COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

LEASE OF BUILDING

# PARTIES

This contract is between the [DEPARTMENT NAME], a department of the Commonwealth of the Northern Mariana Islands and referred to herein as “the Commonwealth” and as the “Lessee.” [NAME OF BUSINESS LEASING PROPERTY] is referred to in this contract as the “Contractor” and “Lessor.”

Contractor is a [CORPORATION, NON PROFIT CORPORATION, UNIVERSITY, COMMONWEALTH AGENCY, ETC].

[HEAD OF AGENCY NAME] is the Expenditure Authority for [NAME OF AGENCY]. Any reference to the expenditure authority in this contract is a reference to [HEAD OF AGENCY NAME]. The Expenditure Authority may take any action on behalf of the Commonwealth provided for by this contract or by law.

# NOTICE

All notices and communications required by this contract shall be in written form and shall be delivered to the following addresses:

Attn: [NAME OF YOUR DEPARTMENT’S PROCUREMENT OFFICER]

[MAILING ADDRESS]

Division of Procurement Services

Department of Finance

P.O. Box 10007

Saipan, MP 96950

[CONTRACTOR NAME]

[CONTRACTOR MAILING ADDRESS]

# DEFINITIONS

## Appurtenant Areas

Appurtenant Areas are defined as those areas and facilities on the Property that are not located within the Premises, but for which rights are expressly granted under this Lease, or for which rights to use are reasonably necessary or reasonably anticipated with respect to the Commonwealth’s enjoyment of the Premises and express appurtenant rights (such as parking, wareyards, loading docks, aprons, loading ramps and other areas to which the Commonwealth has rights under this Lease).

## Building

Building(s) situated on the Property in which the Premises are located.

## Contract

“Contract” shall mean this Lease.

## Contractor

“Contractor” shall mean Lessor.

## Premises

Defined as the total Office Area and other type of Space, together with all associated common areas, described in this Lease.

## Property

Defined as the land and Buildings in which the Premises are located, including all Appurtenant Areas (e.g., parking areas, wareyards, loading docks, aprons, loading ramps) to which the Commonwealth is granted rights.

## Space

The Space shall refer to that part of the Premises to which the Commonwealth has exclusive use, such as Office Area or other type of Space. Parking areas, wareyards, loading docks, aprons, loading ramps to which the Commonwealth has rights under this Lease are not included in the Space.

# COMMUNICATION

The Lessor shall maintain communications with [NAME OF AGENCY] at all stages of the lease agreement. The Lessor will submit any questions or concerns it may have to the [NAME OF AGENCY] regarding the lease agreement.

# GENERAL PURPOSE

The purpose of this lease agreement is for the Commonwealth to lease real property from the Lessor.

# LOCATION

Lessor hereby leases to the Commonwealth the Premises described herein, being all or a portion of the Property located at [ENTER THE PHYSICAL ADDRESS OR A VERY SPECIFIC DESCRIPTION OF THE LOCATION], together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by the Commonwealth.

# TERM OF THE LEASE

The lease agreement will commence on \_\_\_\_\_, 20\_\_\_. If the contract is not legally effective on that date or the Commonwealth has not accepted the premises on that date, then the lease agreement will become effective when the Commonwealth has issued a notice to proceed and has accepted the Premises.

# EXPRESS APPURTENANT RIGHTS

The Commonwealth shall have exclusive right to the use of appurtenant areas, and shall have the right to post rules and regulations governing conduct on Commonwealth property within such areas. The Commonwealth will coordinate with Lessor to ensure signage is consistent with Lessor’s standards.

Appurtenant to the Premises and included in the Lease are rights to use the following:

## Automobile Parking:

[NUMBER OF PARKING SPACES] parking spaces for passenger vehicles, which shall be marked as reserved for the exclusive use of the Commonwealth. In addition, the Lessor shall provide any additional automobile parking spaces as required by applicable law. The cost of this parking shall be included as part of the rental consideration.

# BUILDING IMPROVEMENTS

Before the Commonwealth accepts the premises, the Lessor shall complete the following additional improvements: [EITHER WRITE “None” or SPECIFY REQUIRED IMPROVEMENTS.]

# WAIVER OF RESTORATION

The Lessor shall have no right to require the Commonwealth to restore the Premises upon termination of the Lease, and waives all claims against the Commonwealth for waste, damages, or restoration arising from or related to (a) the Commonwealth’s normal and customary use of the Premises during the term of the Lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the Premises regardless of whether such alterations are performed by the Lessor or by the Commonwealth. At its sole option, the Commonwealth may abandon property in the Space following expiration of the Lease, in which case the property will become the property of the Lessor and the Commonwealth will be relieved of any liability in connection therewith.

