**Section 4.4025 Lease Requirements**

a) Length of Leases

1) Maximum Term. Except when a longer term is authorized by law, leases, inclusive of renewals, shall be for a term not to exceed 10 years and shall include a termination option in favor of the State after 5 years. A lease for real property owned by the University of Illinois for use by the University of Illinois at Chicago for an ambulatory surgical center, which may include clinical and retail services, may be for a term not to exceed 30 years when:

A) The lease requires the lessor to make capital improvements of $100,000 or more; and

B) The Board of Trustees of the University of Illinois determines a term of more than 10 years is necessary and in the best interests of the University.

2) *Renewal Option. Leases may include a renewal option. An option to renew may be exercised only when the* CPO-HE *determines in writing that renewal is in the best interest of the State. The* CPO-HE *shall publish a notice of the intent to exercise the option in the Bulletin at least 60 days prior to the exercise of the option*. [30 ILCS 500/40-25(b)] For purposes of this Section, "exercise" means the date of notification to the lessor to renew or extend the lease.

3) *All leases shall include a provision that they are subject to termination and cancellation in any year the General Assembly fails to make an appropriation to make payments under the terms of the lease.* [30 ILCS 500/40-25(c)]

4) Holdover. *No lease may continue on a month-to-month or other holdover basis for a total of more than 6 months* after expiration of the underlying lease*.* [30 ILCS 500/40-25(d)]

b) Lessor's Failure to Make Improvements

*Each lease must provide for actual or liquidated damages upon the lessor's failure to make improvements agreed upon in the lease. The actual or liquidated damages shall consist of a reduction in lease payments equal to the corresponding percentage of the improvement value to the lease value. The actual or liquidated damages shall continue until the lessor complies with the lease and the improvements are certified by the CPO-HE and the leasing* university. [30 ILCS 500/40-55] The penalty amount shall be retained by the university. This does not preclude the university seeking any other available relief, including termination for breach.

c) All leases shall be accompanied by a full written disclosure of the identity of every owner and beneficiary having any interest in the premises being leased.

1)The disclosure shall be subscribed and sworn or otherwise affirmed on oath by an owner, authorized trustee, corporate official, partner, managing agent or other authorized person.

2)The disclosure shall set forth all ownership interests. By way of example, the disclosure should identify the names of the beneficiaries of a land trust in addition to the trustee, the names of all partners whether general or limited in nature, the names of all members or managers of a limited liability company and the names of all shareholders in a corporation who are entitled to receive more than 7½% of the total distributable income of the entity. If the entity is publicly traded and no readily known individual owns more than a 7½% interest, then the requirements of this subsection (c) may be met by an officer or managing agent of the entity making an affirmative statement to this effect under oath.

3)The disclosure shall set forth the identity of any State officer, employee or elected official, or the wife, husband, or minor child of that person having an ownership or beneficial interest under the lease. In the event a person is so set forth, the disclosure shall include a specific designation of the percentage of the total distributable income to that person, together with that of the wife, husband or minor child of the person, is entitled to receive from any firm, partnership, association or corporation that is the lessor.

4)It shall be the responsibility of the lessor to notify the CPO-HE, SPO or designee of any changes in ownership or beneficial interest and to submit updated disclosure statements reflecting the changes within 30 days after the change.

d) Space that is not in compliance with accessibility regulations, or is not capable of being brought in compliance with the installation of minimum essential features of accessibility by the time of occupancy, shall not be considered for use.

1) Each RFI will contain specifications for accessibility. Exceptions to the specifications will be allowed only upon request of the university if legitimate reasons are given and the request is otherwise in compliance with all federal and State laws regarding accessibility. The CPO-HE, SPO or designee may waive certain specifications at his or her discretion in accordance with subsection (d)(2).

2) Exceptions may be based upon one or more of the following criteria:

A) No other suitable location exists within the geographic boundaries required by the operation/program at the site.

B) No funds are appropriated to cover expenses for:

i) Relocation to an accessible site;

ii) Remodeling existing site to achieve accessibility; or

iii) Construction of a new facility.

3) The operations at the site are part of an on-going program that cannot be interrupted or terminated pending relocation, remodeling or new construction.

4) The operations at the site are part of a new program that must be implemented without delay to avoid:

A) Delay or interruption of vital services; and/or

B) Loss of funds associated with the program

5) The operations/programs at the site:

A) Generate a low frequency of public use; and/or

B) Provide a low number of job opportunities.

6) For sites carrying out programs funded in whole or part by federal funds, exceptions will be granted only upon written certification from the university that alternative methods have been established to deliver services to disabled clients and the university will provide necessary structural modification for qualified disabled employees, unless the modification would cause the university to incur undue hardship. This requirement is based on federal law (section 504 of the Rehabilitation Act of 1973 (29 USC 706)) and any federal regulations promulgated in accordance with that Act, including those promulgated by the U.S. Department of Health and Human Services.

(Source: Amended at 43 Ill. Reg. 1781, effective February 15, 2019)