

Real Estate Asset Management Lease Procurement Methods Policy & Procedures

Effective: Upon approval of the State Building Commission (“SBC”) on _____
Prepared by: Real Estate Asset Management (“STREAM”), Tennessee Department of General Services (“DGS”)

Purpose

With respect to leases for real property, to establish a policy and procedure in accordance with State Building Commission By-laws, Policy and Procedure (“SBC Policy”) Item 7 that ensures equity, transparency and the maximum amount of competition to determine what type of evaluation method should be used by STREAM to evaluate responses to a Request for Proposal (“RFP”) procurement for leased space.

Scope

These policies and procedures apply to all lease procurements, awards and amendments to such awarded lease when the solicitation and award are conducted by STREAM pursuant to SBC Policy.

Definitions

For purposes of this policy, the following terms shall have the meanings described below:

“Annual Cash Flow”- means the sum for each year of the Lease Term of the total expense anticipated to be paid by the State for the leased premises.

“Average Annual Effective Cost”- means the product of a fraction whose numerator is the Total Annual Cash Flows and whose denominator is the total term of the proposed lease.

“Best Evaluated Proposer”- means the Proposer whose proposal, under the terms of the RFP, is determined by the State to be best.

“Broker”- means the person or entity engaged by contract with the State to (i) assist with preparation of the RFP, (ii) assist the State with analysis of lease procurements and proposals, and (iii) to engage in Discussions with Proposers at the direction of the State.

“Comparable Information”- means information that is of equivalent value, as determined by STREAM, which will be relayed to Proposers on the applicable Short List during Negotiations. For example, based on a Market Survey, STREAM believes that (i) the proposal submitted by proposer A includes a rental rate that is above market, but includes allowances that are at market; and (ii) the proposal submitted by proposer B includes a rental rate that is at market, but does not include market level allowances. STREAM may engage in detailed Negotiations with proposer A to reduce the rental rate and proposer B to increase the allowances without further discussions of the portions of the proposal that STREAM believes, based on knowledge of the market, are unlikely to be improved upon. Because the net effect of these Negotiations is to encourage each of the Proposers to improve their proposals in a manner that is most likely to cause the analysis of said proposal to be improved, it is not necessary that STREAM Negotiate with each Proposer on every term in the proposals or on the same terms which STREAM Negotiates with other Proposers.

“Complex Lease”- means a Lease determined, in writing with justification, by the DGS Commissioner to be a Complex Lease. In making a determination that a proposed lease will be a Complex Lease, the DGS Commissioner shall determine that at least one of the following is satisfied:

- Desired lease term is greater than five (5) years;
- The State’s need is for a large square footage (more than 10,000 square feet);
- Tenant Improvements that will likely cost more than \$10 per rentable square foot will be needed; or
- The agency has special or unique requirements (such as, by way of example, but not limitation, data center, hearing rooms, conference facilities or location).

“DGS Commissioner” – means the Commissioner of the Department of General Services or such Commissioner’s designee.

“Discount Rate” – means a rate determined monthly which is equal to the relevant five (5), seven (7), ten (10), or twenty (20) year Treasury Yield at Constant Maturity (Nominal) rate posted on the first business day of the month in the Federal Reserve release H.15. Selected Interest Rates for the previous month in which the RFP is issued plus a basis point spread. For lease terms other than those available for Treasury Yield terms, the rate shall be as interpolated between the two relevant available terms. The basis point spread shall be set on an bi-annual basis each April and October for five (5), ten (10), and twenty (20) year terms in consultation with the Comptroller of the Treasury, Office of State and Local Finance and its financial advisors.

“Discussions” means communications (verbal and written) between the Broker and a Proposer which may involve the authorized representative of a Proposer, regarding terms and/or conditions in a proposal received from a Proposer in response to the RFP or in response to a request for alternative terms from the State.

“Lease”- means an agreement between the State and a third party regarding the use and occupancy of real property that has been approved by all required entities.

“Lease Term”- means the term of the lease desired by STREAM that will be used for the purposes of evaluating the proposals received in response to a specific RFP. The Lease Term shall be consistent for all proposals and consistent with the terms set forth in the RFP or requested from all Proposers.

“Market Survey”- means an analysis of existing and available real properties, including their features and amenities, that might be available for lease to the State based on the space needs requirements of the State. A Market Survey will typically include, where possible, a description of the quality of each property surveyed, as well as, the rental rates and other economic terms on which a lease may be based, and an analysis of the market forces in the area which could have an impact on such economic terms. The Market Survey should be as inclusive as possible, covering as many properties or type of properties that may be options to meet the State’s needs. The purpose of the Market Survey is for the State to determine whether competition exists for the space needs requirement of State.

“Negotiations”- means all communications, clarifications and negotiations with Proposers, including, without limitation, Discussions, regarding terms and/or conditions of proposed lease with the State.

“Net Present Value”- means sum of the result of discounting the Total Annual Cash Flows to the first date of the Lease Term at the Discount Rate.

“Operating Expenses”- means the sum of all reasonable expenses, costs, and disbursements of every kind and nature which the landlord shall pay or become obligated to pay in connection with the ownership, operation, and maintenance of the leased premises or larger tract on which the leased premises are located, subject to any exclusions or conditions set forth in the Lease.

“Proposal Analysis”- means an analysis to measure the value to the State of each individual proposal in response to the RFP. A Proposal Analysis will include an analysis, pursuant to the terms of the RFP, of the economic cost to the State of each proposal; the qualitative value of each proposal as measured by the qualitative factors, if any, included in the RFP; and the risk to the State posed by the terms of each proposal. The result of a Proposal Analysis will be a ranking of the proposals in order of the best evaluated. A Proposal Analysis will be completed at the end of each round of Negotiations.

“Portfolio Analysis”- means a review of the portfolio of real property leased or owned by the State and SARs received by STREAM to determine if there is existing space in the State’s portfolio of real property leased or owned that could satisfy the needs of the User Agency or, if the needs of the User Agency are analogous or complementary to the needs of another User Agency, whether the needs of the two User Agencies could be combined into one RFP.

“Proposer”- includes a “respondent” or “proposer” that is a legal entity that has properly registered as required by the State. The terms “respondent” and “proposer” may be used interchangeably for the term “proposer”.

“Qualitative Factors”- means those factors set forth in the RFP that will be considered and evaluated by a lease evaluation team as part of the evaluation of responses to a RFP for a Complex Lease, which factors shall be based on the space needs analysis for the required space and a Market Survey.

“Responsible” – with respect to a Proposer means a person or entity which has the capacity in all material respects to perform fully the Lease requirements, and the integrity and reliability that will assure good faith performance.

“Responsive” – with respect to a Proposer means a person or entity which has submitted a proposal, which conforms in all material respects, to the RFP.

“RFP Coordinator”- means the State employee specified in the RFP as being the primary person responsible for handling the RFP.

“Revised Statement of Procurement Goal”- means the written document approved by the STREAM Director and prepared after completion of the Market Survey and prior to issuance of the RFP which sets forth the desired terms on which the State would like to enter into a Lease. The Revised Statement of Procurement Goal will be based on the Statement of Procurement Goal, but will include revisions to terms in the Statement of Procurement Goal based on the results of the Market Survey.

“SAR”- means the “Space Action Request” form prepared by the User Agency and submitted to STREAM.

“SNA”- means the “Space Needs Analysis” form prepared by STREAM after review of the SAR.

“Short List”- means the written list of Responsive and Responsible Proposers prepared by the STREAM Director pursuant to the Short List Criteria after completion of (i) the Statement of Negotiation Goal and (ii) each Proposal Analysis. Negotiations will only be held with Proposers on the applicable Short List. The initial Short List shall not be developed until the State has finalized the Statement of Negotiation Goal.

“Short List Criteria”- means no more than the five (5) highest evaluated Responsive and Responsible Proposers having an evaluation score that is within 20% of the highest evaluated Responsive and Responsible Proposer, which shall be included in the RFP.

“Standard Lease”- means all leases that are not Complex Leases. Standard Leases will not utilize Qualitative Factors.

“State”- means the State of Tennessee and its agencies, boards, institutions, and commissions that are supported by the authority granted to STREAM to centrally manage leases.

“Statement of Procurement Goal”- means the written document created in consultation with the User Agency and approved by the STREAM Director of Leasing and prepared prior to the Market Survey which sets forth the desired terms on which the State would like to enter into a lease. The Statement of Procurement Goal will include, at a minimum, desired term length, desired amenities and finishes, desired termination options, desired base rental rate, a statement of whether the space need was identified by STREAM or the User Agency, and any other terms specifically requested by the User Agency and determined by STREAM in the SNA to be appropriate.

“Statement of Negotiation Goal”- means the written document approved by the STREAM Director of Leasing and prepared after issuance of the initial Proposal Analysis and initial round of Negotiations, if necessary, which sets forth the desired terms on which the State would like to enter into a lease. The Statement of Negotiation Goal will be based on the Revised Statement of Procurement Goal, but will include revisions to terms in the Revised Statement of Procurement Goal based on the initial Proposal Analysis and initial round of Negotiations, if necessary.

“STREAM Director” – means either the STREAM Director of Portfolio Management or the STREAM Director of Leasing.

“Tenant Improvements”- means alterations, improvements or other changes to the premises to be leased to put said premises in the condition required by the State for its intended use, such as, construction of hard walled offices and storage room, installation of cubicles, painting, changes in the flooring materials, etc.

“Total Annual Cash Flows”- means the sum of the Annual Cash Flows for each year of the Lease Term.

“User Agency”- means the State agency, board, institution or commission for which the leased space is being procured.

“User Agency POC”- means the person designated by the head of the User Agency as the point of contact for all matters related to space needs of the User Agency.

Policy and Procedure –Procurement Process

Framework

This Policy and Procedure shall act as a framework for establishing a consistent, reasonable process for determining the appropriate method of RFP lease procurement in accordance with State Building Commission By-laws, Policy and Procedure Item 7.

All parties involved in the procurement, agreement preparation or administration of leases for STREAM shall act in good faith. All individuals involved with the development of the RFP, proposal reviews, analysis, Negotiations, recommendation for award or any other portion of the procurement process shall complete a disclosure of conflicts of interest and statement of understanding of non-disclosure of information during the procurement process and until file is open for public inspection.

Preparation of the RFP

The RFP shall be prepared based on the Statement of Procurement Goal and any revisions thereto after completion of the following steps in the order listed:

1. For a request for assistance for a new space need, receipt of a SAR from the User Agency POC;
---OR---
For a request for assistance for a space need where the current lease is nearing expiration, receipt of a SAR from the User Agency POC that was submitted in response to a notification from STREAM that the current lease is nearing expiration. Such expiration notice shall be sent out by STREAM at least six months prior to the expiration of the current lease.
2. Evaluation by STREAM of the SAR and preparation by STREAM of the SNA.
3. Preparation by STREAM of the Statement of Procurement Goal.
4. Submission of the Statement of Procurement Goal to the User Agency POC with a request for approval of the Statement of Procurement Goal by the User Agency within 10 days. If the User Agency responds during the 10 day period with requests for revisions or clarifications to the Statement of Procurement Goal, then STREAM and the User Agency shall meet or otherwise communicate to revise the Statement of Procurement Goal so that it can be approved by the User Agency. If the User Agency fails to respond within the 10 day period, STREAM shall report such failure to the SBC.

