**Section 500.1030 Lease Requirements**

a) Length of Leases

1) Maximum Term. Except where a longer term is authorized by law, leases shall be for a term not to exceed 10 years inclusive of proposed contract renewals and shall include a termination option in favor of the OAG after no more than 5 years.

2) Renewal Option. Leases may include a renewal option. An option to renew may be exercised only when the Procurement Officer determines in writing that renewal is in the best interest of the OAG and notice of the exercise of the option is published in the Auditor General Bulletin at least 60 calendar days prior to the exercise of the option.

3) Holdover. No lease may continue on a month-to-month or other holdover basis for a total of more than 6 months.

b) Sufficiency of Funds

All leases shall recite that they are subject to termination and cancellation as provided in Section 500.800(b).

c) 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 accepted by the leasing State agency.

d) All leases shall be accompanied by a full written disclosure of the identity of every owner or beneficiary having an 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 requirement of this subsection (d)(2) 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 total distributable income that the person, together with that of the wife, husband or minor child of that 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 Procurement Officer of any changes in ownership or beneficial interest and to submit updated disclosure statements reflecting the changes within 30 days after the change.

e) Space that is not in compliance with accessibility regulations, or is not capable of being brought into compliance with the installation of minimum essential features of accessibility by the time of occupancy, shall not be considered for use. Each RFI will contain specifications for accessibility.

(Source: Amended at 39 Ill. Reg. 3561, effective March 1, 2015)