# CHANGE OF OWNERSHIP

## Notice Required

If during the term of the Lease, title to the Property is transferred, the Lease is assigned, or the Lessor changes its legal name, the Lessor and its successor shall notify the Commonwealth within ten days.

## Change of Name Agreement.

The Commonwealth and the Lessor may execute a Change of Name Agreement if the Lessor is changing only its legal name, and the Commonwealth’s and the Lessor’s respective rights and obligations remain unaffected.

## Novation Agreement.

If title to the Property is transferred, or the Lease is assigned, the Commonwealth, the original Lessor (Transferor), and the new owner or assignee (Transferee) shall execute a Novation Agreement providing for the transfer of Transferor’s rights and obligations under the Lease to the Transferee. When executed on behalf of the Commonwealth, a Novation Agreement will be made part of the Lease.

## Additional Information.

The Commonwealth may request information (e.g., copy of the deed, bill of sale, certificate of merger, contract, court decree, articles of incorporation, operation agreement, partnership certificate of good standing, etc.) from the Transferor or Transferee to verify the parties’ representations regarding the transfer, and to determine whether the transfer of the Lease is in the Commonwealth’s interest. The original Lessor shall comply with all reasonable requests for information.

## Commonwealth’s Best Interest

If the Commonwealth determines that recognizing the Transferee as the Lessor will not be in the Commonwealth’s interest, the Transferor shall remain fully liable to the Commonwealth for the Transferee’s performance of obligations under the Lease, notwithstanding the transfer. The Commonwealth’s determination of best interest is final and may not be challenged.

## Condition of Recognition

As a condition for being recognized as the Lessor and entitlement to receiving rent, the Transferee must agree to all of the terms and conditions of this Lease agreement, must be eligible to receive and perform a Commonwealth contract, and must be in compliance with all applicable federal and Commonwealth laws.

## Rent during Transfer

If title to the Property is transferred, or the Lease is assigned, rent shall continue to accrue, subject to the Commonwealth’s rights as provided for in this Lease. However, the Commonwealth’s obligation to pay rent to the Transferee shall be suspended until the Commonwealth has received all information reasonably requested under this section of the Lease and the Commonwealth has determined that recognizing the Transferee as the Lessor is in the Commonwealth’s interest (which determination will be prompt and not unreasonably withheld), and the Transferee has met all required conditions. No interest shall accrue on suspended rent.

## Eminent Domain

If the Commonwealth or the federal government exercises eminent domain over the Property, then this lease agreement will be terminated and neither party will be liable to the other for the remaining contract period.

# WORK PERFORMANCE

All work in performance of this Lease shall be done by skilled workers or mechanics and shall be acceptable to the Commonwealth. The Commonwealth may reject the Lessor’s workers (1) if such are unlicensed, unskilled, or otherwise incompetent, or (2) if such have demonstrated a history of either untimely or otherwise unacceptable performance in connection with work carried out in conjunction with either this contract or other Commonwealth or private contracts.

# MEANS OF EGRESS

The Premises shall meet the applicable building and fire code requirements. The Space shall have unrestrictive access to a minimum of two remote exits on each floor of Commonwealth occupancy. The Lessor shall have a continuing obligation to ensure that the Premises comply with all applicable building and fire code requirements.

Doors shall not be locked in the direction of egress unless equipped with special locking hardware in accordance with requirements of NFPA 101 or the IBC.

# GOOD REPAIR

The Lessor will have a continuing obligation to maintain the Premises, its appliances, air conditioning, and any other device or feature of the Premises in good repair. If the Commonwealth requests a repair, then the Lessor must complete the repair as quickly as possible, but generally in less than ten calendar days. If the Lessor does not complete a repair in a timely manner or the repair must be completed immediately, then the Commonwealth may make the repair and deduct its cost from the rent. Alternatively, the Commonwealth may declare the Lessor in breach of this Lease agreement if the Lessor fails to make a timely repair required by this Lease Agreement.

# ACCESSABILITY

The Lessor will ensure that the Premises and areas serving the leased Space shall be accessible to persons with disabilities in accordance with both federal and Commonwealth law.

# UTILITIES

The Commonwealth will be responsible for all utilities during this Lease agreement. The Lessor must take whatever action is necessary to allow the Commonwealth to receive utility service.