5. Completion of a Portfolio Analysis. If the Portfolio Analysis determines that the User Agency's need can be met in existing space, then STREAM shall coordinate with the User Agency to implement such a solution. If the Portfolio Analysis determines that the User Agency's need cannot be met in existing space or that the User Agency's need can be combined with the need of another User Agency, then STREAM shall proceed forward under this policy.
6. Completion of a Market Survey. The Market Survey should confirm that there are multiple properties capable of meeting the requirements of the Statement of Procurement Goal. If the Market Survey does not confirm that there are at least two (2) properties that will meet the requirements of the Statement of Procurement Goal, then (i) the Statement of Procurement Goal will need to be modified in such a manner that the original Market Survey or a subsequent Market Survey confirms that there are multiple properties capable of meeting the requirements of the Statement of Procurement Goal, or (ii) STREAM shall seek the approval of the SBC to advertise for a lease that may not have the desired level of competition.
7. Preparation of the Revised Statement of Procurement Goal.
8. If there are differences between the Statement of Procurement Goal and the Revised Statement of Procurement Goal, submission of the Revised Statement of Procurement Goal to the User Agency POC with a request for approval of the Revised Statement of Procurement Goal by the User Agency within ten days. If the User Agency POC responds during the ten day period with requests for revisions or clarifications to the Revised Statement of Procurement Goal, then STREAM and the User Agency shall meet or otherwise communicate to revise the Revised Statement of Procurement Goal so that it can be approved by the User Agency. If the User Agency fails to respond within the 10 day period, STREAM shall report such failure to the SBC.
9. If there are no differences between the Statement of Procurement Goal and the Revised Statement of Procurement Goal or once the Revised Statement of Procurement Goal has been approved by the User Agency POC, then the User Agency POC shall be notified that STREAM will promptly commence the preparation of the RFP based on the Revised Statement of Procurement Goal, a copy of which shall be included in the notification.
10. The DGS Commissioner shall determine whether the Lease will be a Standard Lease or a Complex Lease. RFPs for Standard Leases shall be issued substantially in the form of the Standard (Cost Only) Lease RFP Template (see attachment A). RFPs for Complex Leases shall be issued substantially in the form of the Qualitative Lease RFP Template (see attachment B).
11. The RFP shall be drafted to encourage proposals that satisfy the Revised Statement of Procurement Goal.

Evaluations of Standard Lease RFP Responses

Responses to Standard Lease RFPs shall be evaluated according to the process and evaluation factors detailed in the RFP. The RFP shall specify the basis for the cost proposal evaluation as Average Annual Effective Cost or Net Present Value. STREAM shall only use the Average Annual Effective Cost evaluation method for leases with terms of eighteen (18) months or less, unless the DGS Commissioner determines in writing that the Average Annual Effective Cost evaluation method should be used for a longer term lease. Such written determination from the DGS Commissioner shall specify the rationale for such a determination.

RFP Transaction No. _____

Evaluations of Complex Lease RFP Responses

Responses to Complex Lease RFPs shall be evaluated according to the process and evaluation factors detailed in the RFP and may utilize the services of a Broker when it is determined by the DGS Commissioner to be in the best interest of the State.

Clarifications and Corrections

It is in the best interest of the State to have as much competition as possible. Immaterial defects in a RFP response may be waived, provided such defects are not of a type that will give one Proposer an unfair advantage over other Proposers, as determined by the RFP Coordinator. Additionally, Proposers may be permitted to clarify any ambiguities in their RFP responses upon request by the RFP Coordinator. In the event that an evaluation team member identifies a suspected mistake in the RFP response, the RFP Coordinator may, if practicable, notify the Proposer of such suspected mistake and allow the Proposer to correct such mistake, so long as it is determined by a majority of the evaluation team members and documented in writing by the RFP Coordinator that such correction does not give the Proposer an unfair advantage over other Proposers.

Lease Recommendation and Award Process

Upon completion of the evaluation and any Negotiations, responses will be ranked according to the total score assigned to each, in descending order. The respondent recommended for award typically should be the Best Evaluated Proposer. The RFP Coordinator, with respect to a Standard Lease RFP or the evaluation committee, with respect to a Complex Lease RFP, should send a recommendation for award, together with all working documentation, to the DGS Commissioner. The recommendation should be reduced to writing and include the reasons for selecting the respondent and should include any complete score sheets or pricing matrixes used in the award. Upon his or her determination, the DGS Commissioner shall issue to all Proposers a notice of intent to award the lease to the Proposer selected in accordance with this policy and procedure. If the DGS Commissioner intends to award the Lease to a Proposer who is not the Best Evaluated Proposer, justification for a determination by the DGS Commissioner to award the lease to a Proposer other than the Best Evaluated Proposer must be provided in writing, and may be based upon one or more of the following:

- The Best Evaluated Proposer proposes a location that the User Agency which will be the primary tenant determines is unacceptable to it, as expressed in writing and signed by the commissioner or head of the User Agency;
- STREAM determines that the quality of the site or building proposed by the Best Evaluated Proposer is not in the best interests of the State;
- Documented evidence of poor past performance by the Best Evaluated Proposer as a landlord to the State; or
- Based on a totality of the above and other considerations, an award to another respondent is in the best interests of the State.

The procurement file shall be open for public inspection after issuance of the notice of intent to award the lease is issued by the DGS Commissioner.

Procurement File

A procurement file shall be maintained for every RFP for leased space. Such file shall include, at a minimum, the following documentation, if applicable:

RFP Transaction No. _____

- A copy of the RFP and any amendments or clarifications thereof;
- Any Conflict of Interest Disclosure documentation;
- Any evaluator attestations;
- A list of all vendors solicited to participate in the procurement;
- A copy of each evaluated response;
- A copy of each evaluation sheet;
- A copy of any clarifications sent to respondents;
- A copy of negotiation documentation as specified in STREAM's Lease Communications and Negotiations Policy;
- A copy of all correspondence between the vendor and the State regarding clarifications or Negotiations;
- A copy of any cost proposal analysis performed during the procurement;
- Any completed Proposal Score Summary Matrix;
- A copy of all technical scores;
- A copy of all cost scores;
- The Evaluation Notice/File Open for Inspection letter;
- A copy of the protest procedures and the exact dollar amount of the Protest Bond;
- Documentation of any decision to determine a response bypassed or non-responsive;
- Any correspondence or documentation detailing the evaluation process, clarifications, and negotiations; and
- A copy of any pre-proposal conference and site-visit sign-in sheets.

REQUEST FOR PROPOSALS

Office Space

Located in:

_____, _____ County, Tennessee

RFP TRANSACTION NUMBER:



STATE OF TENNESSEE
Department of General Services

RFP CONTENTS

SECTIONS:

1. INTRODUCTION
2. RFP SCHEDULE OF EVENTS
3. PROPOSAL REQUIREMENTS
4. GENERAL CONTRACTING INFORMATION & REQUIREMENTS
5. PROPOSAL EVALUATION & LEASE AWARD

ATTACHMENTS:

- 6.1.1. Proposal Package Cover Sheet
- 6.1.2. Proposal Statement of Certifications & Assurances
- 6.2. Mandatory Requirements Proposal
- 6.3. Cost Proposal ---Sections A & B
- 6.4. Landlord Delivery Requirements
- 6.5. Standard Form of Lease including Exhibits A through G

Release Date: _____, 20____

1. INTRODUCTION

1.1. Statement of Procurement Purpose

The State of Tennessee, Department of General Services, hereinafter referred to as the "State" or "Tenant," has issued this Request for Proposals ("RFP") to define the State's leasing requirements; solicit proposals; detail proposal requirements; and outline the State's process for evaluating proposals and selecting office space to be leased in the location specified in this RFP.

Through this RFP, the State seeks to procure the leased space that best fits the State's needs at the most favorable, competitive rental rates and to give ALL qualified proposers (each individually, a "Proposer" and collectively, the "Proposers") including those that are (or are owned by) minorities, women, Tennessee service-disabled veterans, and small business enterprises, opportunity to do business with the State as lessor.

1.2. Scope of Lease, Lease Term, and Terms & Conditions

The State has a need for office space and hereby invites proposals for lease in accordance with the requirements and conditions contained in this RFP.

1.2.1. LOCATION

Within _____ County, Tennessee and within the following boundaries:

1.2.2. SPACE REQUIREMENT

The initial space requirement is approximately <<USF>> contiguous useable square feet. The State intends "contiguous" to mean space that is adjacent including floors below or above. The actual square footage will be determined by programming and space planning. Proposals with square footages having a 15% deviation (up or down) will be considered.

All measurements, which Tenant will require the specific right to independently verify, must be computed in accordance with the American National Standard method of measuring floor area in office buildings of the Building Owners and Managers Association International (ANSI/BOMA Z65.1-2010).

1.2.3. PARKING REQUIREMENT

RFP Transaction No. _____

Tenant desires to have safe, convenient and accessible, covered parking. Tenant will require, as a minimum, ___ spaces per 1,000 rentable square feet. Included in this ratio should be a minimum of ___ reserved, assigned spaces. The parking provided shall include handicap parking to meet the relevant code requirements and the parking spaces provided to the State shall include a pro rata share of handicap parking if the parking lot serving the State's premises contains more spaces than those required by the State and such lot is utilized by others.

1.2.4. INITIAL TERM

Tenant requests the Landlord propose a _____ () year lease term, or a _____ () year lease term, or both a _____ () and a _____ () year lease term.

1.2.5. TERM COMMENCEMENT

Tenant requires that the leased space be made available to the Tenant in the condition required by this RFP on _____. The Lease Term will commence on the latter of <<Comm Date>> or thirty (30) days after substantial completion of the Tenant Improvements occurs and a certificate of occupancy for the Premises is issued as long as the substantial completion date occurs on or before the date set forth in the schedule of events in Section 2.1 of the RFP.

1.2.6. TERMS AND CONDITIONS

The RFP Attachment 6.5., Standard Form of Lease including Exhibits A-G details the State's desired terms and conditions and substantially represents the lease that the successful Proposer must sign. In order to submit a Proposal on the State's desired Terms and Conditions, the cost proposal response in RFP Attachment Section 6.3., Cost Proposal, must be filled out in its entirety and exactly as requested. However, the State is willing to consider alternative terms and conditions to those set forth in the Standard Form of Lease including Exhibits A-G (RFP Attachment 6.5.). Any proposed alterations on which the Proposer is basing an alternative proposal, shall be identified as a red-line document of the RFP Attachment 6.5., Standard Form of Lease including Exhibits A-G, in conjunction with a corresponding red-line document of the cost proposal response in RFP Attachment Section 6.3., Cost Proposal. While the State is willing to consider alternative terms and conditions, the State has no obligation to consider or to agree to any proposed alterations. Proposers may suggest Proposed Alternative Terms, such as variations on the following items (this list is intended to be representative and not exhaustive):

- Lease term
- Termination Options and terms related thereto
- Allowances for the build out of the leased space and any conditions applicable to such allowance, if any
- Operating Expenses.

