Upon approval, three (3) computer generated copies should be prepared by the agency and submitted to the Lessor for original signatures, 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 Real Estate and Leasing Services.

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 they have legal authority to represent the owner on the contract and have 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: 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 non-state-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:

- a. 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.
- b. 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 of tenant-separating partitions.
- c. 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
- d. Common-Area Space accessible to and/or utilized by entities other than the state is not included as Net Usable Square Feet.
- e. If rest rooms are available in a common area of a multiple tenant building, those rest rooms within the state's leased space, which are for the state's exclusive use, will be included in Net Usable Square Feet.
- f. When the only accessible rest room facilities are within the state's leased space, one set of rest rooms and their enclosing walls will be deducted.

Floor Plan: A dimensionalized 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."

- a. The square footage should be verified by the agency before preparing the Lease Agreement.
- b. The square footage indicated on the floor plan must agree with the figure on the Lease Agreement.
- c. 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.
- d. A facsimile of a scaled plan will not be acceptable as it distorts the scale.

SECTION 2. TERM:

- a. The initial term cannot exceed one (1) twelve month period; however, it does not have to end the last day of the fiscal period if that would be less than one year.
- b. 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

- a. All utilities and services, which will not be provided must be initialed by the lessor.
- b. 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 that janitorial is to be provided by the Lessor is five (5). If janitorial services will be provided less than five (5) days per week, the exact number must be indicated. (See Section 6)
- c. 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. (DCAM 289-B).

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

- a. 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.
- b. Section 5(l) of the Lease Agreement is not intended to remedy normal wear and tear such as paint, carpet or other cosmetic repairs.
- c. In the event that 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.
- d. 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:

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

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

- a. These codes have been adopted by the State of Oklahoma to ensure that 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.
- b. 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.
- c. 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 Standards, and a written report shall be attached to the Lease as "Attachment B." The required inspection and documentation may be delegated at the discretion of the State Fire Marshal to the City Fire Marshal. For new construction or substantial renovation, a Certificate of Occupancy may be substituted for standard inspection by the State Fire Marshal.
- d. Exceptions to this section will be made on an individual basis upon review by the Real Estate and Leasing Services for non-typical office space.
- e. The facility shall be accessible to the handicapped.
- f. 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:

- a. The Lessor must furnish a current Certificate of Liability Insurance which names as the certificate holder: Office of Management and Enterprise Services, Real Estate and Leasing Services Office, 2401 N. Lincoln Boulevard, Oklahoma City, Oklahoma 73105.
- b. The Certificate of Insurance shall be "Attachment C" of the Lease.
- c. If the Lessor is another entity of the state, documentation of insurance is not needed.
- d. 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 that the agency's contents are insured. The Office of Management and Enterprise Services Risk Management Department can provide agencies with documentation of self insurance. If you have any questions, call your Risk Management representative.

SECTION 11. LESSEE'S PERSONAL PROPERTY:

- a. Each agency is responsible for its own contents, i.e. furniture, computers file cabinets, etc.
- b. 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 the agency to terminate the lease with thirty (30) days written notification to the Lessor. No deviation from this clause can be made without preauthorization from the Office of Management and Enterprise Services.

SECTION 13. OPTION TO RENEW:

- a. Enter the number of options for which the Lessor agrees to renew the Lease on the same terms and conditions.
- b. It is recommended that the agency attempt to secure at least four (4) additional 12-month periods on the same terms and conditions if possible.
- c. 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:

- a. Any special terms, conditions, modifications, additions or deletions to the Lease Agreement should be included in this section.
- b. If additional space is required to address a specific term or condition, the provisions should be included on an Attachment to the Lease (DCAM 289-B). In this case, the attachment should also be referenced in Section 14. For example: "See Attachment F."

- c. If remodeling will be necessary before the agency can occupy the space, this should be included 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."

- d. 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 (6) 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 twelve (12) month period on the same terms and conditions.

SECTION 16. SUBLET OR TRANSFER:

- a. 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.
- b. 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:

- a. Written documentation from the Oklahoma Department of Labor certifying that friable asbestos is not present in the space to be leased must be obtained. The agency should contact the Department of Labor to request the inspection.
- b. The documentation shall be identified as "Attachment D" of the Lease.
- c. 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 re-inspected.

SECTION 18. AMERICANS WITH DISABILITIES ACT:

The Lessor is responsible with ensuring that the space is compliant. Contact your agency's A.D.A. compliance officer regarding any related questions/information.

SECTION 19. HEALTH & SAFETY STANDARDS:

The Lessor is responsible for ensuring that 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. AD VALOREM TAX DOCUMENTATION:

- a. Documentation that the Lessor is current on ad valorem taxes for the property is required. This documentation may be found online in most counties. Certified documentation from the County Treasurer may be obtained by the Lessor to satisfy this requirement. The documentation shall be identified as "Attachment E" of the Lease.

- b. A copy of a canceled check is not acceptable documentation.
- c. Leases initiated between January 1st and April 1st of any year require documentation of only the first half of payment.
- d. Leases initiated after April 1st of any year require documentation of full payment.
- e. Lessors with tax-exempt status must provide documentation of such exemption unless the Lessor is a city, county, state or federal entity.

SECTION 21. CHANGE OF OWNERSHIP:

- a. The Lessor is responsible for notifying the agency when there is a change in legal ownership of the property.
- b. A "Notice of Change of Lessor" form (DCAM 289-F) must be provided to the appropriate parties for signature.
- c. Payment cannot be made to the new owner until the "Notice of Change of Lessor" has been approved by the Office of Management and Enterprise Services.

SECTION 22. OWNERSHIP/FINANCIAL INTEREST:

The Lessor shall attest that no person holding an ownership or other financial interest in the property is a state employee, legislator, or ex-legislator prohibited from leasing space to the state in accordance with OAC 257:20-1-7 through 257:20-1-10, nor violates any prohibitions of the Oklahoma Constitution.

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 the Office of Management and Enterprise Services, 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 the Office of Management and Enterprise Services.

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 Real Estate and Leasing Services.

State of Oklahoma: Signature of the Director or the Office of Management and Enterprise Services 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 dimensionalized 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. Documentation of the Lessor's payment of current ad valorem taxes on the property being leased. (Attachment E)
6. Purchase Order.

The Lease Agreement and required attachments must be submitted to Real Estate and Leasing Services for execution.