# IDENTITY VERIFICATION OF PERSONNEL

## The Right to Identify Personnel

The Commonwealth reserves the right to verify identities of personnel with routine pre‑occupancy and/or unaccompanied access to Commonwealth space. The Commonwealth reserves the right to conduct background checks on Lessor personnel and contractors with routine access to Commonwealth leased space. The Commonwealth may also require this information for the Lessor’s employees, contractors, or subcontractors who will be engaged to perform alterations or emergency repairs in the Commonwealth’s space.

## Lessor to Provide Information

The Lessor must provide the Commonwealth with any of the requested information or documentation required to properly identify individuals in accordance with this section.

## Background Checks

Based on the information furnished, the Commonwealth may conduct background investigations of the employees. The Commonwealth will advise the Lessor in writing if an employee fails the investigation, and, effective immediately, the employee will no longer be allowed to work or be assigned to work in the Commonwealth’s space.

# LANDSCAPE MAINTENANCE

Landscape maintenance shall be performed by Lessor at not less than a monthly cycle and shall consist of watering, mowing, and policing the area to keep it free of debris. In addition, dead, dying, or damaged plants must be replaced.

# CLEAN AND HEALTHY ENVIRONMENT

The Lessor shall be responsible for ensuring that the Premises is clean, healthy, and can safely be utilized by the Commonwealth and its employees. If the Lessor fails to exercise due diligence, or is otherwise unable to remediate an unclean, unhealthy, or unsafe condition, the Commonwealth may implement corrective actions, as it deems necessary, and deduct its costs from the rent. In the alternative, the Commonwealth may declare the Lessor in breach of the lease agreement and terminate the lease agreement.

# LEASE DOCUMENTS

The Standard Terms and Conditions are part of this Lease agreement and are incorporated as part of the Lease thereof. In addition, the following instruments shown in the table below constitute the lease documents and are incorporated as part of the Lease thereof. If any of the attached documents conflict with this Lease, then the language of this Lease will control.

|  |  |
| --- | --- |
| **EXHIBIT** | **NAME OF DOCUMENT** |
| A | STANDARD TERMS AND CONDITIONS |
|  |  |
|  |  |
|  |  |

# CONSIDERATION AND SCOPE OF WORK

The Lessor shall provide to the Commonwealth, in exchange for the payment of rental and other specified consideration, the following:

### The leasehold interest in the property described herein.

### All costs, expenses, and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses;

### Performance or satisfaction of all other obligations set forth in this Lease; and all services and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

# DURATION OF CONTRACT

The Lessor will begin its performance on [ENTER DATE THAT THE CONTRACT BECOMES EFFECTIVE] or upon receipt of a Notice to Proceed from the Commonwealth.

This contract will remain in effect until [(NUMBER) [NUMBER OF YEARS] after this contract becomes effective.]

#  CONTRACT EXTENSION

[IF YOU DO NOT WANT AN EXTENSION OPTION, THEN DELETE THIS SECTION. REMEMBER, CHANGE ORDERS ARE NOT APPROPRIATE FOR EXTENSION UNDER MOST CIRCUMSTANCES, SO KEEP THIS SECTION IF THERE IS ANY CHANCE THAT YOU WILL WANT AN EXTENSION.]. [USE THIS IF YOU WANT AN EXTENSION OPTION: The Commonwealth may extend the term of this contract by written notice to the Contractor 30 days before the contract expires. This extension provision may be exercised more than once, but the total extension of performance may not exceed six months. If the Commonwealth exercises its option to extend this contract, then the contract will continue without any change in the terms and conditions of this contract.]

# LESSOR’S RIGHT OF ENTRY

The Lessor will have the right to enter the Premises to perform its duties under this Lease agreement. The Lessor must provide the Lessee with 72 hours notice prior to entering the premises.

# PAYMENT OF RENT

### The Lessor will invoice the Commonwealth and will be paid according to the following schedule:

|  |  |  |
| --- | --- | --- |
| **DATE THE COMMONWEALTH RECEIVES INVOICE** | **INVOICE AMOUNT** | **PAYMENT DUE DATE** |
| [Example: 1/1/16] | [Example: $500] | [Example: 4/1/16] |
| [Example: 2/1/16] | [Example: $500] | [Example: 5/1/16] |
|  |  |  |
|  |  |  |

### If the notice to proceed or the acceptance of the premises occurs after a date identified in the above-schedule, then the Contractor will invoice the Commonwealth on the next date identified in the above‑schedule. Thereafter, invoices will be issued in accordance with the above-schedule and will continue to be issued until the contract is completed.