See Section 3.1.2. for instructions on how to submit Proposed Alternative Terms.

1.3. Nondiscrimination

No person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of a lease pursuant to this RFP or in the employment practices of the lessor under such lease, on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The successful Proposer pursuant to this RFP shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

1.4. RFP Communications

1.4.1. The State has assigned the following RFP identification number that must be referenced in all communications regarding this RFP:

RFP TRANSACTION NUMBER _____

1.4.2. Unauthorized contact about this RFP with employees, officials, or consultants of the State of Tennessee except as detailed below may result in disqualification from consideration under this procurement process.

1.4.2.1. Potential Proposers must direct communications relating to this RFP to the following person designated as the RFP Coordinator during the proposal process:

[to be completed by RFP Coordinator]

Department of General Services

c/o _____

William R. Snodgrass Tennessee Tower, _____ Floor

312 Rosa L. Parks Avenue

Nashville, TN 37243

Phone: _____

Email: _____

1.4.2.2. Intentionally Deleted.

1.4.2.3. Notwithstanding the foregoing, potential proposers may contact:

RFP Transaction No. _____

- a. staff of the Governor’s Office of Diversity Business Enterprise for assistance available to minority-owned, women-owned, and small businesses as well as general, public information relating to this RFP; and

- b. the following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and associated federal regulations:

[to be completed by RFP Coordinator]

c/o _____

Phone: _____
Email: _____

- 1.4.3. Only the State’s official, written responses and communications will be binding with regard to this RFP. All oral communications of any type will be unofficial and non-binding.

- 1.4.4. Proposers must ensure that the State receives all written comments, including questions and requests for clarification, no later than the Written Questions and Comments Deadline detailed in the RFP Section 2, Schedule of Events.

- 1.4.5. Proposers must assume the risk of the method of dispatching any communication or proposal to the State. The State assumes no responsibility for delays or delivery failures resulting from the method of dispatch. Actual or digital “postmarking” of a communication or proposal to the State by a specified deadline date will not substitute for the State’s actual receipt of a communication or proposal.

- 1.4.6. The State will convey all official responses and communications related to this RFP to the potential Proposers from whom the State has received a Notice of Intent to Propose (RFP Section 1.8).

- 1.4.7. The State reserves the right to determine, at its sole discretion, the method of conveying official, written responses and communications related to this RFP. Such written communications may be transmitted by mail, hand-delivery, facsimile, electronic mail, Internet posting, or any other means deemed reasonable by the State.
- 1.4.8. The State reserves the right to determine, at its sole discretion, the appropriate and adequate responses to written comments, questions, and requests related to this RFP. The State's official, written responses will constitute an amendment of this RFP.
- 1.4.9. Any data or factual information provided by the State (in this RFP, an RFP amendment or any other communication relating to this RFP) is for informational purposes only. The State will make reasonable efforts to ensure the accuracy of such data or information; however it is within the discretion of Proposers to independently verify any information before relying thereon.

1.5. Assistance to Proposers With a Handicap or Disability

Potential proposers with a handicap or disability may receive accommodation relating to the communication of this RFP and participating in the RFP process. Potential proposers may contact the RFP Coordinator to request such reasonable accommodation no later than the Disability Accommodation Request Deadline detailed in the RFP Section 2, Schedule of Events.

1.6. Proposer Required Review & Waiver of Objections

- 1.6.1. Each Proposer must carefully review this RFP, including but not limited to, attachments, the RFP Attachment 6.5., Standard Form of Lease including Exhibits A-G, and any amendments, for questions, comments, defects, objections, or any other matter requiring clarification or correction (collectively, "Questions and Comments").
- 1.6.2. Any Proposer having Questions and Comments concerning this RFP must provide such in writing to the State no later than the Written Questions and Comments Deadline detailed in the RFP Section 2, Schedule of Events.

1.6.3. Protests based on any objection shall be considered waived and invalid if the objection has not been brought to the attention of the State, in writing, by the Written Questions and Comments Deadline.

1.7. **Intentionally Deleted**

1.8. **Notice of Intent to Propose**

Before the Notice of Intent to Propose Deadline detailed in the RFP Section 2, Schedule of Events, potential proposers are requested to submit to the RFP Coordinator a Notice of Intent to Propose (in the form of a simple e-mail or other written communication). Such notice should include the following information:

- the business or individual's name (as appropriate)
- a contact person's name and title
- the contact person's mailing address, telephone number, facsimile number, and e-mail address

A Notice of Intent to Propose creates no obligation and is not a prerequisite for making a proposal, however, it is necessary to ensure receipt of any RFP amendments or other notices and communications relating to this RFP.

1.9. **Proposal Deadline**

A Proposer must ensure that the State receives a proposal no later than the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events. The proposal must respond, as required, to this RFP (including its attachments), as may be amended. The State will not accept late proposals, and a Proposer's failure to submit a proposal before the deadline will result in disqualification of the proposal.

2. SCHEDULE OF EVENTS

2.1. RFP Schedule of Events

EVENT	TIME (central time zone)	DATE (all dates are state business days)
1. RFP Advertised		Day 0
2. Disability Accommodation Request Deadline		+ 2 work days
3. Notice of Intent to Propose		+ 4 work days
4. Written "Questions & Comments" Deadline		+ 4 work days
5. State Response to Written "Questions & Comments"		+ 8 work days
6. Proposal Deadline		+ 15 work days
7. State Completion of Mandatory Requirement Proposal Evaluations		+20 work days
8. State Opening of Cost Proposals		+ 21 work days

9. State Completion of Cost Proposal Evaluations		+ 25 work days
10. If applicable, State Completion of Negotiations and Negotiated Cost Proposal Evaluations		+ 40 work days
11. State Notice of Intent to Award Issued <u>and</u> RFP Files Opened for Public Inspection		Day 0
12. Executive Sub Committee of the State Building Commission Approval Sought (If lease term is greater than 5 years or annual rent is greater than \$150,000)		Day 0 but at least 10 days after Notice Intent to Award
13. Lease is circulated to successful Proposer for signature		+ 6 work days
14. Lease Signature Deadline		+ 12 work days
15. Delivery Date for Construction		Specific to each project
16. Substantial Completion Date		Specific to each project
17. Certificate of Occupancy Date		Specific to each project
18. Lease Commencement/Occupancy Date		Specific to each project

2.2. The State reserves the right, at its sole discretion, to adjust the RFP Schedule of Events as it deems necessary. Any adjustment of the Schedule of Events, except for changes to the Lease Commencement/Occupancy Date agreed to with the Best Evaluated Proposer, shall constitute an RFP

RFP Transaction No. _____

amendment, and the State will communicate such to potential proposers from whom the State has received a Notice of Intent to Propose (refer to RFP Section 1.8).

3. PROPOSAL REQUIREMENTS

3.1. Proposal Form

A response to this RFP must consist of a Mandatory Requirements Proposal (including any supporting documentation) and separately sealed Cost Proposal(s). (As more particularly expressed in Section 3.1.2. below, a Proposer may provide more than one Cost Proposal.)

- 3.1.1. **Mandatory Requirements Proposal.** The RFP Attachment 6.2., Mandatory Requirements Proposal requires that the proposer provide certain information and documents.

NOTICE: A Mandatory Requirements Proposal should not include any pricing or cost information. If any pricing or cost information amounts of any type (even pricing relating to other projects) references to “free parking” are included in any part of the Mandatory Requirements Proposal, the State may deem the proposal to be non-responsive and reject it

3.1.1.1. A Proposer must duplicate and use RFP Attachment 6.2., completed with proposal page numbers, to cover (as a table of contents), organize, reference, and complete the Mandatory Requirements portion of the proposal.

3.1.1.2. All information and documentation included within a proposal must address a specific requirement of RFP Attachment 6.2. and must be clearly referenced. The State will deem any information not meeting these criteria to be extraneous and will not review it.

3.1.1.3. A Proposer must sign and date the Mandatory Requirements Proposal.

- 3.1.2. **Cost Proposal.** Cost Proposals may be submitted in one or both of the following forms: A Cost Proposal for the State’s desired Terms and Conditions (“Base Cost Proposal”) and/or one or more Cost Proposals with proposed Alternative Terms (“Alternate Cost Proposal”).

NOTICE: If a proposer fails to submit a Base or Alternate Cost Proposal exactly as required, the State may deem the proposal to be non-responsive and reject it.

- 3.1.2.1. A Base Cost Proposal must be submitted on an exact duplicate of the RFP Attachment 6.3., Cost Proposal.
 - 3.1.2.1.1. The Base Cost Proposal shall incorporate ALL costs for services under the lease for the total lease term.
 - 3.1.2.1.2. A Proposer must sign and date the Base Cost Proposal.
- 3.1.2.2. An Alternate Cost Proposal should be submitted with a red-line modification of the RFP Attachment 6.3., Cost Proposal and a red-line modification of Attachment 6. 5., Standard Form of Lease including Exhibits A-G, if applicable.
 - 3.1.2.2.1. In the event that an Alternate Cost Proposal includes or is based on alternate Terms and Conditions, those must be clearly stipulated in the form of a red-line modification of the RFP Attachment 6.5., Standard Form of Lease including Exhibits A-G.
 - 3.1.2.2.2. Each Alternate Cost Proposal shall incorporate ALL costs for services proposed under the lease for the proposed lease term.
 - 3.1.2.2.3. Each Alternate Cost Proposal shall be clearly marked as an alternate proposal and must be specific, address all necessary terms, and be concise.
 - 3.1.2.2.4. A proposer must sign and date each Alternate Cost Proposal.
- 3.1.2.3. A Proposer must submit the Cost Proposal(s) to the State in a sealed package separate from the Mandatory Requirements Proposal (as detailed in RFP Sections 3.3.3., *et seq.*).

3.2. STATEMENT OF FINANCIAL INTERESTS

It is a requirement of Tennessee Code Annotated Section 12-2-114 that a statement listing the names of any and all persons financially interested in the proposed space be contained in the Lease Proposal. This requirement includes the interests of the owner/agent, any lienholders or any known future purchasers or lienholders. This information is to be provided in RFP Attachment 6.3., Cost Proposal.

3.3. SUBMISSION OF PROPOSALS

A Proposer must deliver a proposal in response to this RFP as detailed below. The State may not accept a proposal delivered by any other method. . Each Proposal should include a Proposal Package Cover Sheet in the form of RFP Attachment 6.1.1., which shall reference any amendments to the RFP.

- 3.3.1. A Proposer must ensure that the original Proposal documents meet all form and content requirements detailed within this RFP for such proposals including but not limited to required signatures
- 3.3.2. A Proposer must ensure that the State receives a proposal in response to this RFP no later than the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events at the following address.

[to be completed by RFP Coordinator]

c/o _____

Phone: _____

Email: _____

3.3.3. A Proposer must submit original Mandatory Requirements Proposal and Cost Proposal documents and copies in separate sealed envelopes or packages as specified below.

3.3.3.1 One (1) original of the Mandatory Requirements Proposal paper document must be placed in a sealed package labeled:

“RFP TRANSACTION # [RFP NUMBER] MANDATORY REQUIREMENTS PROPOSAL ORIGINAL”

and one (1) copy of the Mandatory Requirements Proposal in the form of a one (1) digital document in “PDF” format properly recorded on separate, blank, standard file storage medium such as a CD or flash drive labeled:

“RFP TRANSACTION # [RFP NUMBER] MANDATORY REQUIREMENTS PROPOSAL COPY”

3.3.3.2. One (1) original of the Base Cost Proposal and/or one (1) original of each Alternate Cost Proposal paper document must be placed in a sealed package labeled:

“RFP TRANSACTION # [RFP NUMBER] COST PROPOSAL ORIGINAL”

and one (1) copy in the form of a digital document in “PDF/XLS” format properly recorded on separate, blank, standard file storage medium such as a CD or flash drive labeled:

“RFP TRANSACTION # [RFP NUMBER] COST PROPOSAL COPY”

In the event of a discrepancy between the original Cost Proposal document and the digital copy, the original, signed document will take precedence.

3.3.3.3. The separately sealed Mandatory Requirements Proposal and Cost Proposal components may be enclosed in a larger package for mailing or delivery, provided that the outermost package is clearly labeled:

“RFP TRANSACTION # [RFP NUMBER] SEALED MANDATORY REQUIREMENTS PROPOSAL & SEALED COST PROPOSAL(S) FROM [PROPOSER LEGAL ENTITY NAME]”

3.3.4. A Proposer must separate, seal, package, and label the documents and copy file storage mediums for delivery as follows.

3.3.4.1. The Mandatory Proposal Requirements Response original document and copy file storage mediums must be placed in a separate, sealed package that is clearly labeled:

“DO NOT OPEN... RFP TRANSACTION # [RFP NUMBER] MANDATORY REQUIREMENTS PROPOSAL FROM [PROPOSER LEGAL ENTITY NAME]”

- 3.3.4.2. The Base Cost Proposal and/or each Alternate Cost Proposal original document and copy file storage mediums must be placed in a separate, sealed package that is clearly labeled:

“DO NOT OPEN... RFP TRANSACTION # [RFP NUMBER] COST PROPOSAL(S) FROM [PROPOSER LEGAL ENTITY NAME]”

3.4 Proposal & Proposer Prohibitions

- 3.4.1. A Proposal must not result from any collusion between Proposers. The State will reject any Cost Proposal that was not prepared independently without collusion, consultation, communication, or agreement with any other Proposer. Regardless of the time of detection, the State will consider any such actions to be grounds for proposal rejection or lease termination.
- 3.4.2. A Proposer shall not provide, for consideration in this RFP process or subsequent lease negotiations, incorrect information that the Proposer knew or should have known was materially incorrect. If the State determines that a Proposer has provided such incorrect information, the State may deem the Proposer's proposal non-responsive and reject it.
- 3.4.3. A Proposer shall not be (and the State will not award a lease to):
- a. an individual who is, or within the past six months has been, an employee of the State of Tennessee or who is a volunteer member of a State board or commission that votes for, lets out, overlooks, or in any manner superintends the services being procured in this RFP;
 - b. a company, corporation, or any other contracting entity in which an ownership of two percent (2%) or more is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee (this will not apply either to financial interests that have been placed into a “blind trust” arrangement pursuant to which the employee does not have knowledge of the retention or disposition of such interests or to the ownership of publicly traded stocks or bonds where such ownership constitutes less than 2% of the total outstanding amount of the stocks or bonds of the issuing entity);
 - c. a company, corporation, or any other contracting entity which employs an individual who is, or within the past six months has been, an employee of the State of Tennessee in a position that would allow the direct or indirect use or disclosure of information, which was obtained through or in connection

with his or her employment and not made available to the general public, for the purpose of furthering the private interest or personal profit of any person; or,

- d. any individual, company, or other entity involved in assisting the State in the development, formulation, or drafting of this RFP or its scope of services (such person or entity being deemed by the State as having information that would afford an unfair advantage over other Proposers).

For the purposes of applying the requirements of this RFP subsection 3.4.3., the State will deem an individual to be an employee of the State of Tennessee until such time as all compensation for salary, termination pay, and annual leave has been paid, but the term "employee of the State of Tennessee" shall not include individuals performing volunteer services for the State of Tennessee.

3.5. Proposal Errors & Revisions

A Proposer is liable for any and all proposal errors or omissions. A Proposer will not be allowed to alter or revise proposal documents after the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events unless such is formally requested, in writing, by the State.

3.6. Proposal Withdrawal

A Proposer may withdraw a submitted proposal at any time before the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events by submitting a written request signed by an authorized Proposer representative. After withdrawing a proposal, a Proposer may submit another proposal at any time before the Proposal Deadline.

NOTICE: If a Proposer fails to submit a Cost Proposal(s) exactly as required, the State may deem the proposal non-responsive and reject it.

3.7. Proposal Preparation Costs

The State will not pay any costs associated with the preparation, submittal, or presentation of any proposal.

4. GENERAL LEASING INFORMATION & REQUIREMENTS

4.1. RFP Amendment

The State reserves the right to amend this RFP at any time, provided that it is amended in writing. However, prior to any such amendment, the State will consider whether it would negatively impact the ability of potential proposers to meet the proposal deadline and will revise the RFP Section 2, Schedule of Events if deemed appropriate. If an RFP amendment is issued, the State will convey it to potential proposers who submitted a Notice of Intent to Propose (RFP Section 1.8). A proposer must respond, as required, to the RFP, including all attachments and amendments.

4.2. RFP Cancellation

The State reserves the right, at its sole discretion, to cancel or to cancel and reissue this RFP in accordance with applicable laws and regulations.

4.3. State Right of Rejection

4.3.1. Subject to applicable laws and regulations, the State reserves the right to reject, at its sole discretion, any and all proposals.

4.3.2. The State may deem as non-responsive and reject any proposal that does not comply with all terms, conditions, and performance requirements of this RFP.

4.4. Disclosure of Proposal Contents

4.4.1. Each proposal and all materials submitted to the State in response to this RFP become the property of the State of Tennessee. Selection or rejection of a proposal does not affect this ownership right. By submitting a proposal, a Proposer acknowledges and accepts that the full proposal contents and associated documents will become open to public inspection in accordance with the laws of the State of Tennessee.

4.4.2. The State will hold all proposal information in confidence during the evaluation process.

4.4.3. Upon completion of proposal evaluations, indicated by public release of an Evaluation Notice or Notice of Intent to Award as applicable, the proposals and associated materials will be open for review by the public in accordance with *Tennessee Code Annotated*, Section 10-7-504(a)(7).

4.5. Severability

If any provision of this RFP is declared by a court to be illegal or in conflict with any law, said decision will not affect the validity of the remaining RFP terms and provisions, and the rights and obligations of the State and Proposers will be construed and enforced as if the RFP did not contain the particular provision held to be invalid.

5. PROPOSAL EVALUATION & LEASE AWARD

5.1 Intentionally Deleted.

5.2. Intentionally Deleted.

5.3. Evaluation Process

The proposal evaluation process is designed to identify the Responsive, Responsible Proposer offering the lowest net present value of the total "Average Annual Effective Cost." The term "Responsive" means a person or entity which has submitted a proposal which conforms in all material respects to the RFP. The term "Responsible" means a person or entity which has the capacity in all material respects to perform fully the Lease requirements, and the integrity and reliability that will assure good faith performance.

5.3.1. Mandatory Requirements Proposal Evaluation.

The RFP Coordinator will review each Mandatory Requirements Proposal to determine compliance with RFP Attachment 6.2., Mandatory Requirements Proposal. If the RFP Coordinator determines that a proposal may have failed to meet one or more of the mandatory requirements, the RFP Coordinator shall seek the advice of an attorney on the staff of the Department of General Services who will review the proposal and document his/her determination of whether:

- a. the proposal adequately meets requirements for further evaluation;
- b. the State will request clarifications or corrections for consideration prior to further evaluation; or,
- c. the State will determine the proposal non-responsive to the RFP and reject it.

5.3.2. **Cost Proposal Evaluation.** After evaluation under Section 5.3.1. above, the RFP Coordinator will review the Base and/or Alternate Cost Proposal submitted by each apparently Responsive and Responsible Proposer. The RFP Coordinator will assess whether each Cost Proposal complies with RFP requirements without qualification. The RFP Coordinator will document, in writing, any determination (and the specific reasons therefore) that a Cost Proposal is non-compliant with requirements such that the Proposer is non-responsive to the RFP. The RFP Coordinator will then evaluate each Cost Proposal based on the net present value of the total "Average Annual Effective Cost" to the State over the term of

the lease. The Average Annual Effective Cost shall include the annual base rent, estimates of additional rent such as pass through of operating expenses and estimates of any deficiency in Landlord's Delivery Requirements as defined in RFP Attachment 6.4., costs associated with any Landlord services not included in the base rent, any net difference between the allowances requested and the allowances provided, any parking costs, and other cost factors disclosed in the RFP that are determined by the State to be applicable to the requirements. Upon completion of the analysis, the RFP Coordinator will in turn calculate the Cost Proposal Score in accordance with the RFP Attachment 6.3, Cost Proposal & Scoring Guide.

- 5.3.2. **Proposal Negotiation.** The State may elect to negotiate by requesting revised Cost Proposals from apparently Responsive and Responsible Proposers. However, the State reserves the right to award a lease on the basis of initial proposals received. Accordingly, each proposal should contain the Proposer's best terms from a price, terms, and qualitative standpoint. The State may negotiate in accordance with the Real Estate Asset Management Lease Communications and Negotiations Policy as approved by the State Building Commission.

5.4. Lease Award Process

- 5.4.1. After the evaluation process and any Negotiations are complete, the RFP Coordinator will forward the Final Total Proposal Scores to the proper officials of the Department of General Services (DGS) who will consider the same to determine which Proposal should be accepted. The Commissioner of DGS shall issue a notice of intent to award the lease to all Proposers.
- 5.4.2. Upon issuance of the Notice of Intent to Award, the State will make the RFP files available for public inspection.

NOTICE: The Notice of Intent to Award shall not create rights, interests, or claims of entitlement in either the Proposer with apparent best-evaluated proposal or any other Proposer.