### If the Contractor fails to invoice the Commonwealth according to the above schedule, then the Commonwealth, at its sole discretion, may refuse to pay the untimely invoice. If the Commonwealth exercises its right to refuse payment under this subsection, neither party will be relieved of its obligation to perform under this contract.

# GUN FREE ZONE

The Lessor understands and agrees that the Property will be classified as Gun Free Zone as defined by Commonwealth law. The Lessor will be subject to the Gun Free Zone in the same manner and to the same extent as any other citizen of the Commonwealth.

# DISASTER

In the event the Property is destroyed or injured by fire, earthquake or other casualty so as to render the premises unfit for occupancy, and the Lessor neglects or refuses to restore said premises to their former condition, then the Commonwealth may terminate this Lease and shall be reimbursed for any unearned rent that has been paid. In the event said premises are partially destroyed by any of the aforesaid means, the rent herein agreed to be paid shall be abated from the time of occurrence of such destruction or injury until the premises are again restored to their former condition, and any rent paid by the Commonwealth during the period of abatement shall be credited upon the next installment(s) of rent to be paid. It is understood that the terms “abated” and “abatement” mean a pro rata reduction of area unsuitable for occupancy due to casualty loss in relation to the total rented area.

# SIGNATURE REQUIREMENTS

No Contract can be formed prior to the approval of all required signatories, as evidenced by the signature affixed below of each of them, made in the order listed. The Contract shall become effective upon certification of contract completion by the Director of Procurement Services.

# ADJUSTMENTS OF TIME FOR PERFORMANCE

The Expenditure Authority may grant the Contractor up to thirty additional days to complete the delivery of the services required by this contract. A grant of additional time will only be effective if it is placed in writing and signed by the Expenditure Authority.

The Contractor may grant the Commonwealth additional time, as necessary, to complete the payment for the services. A grant of additional time will only be effective if it is placed in writing and signed by an agent of the Contractor.

# SIGNATURES

### Expenditure Authority

I declare that I have complied with the Commonwealth procurement regulations; that this contract is for a public purpose; and that the contract does not waste or abuse public funds. I declare that I, personally, have the authority to obligate the expenditure of funds for this contract. I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed this day in the Commonwealth of the Northern Mariana Islands.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[EXPENDITURE AUTHORITY NAME] Date:

Expenditure Authority

### Procurement Services

I hereby certify that to the best of my information and belief this contract is in compliance with the CNMI Procurement Regulations, is for a public purpose, the contractor is a responsible contractor, and the contract does not waste or abuse public funds.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Brien S. Nicholas Jr. Date

Acting Director of Procurement Services

### Secretary of Finance

I hereby certify that the funds identified below are available and have been committed for funding of this Contract:

Account: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Amount: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Tracy B. Norita Date

Secretary of the Department of Finance

### Attorney General

I hereby certify that this contract has been numbered, review and approved as to form and legal capacity.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Edward Manibusan Date

Attorney General

### Governor

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Arnold I. Palacios Date

Governor

### Contractor – [NAME OF CONTRACTOR]:

On behalf of the Contractor, I represent that I am authorized to bind the Contractor to the terms of this Contract, and by my signature I do hereby accept and bind the Contractor to the terms of this Contract. I further represent for the Contractor that no person associated with the Contractor has retained any person in violation of the Commonwealth Procurement Regulations.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

PRINTED NAME OF SIGNING AUTHORITY TITLE

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

SIGNATURE OF SIGNING AUTHORITY Date

### CERTIFICATION OF CONTRACT COMPLETION

I hereby certify that this contract bears all signatures and is therefore complete.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Brien S. Nicholas Jr. Date

Acting Director of Procurement Services

# END OF CONTRACT DOCUMENT

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Procurement Information

(For Commonwealth purposes only)

Method of Procurement (Check one only)

 Competitive Sealed Bids

 Competitive Sealed Proposal

 Small Purchase

 Sole Source

 Emergency

 Expedited

Type of Procurement (Check one only)

 Initial procurement

 Subsequent procurement –

 Following Bid Protest

 Commonwealth’s Option

 Replacement for Defaulted Contractor

Commonwealth contract numbers of all related contracts with the Vendor:

Insert Contract Numbers, or NONE

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**