- 5.4.3. The Proposer identified in the Notice of Intent to Award must sign a lease drawn by the State pursuant to this RFP. The lease shall be substantially the same as the RFP Attachment 6., Standard Form of Lease including Exhibits A-G except as modified by the State after taking into account the results of the negotiations, if any. The Proposer must sign the lease no later than Lease Signature Deadline detailed in the RFP Section 2, Schedule of Events. If the Proposer fails to provide the signed lease by the deadline, the State may determine that the Proposer is non-responsive to this RFP and reject the proposal.

5.5. RFP Files Open

The State will make the RFP files available for public inspection on the date specified in the RFP Section 2, Schedule of Events. The files will remain open for public review from that date.

5.6. Protest Process

RFP Transaction No. _____

Any protests or appeals of protests pursuant to this RFP or the Notice of Intent to Award shall be handled in accordance with State Building Commission By-laws, Policy and Procedure Item 18.

5.7. Lease Approval and Lease Payments

5.7.1. This RFP and its proposer selection processes do not obligate the State and do not create rights, interests, or claims of entitlement in either the Proposer with the apparent best-evaluated proposal or any other Proposer. State obligations pursuant to a lease award shall commence only after the lease is signed by the State and the Proposer and after the lease is approved by all other State officials as required by applicable laws and regulations.

5.7.2. No payment will be obligated or made until the relevant lease is approved as required by applicable statutes and rules of the State of Tennessee.

PROPOSAL PACKAGE COVER SHEET

Office Space

Located in:

_____, _____ County, Tennessee

RFP TRANSACTION NUMBER: _____



STATE OF TENNESSEE
Department of General Services

Any blank spaces may cause Proposal to be unacceptable and rejected.

Proposer Identification:

Proposer

Address

The Proposer the following amendments to the RFP, and this Proposal reflects the Proposer's consideration of these amendments: [list amendments received, if any]

PROPOSAL STATEMENT OF CERTIFICATIONS AND ASSURANCES

The Proposer must sign and complete the Proposal Statement of Certifications and Assurances below as required, and it must be included in the Proposal (as required by RFP Attachment 6.2., Proposal Evaluation Guide, Section A, Item A.1.).

The Proposer does, hereby, expressly affirm, declare, confirm, certify, and assure ALL of the following:

- 1. The Proposer will comply with all of the provisions and requirements of the RFP.
- 2. The Proposer will perform pursuant to the terms of the lease agreed to by the parties, if applicable, for the total lease term.
- 3. The Proposer will comply with:
 - (a) the laws of the State of Tennessee;
 - (b) Title VI of the federal Civil Rights Act of 1964;
 - (c) Title IX of the federal Education Amendments Act of 1972;
 - (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
 - (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
- 4. To the knowledge of the undersigned, the information detailed within the proposal submitted in response to the RFP is accurate.
- 5. The proposal submitted in response to the RFP was independently prepared, without collusion, under penalty of perjury.
- 6. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the RFP or any resulting lease.
- 7. The proposal submitted in response to the RFP shall remain valid for at least 90 days subsequent to the date of the Proposal opening and thereafter in accordance with any lease entered into pursuant to the RFP.
- 8. I acknowledge that _____ (“Broker”) shall have the right to collect a lease commission from the landlord entering into a lease with the State pursuant to this RFP; provided no such lease commission shall exceed _____ of the total rents to be paid or received by such landlord from the date of a fully executed and approved lease for the term of a new lease. Any such commission shall be subject to the terms of a separate agreement between the landlord and Broker.

By signing this Proposal Statement of Certifications and Assurances, below, the signatory also certifies legal authority to bind the proposing entity to the provisions of this RFP and any lease awarded pursuant to it. If the signatory is not the Proposer (if an individual) or the Proposer’s company *President* or *Chief Executive Officer*, this document must attach evidence showing the individual’s authority to bind the proposing entity.

DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO BIND THE PROPOSING ENTITY

Signature: _____

PRINTED NAME AND TITLE: _____

DATE: _____

PROPOSER LEGAL ENTITY NAME: _____

PROPOSER FEDERAL ID NUMBER OR SSN: _____

MANDATORY REQUIREMENTS PROPOSAL

Proposer Legal Entity Name:	
Proposed Building Address:	
Proposer Signature:	
Printed Name and Title:	
Date:	

The Proposer must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Proposer must also detail the proposal page number for each item in the appropriate space below.

The RFP Coordinator will review the proposal to determine if the Mandatory Requirement Items are addressed as required and mark each with pass or fail. For each item that is not addressed as required, the Proposal Evaluation Team must review the proposal and attach a written determination. In addition to the Mandatory Requirement Items, the RFP Coordinator will review each proposal for compliance with all RFP requirements.

Proposal Page # (Proposer completes)	Item Ref.	Mandatory Requirements	Pass/Fail (State Use ONLY)
		The Proposal must be delivered to the State no later than the Proposal Deadline specified in the RFP Section 2, Schedule of Events.	
	A.1	<p>The space offered is identified and described as follows (<u>Address of proposed space should be the 911 Emergency Address</u>):</p> <p>Name of Building_____</p> <p>911 Street Address_____</p> <p>City_____ State _____</p> <p>Zip Code_____</p>	

RFP Transaction No. _____

	A.2.	<u>Statement of Certifications and Assurances:</u> Provide the Proposal Statement of Certifications and Assurances (RFP Attachment 6.1.2.) completed and signed by an individual empowered to bind the Proposer to the provisions of this RFP and any resulting lease. The document must be signed without exception or qualification.	
	A.3.	<u>Conflict of Interest:</u> Provide a statement, based upon reasonable inquiry, of whether the Proposer or any individual who shall perform work under the lease has a possible conflict of interest (e.g., employment by the State of Tennessee) and, if so, the nature of that conflict. NOTE: Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award.	
	A.4.	Provide office Square Footage as described in RFP Section 1.2.2.	
	A.5.	Provide Site Location and Access Maps	
	A.6.	Provide as-built CADD drawings of the proposed premises	
	A.7.	Provide photographs: a building elevation, the primary entrance lobby, and at least one as-is photo of each floor proposed.	
	A.8.	The State's desired location is listed in Section 1.2.1. Please confirm that the building meets this requirement.	
State Use – RFP Coordinator Signature, Printed Name & Date:			

COST PROPOSAL

Proposer Legal Entity Name:	
Proposed Building Address:	
Proposer Signature:	
Printed Name and Title:	
Date:	

SECTION A—PROPOSAL TERMS

The Proposer must address all items detailed below and provide, in sequence, the information as requested (referenced with the associated item references).

Note: Proposer must answer each question as set forth in this section. Any blank spaces shall be considered as giving the State the right to provide an estimate for the associated costs.

A. Initial Term: Please indicate whether you are proposing a 5 year term, a 10 year term or both:

B. Delivery Date: Please indicate the date you anticipate being able to deliver the Premises to State in the condition specified in RFP Attachment 6.3. (collectively, the “Landlord’s Delivery Requirements”):

C. Landlord’s Delivery Requirements: To the extent that Proposer does not anticipate that the Premises will be delivered in accordance with Landlord’s Delivery Requirements, then any such deficiencies should be noted in a red-line of RFP Attachment 6.3. The State reserves the right to accept such deficiencies as-is but shall take into account, during its evaluation of the Cost Proposal(s) any additional cost incurred by the State as a result of such deficiencies.

D. Tenant Improvement Construction: The State may negotiate with the successful Proposer certain changes to be made to the Premises at Tenant’s expense, to better accommodate the specific State agency that will occupy the Premises (the “Tenant Improvements”). Please indicate your acceptance of this provision or indicate any differences below:

E. **Financial Interest Parties:** As required by T.C.A. Section 12-2-114, the names of any and all persons financially interested in the Lease are as follows:

Name _____

Telephone Number _____

Address _____

THIS SECTION MUST BE COMPLETED

SECTION B—RENTAL RATE & PARKING COSTS

The responses to RFP Attachment 6.3.B. will be analyzed to establish the net present value of the effective annual cost. The Cost Proposal shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract resulting from this RFP. All monetary amounts shall be in U.S. currency.

Note: Proposer must answer each question as set forth in this section. Any blank spaces shall be considered as giving the State the right to provide an estimate for the associated costs.

1. **Rental Rate:** Please use the table below to propose your rental rate(s). The State desires to have a full service rental rate with no pass through of operating expenses. Any base rental rate escalations should be fixed escalations rather than indexed escalations. Please quote all rental rates on a per rentable square foot basis. Any adjustments to the base rental rates (such as free rent) should be reflected in the table.

Complete the table below to indicate the rental rate the Proposer is willing to offer the State for the following two (2) lease term combinations.

Proposal A:

- Termination Rights— The State may terminate the Lease for convenience or for cause, as described in Block 6 on the cover page to the Lease and in Paragraph 6 of Exhibit A to the Lease.

Proposal B:

- Termination Rights—The State may terminate the Lease for cause as described in Paragraph 6 of Exhibit A to the Lease.

Five Year Term

<u>Rate/RSF</u>	<u>Proposal A</u>	<u>Proposal B</u>
	With Termination for Convenience	Without Termination for Convenience
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		

Ten Year Term

<u>Rate/RSF</u>	<u>Proposal A</u>	<u>Proposal B</u>
	With Termination for Convenience	Without Termination for Convenience
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		
Year 6		
Year 7		
Year 8		
Year 9		
Year 10		

2. Parking

(See RFP Section 1.2.3.)

Please include a description of the type of parking that is included in your Proposal by completing the chart set forth below. All costs associated with providing parking under this Lease should be included in the rental rates set forth in Section C.1 above; however, if the cost of parking is not included in the rental rate set forth in Section C.1. above, then a cost per space should be included in the chart below.

Type	Proposed No. of Spaces	Cost per Space (if not in rental rate set forth above)
Covered Reserved Spaces		
Covered Unreserved Spaces		
Surface Reserved Spaces		
Surface Unreserved Spaces		
Total		

EVALUATION COST AMOUNT:

The RFP Coordinator will use this amount to calculate the net present value of the total "Average Annual Effective Cost" to the State over the term of the lease.as specified in RFP section 5.3.2. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.

State Use – RFP Coordinator Signature, Printed Name & Date:

Landlord's Delivery Requirements

I. General

- A. This exhibit specifies base building elements that shall be provided by the Landlord at the Landlord's expense.
- B. The Base Building shall be designed to meet all applicable minimum code requirements for commercial office building construction, including the requirements of the Americans with Disabilities Act.
- C. The Premises shall have a current occupancy permit issued by the local jurisdiction at the time of Tenant's occupancy.

II. Site

- A. The site shall be fully graded, landscaped and maintained in a manner commensurate with market for comparable properties of the same property type and class as the Premises. Landlord shall maintain the site improvements over the term of the Lease.
- B. Landlord shall provide parking facilities in quantities as required within this RFP and shall meet all code requirements for handicap accessible parking. Such parking facilities shall be in provided and kept in good repair, with traffic marking, striping, and appropriate signage provided for way-finding and in such manner as to meet all applicable codes and ordinances.

III. Structure

- A. The building structure shall meet all applicable code requirements. Floor to floor heights will allow for a minimum finished ceiling height of 9'-0" within Tenant's space. Space above ceilings must allow sufficient clearance for ease of installation of Tenant's mechanical and electrical equipment, including but not limited to distribution ductwork, HVAC boxes, lighting and conduit.

- B. The building foundation will satisfy minimum code requirements for allowable total and differential settlement. The building foundation and below-grade spaces shall be protected with a properly installed foundation drainage and waterproofing system.

- C. Building slabs shall comply with the following floor flatness and floor levelness standards:
 - Specified Overall Value: F(F)-35/F(L)-25
 - Minimum Local Value: F(F)-20/F(L)-15

IV. Building Skin and Roof.

- A. The building skin and roof will be complete and weather-tight including all exterior finish materials, cladding, sealants, glass and glazing including vision and spandrel glass, store front glass, exterior doors and hardware, membrane or built-up roofing, ballast, flashing, and other elements required to make the building weather-tight. The building skin and roof shall be sufficiently weather tight to prevent weather damage to Tenant Improvements, and to Tenant's furniture, fixtures, equipment and other property.

- B. The exterior building perimeter, roof, and foundation shall be insulated in accordance with energy code requirements.

- C. The interior face of all non-glazed exterior walls in Tenant and common spaces shall be insulated to energy code requirements and covered with gypsum wallboard. The gypsum wallboard shall be taped, blocked and finish sanded. In addition, all columns within the tenant spaces will be covered with gypsum wall board, taped, blocked and finish sanded.

V. Building Common Areas.

- A. The building entrance lobby, common corridors, restrooms, mechanical spaces, loading dock, trash removal spaces, and other common areas will be substantially complete.

- B. Men and women's rest rooms shall be located on each floor per code requirements. Restrooms shall meet ADA requirements. Restrooms shall be complete with all fixtures, partitions, accessories, lavatories, lavatory tops, and mirrors. Fixtures, partitions, and accessories shall be institution grade or better, and shall be water saving type, as appropriate. Toilet fixtures shall be wall-hung. The finishes in restrooms shall be commensurate with market for comparable properties of the same property type and class as the Premises.

- C. Exit stairways shall be provided on each floor per code and ADA requirements. Stairways shall be complete with lighting, handrails, treads and risers, doors and hardware, emergency lights, and exit signs.

- D. Passenger and service elevators shall serve each Tenant floor not having ground level access and be in good working order. Elevators shall meet ADA requirements.
- E. Common areas will be finished per code requirements, complete with all floor, wall, and ceiling finishes, lighting, emergency lights, and exit signs.
- F. Landlord shall provide at Landlord's expense no less than two (2), 4" diameter, vertically-aligned conduit sleeves in common area mechanical spaces for Tenant's use in common with other tenants of the Building to feed voice, video, and data cable risers. Conduit sleeve shall penetrate the roof to allow Tenant to service Tenant supplied and installed roof mounted antenna systems. Conduit shall terminate in building Main Telephone Room to allow Tenant to connect to the building main telephone service.

VI. Common Walls.

- A. Base building shall include slab-to-slab gypsum wallboard on the public side of all demising walls, corridors, stairwells, and other walls not interior to the Tenant space. Common walls shall meet fire code requirements. All common walls shall be taped, blocked, finished and sanded. Landlord will install sound attenuation insulation on tenant side of Common Walls and demising walls prior to Tenant finishes being installed. Common walls adjacent to or below fan rooms, toilets, retail areas, and mechanical spaces shall be constructed to ensure the following acoustical performance criteria: Sound Transmission Class (STC) greater than or equal to fifty (50). All other common walls shall be constructed to ensure an acoustical performance criteria greater than or equal to STC-40.
- B. Common walls shall include entry and exit doors from common areas per applicable codes and regulations furnished and installed by Landlord. Doors in firewalls shall meet code requirements and regulations. Doors and hardware shall be building standard or better. Doors shall be completely functional and include hinges, lever sets, closers, doorstops, and other hardware. Doors and hardware shall comply with ADA requirements. The Tenant shall approve the location of all entry and exit doors to the Tenant space, but such approval shall be according to all safety codes.

VII. Fire Protection and Life Safety Systems.

- A. The base building shall include a fully functioning, approved, automatic fire protection system installed in accordance with applicable codes and regulations. The fire protection system will be installed complete, including all mains, risers, pumps, laterals, sprinkler heads, fire extinguishers, fire extinguisher cabinets, hose cabinets and hoses, backup power system, and other devices.
- B. The fire protection system shall include all control and monitoring devices, including but not limited to, annunciator panels, alarm systems, pull stations, emergency lighting, exit signs, alarms, smoke and heat detectors, tamper-proof detection devices, and other devices.
- C. The fire protection system shall be provided with emergency power as required by local codes.

- D. Landlord shall supply and install all sprinkler heads at Landlord's expense. In locations where ceiling is not provided in Base Building condition, heads shall be installed in turned-up, "warehouse" condition, or as otherwise meets code. Modification of the sprinkler heads or of ceiling height shall be part of the Tenant Work.

VIII. Window Treatment.

The base building shall include building standard window treatments on the exterior Tenant windows.

IX. Electrical.

- A. Base building shall include electrical energy to be used in the Premises. In addition to power for building system air conditioning, building system heating, and domestic hot water. Landlord shall provide a minimum of 2 watts per square foot for lighting (277/480 volts) and 5 watts per square foot for power (120/208 volts).
- B. Landlord shall install at Landlord's expense all main switchboards, panel boards, distribution boards, transformer, bus duct, feeders and other equipment to completely distribute power to electrical closets on each Tenant floor. Landlord shall locate an electrical service panel in the electrical closet in the Common Area on the same floor as the Premises. Installation of electrical service up to and including the Tenant's service panel(s) shall be a base building cost.
- C. Landlord at Landlord's expense shall install all wiring, branch circuiting, conduit and devices for the complete electrical system to all public and common areas. Landlord shall provide at Landlord's expense all power wiring and connection for all mechanical equipment furnished as part of base building. Landlord shall provide at Landlord's expense all power wiring to life safety and fire protection systems.
- D. Landlord shall provide at Landlord's expense a lightning protection system if required by applicable codes.

X. Communications.

Landlord at Landlord's expense will bring data/telephone service, as provided by the local data/telephone operating company, to the building Main Telephone Room.

XI. Lighting.

- A. Landlord shall furnish and install lights in all common areas.

- B. Base building shall include a lighting level of at least 20 foot-candles at foot level in corridors providing ingress and egress to the Premises. Base building shall include a lighting level of at least 10 foot-candles or minimum levels to insure safety in other interior areas.
- C. Base building shall include the cost to provide electrical service to all lighting and light control devices.
- D. Landlord shall furnish and install building standard light fixtures at a ratio of 1 fixture per each 80 RSF and fully operational in Tenant space. At a minimum, fixtures shall be deep cell parabolic light fixtures or direct/indirect recessed or pendant mount fixtures.

XII. Plumbing.

- A. Landlord shall provide a minimum of two wet columns per floor with cold water, vent and sanitary tie-ins for Tenant plumbing connections.
- B. Plumbing tie-ins shall be for State's use for break room or other functions required by Tenant's program.

XIII. HVAC.

- A. Base building common areas shall include Building Standard heating, ventilation, and air conditioning systems.
- B. All HVAC for Tenant spaces shall be installed with complete distribution to ceiling mounted diffusers and perimeter slot diffusers for exterior zones and distribution to VAV boxes for interior zones. The distribution shall be designed in accordance with current ASHRAE standards. All HVAC systems will be in good working order and repair.

XIV. Ceiling Grid and Tile.

Landlord shall provide building standard 2 x 2 ceiling grid and tile throughout the Tenant's space in good condition and repair and shall comply with the following requirements:

- Grid shall be 9/16"
- Ceiling tile shall be white with a smooth face, light reflectance of at least 0.83, an NRC minimum of 0.60, CAC minimum of 33, Square or beveled edge joint detail with a narrow reveal for 9/16" grid and a minimum thickness of 5/8"

XV. Building Directory.

RFP Transaction No. _____

Landlord shall provide a directory in the lobby of the building as a base building cost.

Landlord shall add Tenant's name to directory, and shall provide Tenant suite signage (suite entry door plaque or hall plaque, matching building graphics standards) as a base building cost.

XVI. Keys.

Landlord shall supply Tenant sufficient keys, at a reasonable cost, to allow access to the Premises, parking areas and other common areas of the Property.

XVII. Access Control.

- A. Landlord will provide at Landlord's expense an electronically controlled card access building control system. The system will control all entry areas to the Building from elevator lobbies and the parking area. The Landlord will code each card for individual employee access. Landlord shall supply Tenant sufficient access cards, at a reasonable cost, to allow access to the Premises, parking areas (if applicable) and other common areas of the Property.
- B. Tenant may install card access to Tenant's space at suite entry locations, fire stairs with access into tenant's space and interior doors within Tenant's space compatible with the Base Building security system.

STANDARD FORM OF LEASE

(see attached)

AGENCY:

ALLOTMENT CODE:

COST CENTER:

This Instrument Prepared By:

State of Tennessee

Real Estate Asset Management

William R. Snodgrass Tennessee Tower

22nd Floor, 312 Rosa L. Parks Avenue

Nashville, TN 37243-1102

LE NO.

NOTE: No hand written or interlineated changes to this Lease will override the printed text of this Lease.

State is Tenant

This lease document is not effective or binding unless approved in accordance with all applicable laws.

LEASE

1. Date of this Lease: _____

Name and Address of Building:

2. Tenant: **State of Tennessee**

Landlord Name and Address:

3. Leased Premises: space in the Building as identified herein and more particularly described on Exhibit B together with all Common Areas, including, without limitation, parking.

4. Rentable Square Feet: _____

5. Term of Lease: _____ year(s) and _____ month(s)
Commencement Date of Lease Term
(and of the obligations hereunder): _____
Expiration Date of Lease Term: _____
If no fixed Commencement Date is inserted, the Commencement Date shall be set pursuant to Exhibit C.

6. Termination for Convenience: Tenant may terminate this Lease at any time by giving written notice to Landlord at least _____ days prior to the date the termination becomes effective; **provided, however, that such termination shall not be effective prior to** _____.

Monthly Rental Installments Table

7. <u>Lease Year(s)</u>	<u>Annual Rental</u>	<u>Monthly Rental Installments</u>	<u>Rental Rate Per Rentable Square Foot</u>
	\$	\$	\$

8. Utilities & Services:

- All utilities are included in the Monthly Rental Installments.
- The following utilities are not included in the Monthly Rental Installments: _____
- Tenant is solely responsible for payment of the following separately metered utilities: electric gas water/sewer
- Janitorial services are not included in the Monthly Rental Installments.

9. **Improvements (check any that apply):** Leasehold Improvement Allowance: \$ _____ per Rentable Square Foot

- A. Existing Space (New Tenant or Renewal)
- B. Landlord to build out space pursuant to Exhibit _____

10. This Lease is a sublease pursuant to that certain _____ dated effective _____ by and between _____, as landlord, and Landlord, as tenant. If not checked, this paragraph is not applicable.

11. Attached hereto and incorporated herein for all purposes are the following additional exhibits:

Exhibit A -- Lease Standard Terms and Conditions; Exhibit B -- Floor Plan;

Other -- Exhibit C -- Commencement Date; Other -- Exhibit D -- Work Agreement; Exhibit E- Landlord's Delivery Requirements; Exhibit F- Allowances; Exhibit G- Lease Options; Exhibit H- Building Operating Costs

LANDLORD:

By: _____

Name: _____

Title: _____

TENANT: STATE OF TENNESSEE

By: _____
Robert E. Oglesby, Commissioner of Department of General Services

By: _____
Robert E. Cooper, Jr., Attorney General & Reporter
(For Form and Legality)

(Notary Acknowledgements Attached)

LANDLORD NOTARY

STATE OF TENNESSEE

COUNTY OF _____

Before me, _____, Notary Public in and for the County and State aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself/herself to be, the within named Landlord, and that he/she, executed the foregoing instrument for the purposes therein contained

Witness my hand and seal, at office in _____, Tennessee, this the ____ day of _____, 201__.

NOTARY PUBLIC

My Commission Expires:

[seal]

TENANT NOTARY

STATE OF TENNESSEE

COUNTY OF DAVIDSON

Before me, _____, Notary Public in and for the County and State aforesaid, personally appeared Robert E. Oglesby, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself to be Commissioner of the Department of General Services for the State of Tennessee, the within named Tenant, and that he as such representative, executed the foregoing instrument for the purposes therein contained and signed the name of the State of Tennessee, by himself as Commissioner, Department of General Services for the State of Tennessee.

Witness my hand and seal, at office in Nashville, Tennessee, this the ____ day of _____, 201__.

NOTARY PUBLIC

My Commission Expires:

[seal]

EXHIBIT A

State is Tenant

NOTE: No hand written or interlineated changes to this Lease will override the printed text of this lease.

In consideration of the mutual covenants and representations set forth in the Lease (the "Lease") and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties do hereby agree as follows. The capitalized terms used in this Exhibit A shall have the meaning assigned to such terms in the Lease, unless another meaning is assigned to such terms in this Exhibit A.

1. **DEMISE.** Upon the terms and conditions hereinafter set forth and as set forth in the Lease, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the Leased Premises for the Term of the Lease. Landlord represents and warrants to Tenant that Landlord is the fee simple owner of the Leased Premises and has the right to lease the Leased Premises to Tenant pursuant to the terms of the Lease. Landlord further represents and warrants to Tenant that there are no easements, covenants, restrictions or other agreements or instruments encumbering the Leased Premises that (i) contain any pre-approval rights relating to this Lease (including any lender approval rights) which have not been secured by Landlord, or (ii) would interfere with or restrict Tenant's ability to use the Leased Premises for office, storage and any other purpose permissible under applicable law (the "Permitted Use"). Landlord further represents and warrants to Tenant that (x) the use of the Leased Premises for the various purposes for which it is presently being used is permitted under all applicable zoning legal requirements and (y) all utilities necessary for the use of the Leased Premises for the various purposes for which it is presently being used are being supplied to the Building via publicly dedicated utility easement areas.

2. **RENT.** The Monthly Rental Installments for the Lease of the Leased Premises shall be payable in arrears on the last day of each and every month during the term hereof to Landlord at Landlord's address as set forth on the Lease, provided Landlord has submitted a completed the ACH Form (as defined below) to Tenant. Landlord shall not invoice Tenant for services until Landlord has completed this form and submitted it to Tenant. The Monthly Rental Installments shall be prorated for any partial calendar month during the Term. . The Monthly Rental Installments and all other sums paid to Landlord under this Lease as defined in Article 22 and amounts paid pursuant to Exhibit H shall hereinafter collectively be referred to as "Rent" or "rent".

No payment shall be made by Tenant under this Lease until Tenant has received the following documentation properly completed:

1. Landlord shall complete, sign and present to Tenant an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by Tenant. By doing so, Landlord acknowledges and agrees that, once said form is received by Tenant, all payments to Landlord, under this or any other contract Landlord has with Tenant shall be made by Automated Clearing House (ACH).

2. Landlord shall complete, sign and present to Tenant a "Substitute W-9 Form" provided by Tenant. The taxpayer identification number detailed by said form must agree with Landlord's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Lease.

Landlord agrees that the Rent provided under the terms of this Section 2 is based in part upon the costs of the services, utilities, and supplies to be furnished by Landlord pursuant to Section 3 hereof and that should Tenant vacate the Leased Premises prior to the end of the term of this Lease, or, if after notice in writing from Tenant, all or any part of such services, utilities or supplies for any reason are not used by Tenant, then, in such event, the Monthly Rental Installments as to each month or portion thereof as to which such services, utilities or supplies are not used by Tenant shall be reduced by an amount equal to the average monthly costs of such unused services, utilities or supplies during the six-month period immediately preceding the first month in which such services, utilities or supplies are not used.

3. LANDLORD'S OBLIGATIONS.

A. Utilities:

If utilities are included in the Monthly Rental Installments, then Landlord shall, at Landlord's expense, but subject to reimbursement as set forth in Exhibit H, furnish all utilities to the Leased Premises, including electrical, gas, water and sewer, heat, ventilation, and air conditioning in capacities sufficient for the Permitted Use; provided, however, Tenant shall be responsible for telephone and data services. Electrical, gas, water and sewer, if provided by Landlord, must be provided on a 24 hours per day, 7 days a week basis. Heat, ventilation and air conditioning must be provided at least during the hours of 6:00am-7:00pm, Monday through Friday; provided, however, that the temperature of the telecom closet on the Leased Premises at all times shall be maintained between 64 and 75 degrees with a relative

humidity range of 30-55%. If utilities are included in the Monthly Rental Installments, then the Tenant shall reimburse the Landlord annually for the cost of utilities associated with and properly allocable to the Leased Premises in excess of \$1.75 per square foot. The Landlord shall provide the Tenant, on an annual basis at the end of each year of the term of this Lease, a detailed list of costs subject to reimbursement under this paragraph. In order for any expenses to be reimbursable hereunder by the Tenant, the costs incurred by the Landlord must have been reasonable and necessary. The Landlord shall maintain documentation for all charges against the Tenant under this Lease. The books, records and documentation of the Landlord, insofar as they relate to reimbursement by the Tenant for costs incurred, whether in whole or in part, shall be maintained in conformity with generally accepted accounting principles for a period of three (3) full years from the date of what amounts to the final payment under this Lease, and shall be subject to audit, at any reasonable time and upon reasonable notice by the Comptroller of the Treasury or his duly appointed representative or a licensed independent public accountant.

B. Maintenance

Landlord shall, at Landlord's expense, but subject to reimbursement as set forth in Exhibit H, and as required to keep the Building and the Leased Premises in a good, attractive and safe condition, maintain and repair, in a good and workmanlike manner and in compliance with all replacement and maintenance schedules followed by prudent landlords of commercial buildings, (i) the Building, including, but not limited to, the repair, maintenance and replacement of the roof, foundation and exterior and load-bearing walls; (ii) the mechanical, plumbing and electrical systems, including, but not limited to, air conditioning, heating, plumbing, wiring and piping and all filters, valves and other components; (iii) the exterior of the Building and the land upon which the Building is located, including any landscaped areas, parking areas and driveways, including, but not be limited to the following: weekly lawn cutting during the growing season, debris pick-up, leaf removal, mulching of planting beds, maintain any landscaping, daily snow and ice removal from parking areas and entrances to the Leased Premises; (iv) elevators, if any; (v) interior of the Building and the Leased Premises, including but not limited to repair, maintenance, patching, mold, mildew, and moisture removal, and painting of the walls, floors, ceilings, carpet and other surfaces; (vi) all lighting components, including but not limited to, furnishing and replacement of electrical light bulbs, fluorescent tubes, ballasts and starters as needed. Landlord shall also, at Landlord's expense, furnish and maintain appropriate outside trash and refuse receptacles for the disposal of trash and refuse from the Leased Premises. Furthermore, Landlord shall have maintenance personnel available to respond to routine calls within twenty four (24) hours and emergency calls within four (4) hours. "Emergency" repair or maintenance calls shall include, but not be limited to, situations involving HVAC, electrical, plumbing, roof leaks, utility disruptions, ingress and egress, and environmental issues. Tenant shall be permitted to maintain, inspect, repair and replace any equipment or fixtures installed by Tenant on the Leased Premises (the "Tenant Maintenance"), and Landlord shall hold Tenant harmless for any damage to the Leased Premises caused by the Tenant Maintenance.

C. Insurance

Landlord shall, at Landlord's expense, but subject to reimbursement as set forth in Exhibit H, maintain fire and extended coverage insurance on Leased Premises, in an amount not less than the full replacement cost of the Building, and comprehensive general liability insurance coverage in the sum of One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) per annual aggregate against any and all liability, loss or damage arising from any injury or damage to any person or property occurring in or about the Leased Premises or the Building resulting from Landlord's negligence or matters arising for reasons beyond Tenant's control. The policies described in this Section shall name Tenant as an additional insured. Annually, Landlord shall furnish Tenant with a certificate of such coverage which shall provide that thirty (30) days' advance written notice shall be given to Tenant in the event of cancellation or material change in the insurance policies maintained as required herein.

D. Taxes

Subject to reimbursement as set forth in Exhibit H, Landlord shall be responsible for payment of all real estate taxes assessed against the Building or land on which the Building is located, as well as all applicable local, state and federal income taxes which are or may be payable by Landlord. Landlord, by virtue of leasing property to Tenant, does not become a State of Tennessee agency, entity, or employee and is not entitled to any rights, privileges or immunities pertaining to the State or its agencies and instrumentalities.

E. Janitorial

If janitorial services are included in the Monthly Rental Installments, Landlord shall, at Landlord's expense, subject to reimbursement as set forth in Exhibit H, provide janitorial services to the Leased Premises in accordance with the following schedule:

- i. Daily: Dust all furniture, counters, cabinets and window sills; sweep and/or vacuum all floors; empty all wastebaskets; dispose of all rubbish; clean and maintain in sanitary condition all restrooms and plumbing fixtures; sweep sidewalks, stairways and halls; replace light bulbs, tubes, ballasts and starters if necessary; and stock supplies.
- ii. Weekly: Mop all floors and dust all window blinds; and vacuum carpets, if any.
- iii. Quarterly: Strip and wax all floors, if not carpeted.
- iv. Semi-Annually: Wash all windows, window blinds, light fixtures, walls and painted surfaces and clean all carpeted areas via commercial hot water extraction or commercial chemical dry cleaning.

F. Pest Control

Landlord shall, at Landlord's expense, subject to reimbursement as set forth in Exhibit H, provide monthly interior and quarterly exterior pest extermination services. All such services shall be performed after normal business hours.

4. TENANT'S OBLIGATIONS. In addition to the said rent to be paid, Tenant also agrees to pay directly during the term of the Lease, commencing on the Commencement Date, the following items of expense as the same become due and payable:

- A. The cost of all separately metered utilities supplied to the Leased Premises.
- B. All service costs and installations of all telephone or data services.

5. IMPROVEMENTS. Tenant shall have the right during the existence of the Lease to make alterations, attach fixtures and erect additions, structures or signs in or upon the Leased Premises. Such fixtures, additions, structures or signs so placed in or upon or attached to the Leased Premises under the Lease or any prior lease of the Leased Premises by Tenant shall be and remain the property of Tenant and may be removed therefrom by Tenant prior to the termination or expiration of this Lease or any renewal or extension thereof, or within a reasonable time thereafter.

6. TERMINATION FOR CAUSE. Tenant may in its sole discretion terminate this Lease at any time for any of the following causes: (a) Landlord's failure to disclose any conflict or potential conflict of interest existing at the date of this Lease or hereafter created; (b) termination or consolidation of Tenant's operations or programs housed in the Leased Premises because of loss of funding; (c) lack of funding by the appropriate Legislative Body for obligations required of Tenant under this Lease; (d) misrepresentations contained in the response to the request for proposal or committed during the negotiation, execution or term of this Lease; (e) failure to comply with the assertions and promises set forth in the response to the request for proposals; (f) the availability of space in Tenant-owned property, provided that no cancellation for this reason may take place until the Lease has been in effect for one year; and (g) any default by Landlord which is not adequately remedied in accordance with *Section 8* hereof. Notwithstanding the foregoing, all terms and conditions of the Lease are made subject to the continued appropriations by the appropriate Legislative Body

7. ENVIRONMENTAL PROVISIONS. Following due inquiry, Landlord represents that there are no hazardous substances or hazardous wastes as defined by the Comprehensive Environmental Response and Liability Act or any hazardous wastes as defined by the Resource Conservation and Recovery Act, or any mold, PCB's, radon or asbestos containing materials, located on, in or about the Leased Premises to be occupied by Tenant. Landlord agrees that should any hazardous wastes, hazardous substances, mold, PCB's, radon or asbestos containing materials be determined to be present as a result of the acts or omissions or negligence of any person or legal entity, other than Tenant, Landlord shall indemnify, hold harmless and defend Tenant from all claims, damages, expenses or litigation resulting from the presence of such materials. If Tenant reasonably believes that hazardous substances may be present in the Leased Premises or the Building, Landlord will engage, at its expense, a qualified third party engineer to conduct an appropriate environmental survey. If hazardous substances are found or such survey indicates a risk of such hazardous substances being present in the Leased Premises or Building, then Landlord, at its expense, will make all necessary changes and/or corrections so that the Building and/or the Leased Premises are in compliance with all environmental laws and regulations. In the event Landlord discovers hazardous materials on the Leased Premises during the Term of this Lease, Landlord shall promptly notify Tenant.

8. DEFAULT. Tenant shall be in default of the terms of the Lease if Tenant shall fail to make a payment of any rent or additional rent, and such rent or additional rent is not paid within ten (10) days of written notice by Landlord to Tenant of non-payment of same, or in the event that Tenant shall otherwise commit an act of default under the terms hereof, and shall not cure such default within thirty (30) days of written notice by Landlord to Tenant of such default,

or, if it is not possible to complete the cure by such time, Tenant has not commenced the cure within such 30 day period and does not thereafter diligently pursue the same to completion within a reasonable time thereafter. In the event of default by Tenant hereunder:

- A. Landlord may continue the Lease in full force and effect and shall have the right to collect rent when due. During the term Tenant is in default, Landlord may re-enter the Leased Premises with legal process and relet same, or any part thereof, to third parties for Tenant's account. Tenant shall pay to Landlord the rent due under the Lease on the date such rent is due, less the rent Landlord receives from any reletting. Landlord shall make its best efforts to relet the Leased Premises at a reasonable price. Under this paragraph, Tenant's obligations shall not exceed the total rent due for the remainder of the term.
- B. Landlord may terminate the Lease pursuant to the terms of this Section. Upon termination, Landlord shall have the right to collect an amount equal to all expenses, if any, not including attorneys' fees, incurred by Landlord in recovering possession of the Leased Premises and all reasonable costs and charges for the care of the Leased Premises while vacated by Tenant.

Except as specifically set forth herein, Landlord shall be in default of the terms of the Lease if Landlord shall commit an act of default under the terms hereof, and shall not cure such default within twenty (20) days of written notice by Tenant to Landlord of such default, or, if it is not possible to complete the cure by such time, Landlord has not commenced the cure within such 20 day period and does not thereafter diligently pursue the same to completion within a reasonable time thereafter. In the event of a default by Landlord hereunder, Tenant may, in addition to all rights and remedies available at law or in equity, (i) cure such default and deduct any reasonable and necessary amounts incurred by Tenant in connection therewith from the rent next due by Tenant hereunder with the presentment of receipts for such reasonable and necessary actions, or (ii) terminate the Lease. Notwithstanding the foregoing, in the event that Tenant is unable, in its reasonable judgment, to operate in the Leased Premises as a result of the failure by Landlord to satisfy its obligations pursuant to Section 3 hereof (A) for a period of more than forty eight (48) consecutive hours, then the rent shall abate during the entire period of the disruption and Tenant shall have the right to terminate the Lease in the event Landlord remains unable to satisfy its obligations pursuant to Section 3 hereof for a period of more than ten (10) consecutive days; or (B) more than ten (10) days during any twelve (12) month period, then Tenant shall have the right to terminate the Lease.

9. **END OF TERM.** At the termination of this Lease, Tenant shall surrender its interest in the Leased Premises to Landlord in as good condition and repair as reasonable use thereof will permit, ordinary wear and tear excepted, and will leave the Leased Premises broom clean. Tenant shall have the right, prior to said termination, to remove any equipment, furniture, trade fixtures or other personal property in the Leased Premises owned by Tenant, provided that Tenant promptly repairs any damage to the Leased Premises caused by such removal. In the event of holding over by Tenant after the expiration or termination of the Term of this Lease, Tenant shall pay rent at the then-current rate for rent as set forth in the Lease, on a monthly basis and the Term of this Lease shall be automatically extended for successive periods of one (1) year each; provided that during any automatically extended period following the expiration of the Term of this Lease, Landlord and Tenant shall each have the right to terminate this Lease by delivering written notice to the other at least ninety (90) days prior to the desired expiration date.

10. **MISCELLANEOUS.** The article captions contained in the Lease are for the convenience of the parties only and shall not be considered in the construction or interpretation of any provision hereof. Landlord and its agents shall have reasonable access to the Leased Premises during all reasonable business hours for the purpose of examining same to ascertain if they are in good repair and to make reasonable repairs which Landlord may be required to make hereunder. The making of repairs by Landlord or its agents shall be coordinated with Tenant to minimize disruptions of Tenant's conduct of business in the Leased Premises. The Lease contains the entire agreement between the parties and supercedes any and all other prior oral and written agreements between the parties regarding the subject matter contained herein and may not be changed or terminated orally but only by agreement in writing and signed by all parties. Landlord and Tenant acknowledge and agree that (i) all exhibits referenced in the Lease (or in any of its exhibits) are incorporated into the Lease by reference, and (ii) any reference to "the Lease," "this Lease," "hereunder," "herein" or words of like import shall mean and be a reference to the Lease including such exhibits. No waiver by either party shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provision. The Lease shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors, assigns, executors and administrators. Landlord has provided to Tenant a list of names and addresses of persons, associations, or corporations who hold any financial interest in the Leased Premises; such list shall be immediately revised in the event of a transfer of any such interest. The Lease Proposal Package from which this lease originated and the Landlord's response to the Lease Proposal Package (collectively, the "Proposal Package") is hereby incorporated in the Lease; provided, however, that in the event of any conflict between the terms of the Proposal Package and the Lease, the terms of the Lease shall control.

11. **DAMAGE OR DESTRUCTION.** If the Leased Premises are damaged by fire or other casualty, the damage shall be repaired by and at the expense of Landlord (excluding any personal property which is owned by Tenant), provided that such repairs can, in Landlord's opinion, be made within sixty (60) days after the occurrence of such damage. Landlord shall notify Tenant within fifteen (15) days of the event of casualty of its determination. Until such repairs are completed, the rent shall be abated in proportion to the part of the Leased Premises rendered unusable, but there shall be no abatement of rent for a period equal to one (1) day or less. If such repairs cannot, in Landlord's opinion, be made within sixty (60) days and Landlord nonetheless chooses to repair, then Tenant may, at its option, continue as Tenant under the Lease until such repairs are completed, during which time all rent shall abate, or Tenant may terminate the Lease. A total destruction of the Building in which the Leased Premises are located shall automatically terminate the Lease. Total destruction of the Building shall be defined as damage greater than fifty percent (50%) of the then replacement value thereof.

12. **NOTICES.** Any notice required or permitted to be given hereunder shall be sufficiently given if personally served, sent by registered or certified mail, or by reputable overnight courier, addressed to the relevant party at the addresses specified in the Lease, for Landlord, and for Tenant to: Real Estate Asset Management, 312 Rosa L. Parks Avenue, 22nd Floor, Nashville, Tennessee 37243.

13. **QUIET ENJOYMENT.** Landlord warrants and shall defend Tenant in the quiet enjoyment and possession of the Leased Premises during the term and any extension or renewal thereof.

14. **SUBORDINATION, ATTORNMEN AND NON-DISTURBANCE.** Tenant agrees that the Lease and all rights of Tenant hereunder are and shall be subject and subordinate to any ground or underlying lease which may now or hereafter be in effect regarding the Building or any component thereof, to any mortgage now or hereafter encumbering the Leased Premises or the Building or any component thereof, to all advances made or hereafter to be made upon the security of such mortgage, to all amendments, modifications, renewals, consolidations, extensions and restatements of such mortgage, and to any replacements and substitutions for such mortgage (collectively, "Mortgages"); provided as a condition to such subordination, any holder of the Mortgage must enter into a Subordination, Non-Disturbance and Attornment Agreement with Tenant in form reasonably acceptable to Tenant. In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, or in the event of a deed in lieu of foreclosure with respect to any Mortgage covering the Leased Premises or the Building, or in the event of termination of any Lease under which Landlord may hold title, Tenant shall, at the option of transferee, attorn to such transferee and shall recognize and be bound and obligated hereunder to such person as Landlord under the Lease, unless the Lease is terminated. Notwithstanding anything contained herein to the contrary, so long as Tenant is not in default in the payment of rent, or in the performance of any of the other terms, covenants or conditions of the Lease beyond any applicable cure periods, no mortgagee or similar person shall disturb Tenant in its occupancy of the Leased Premises during the original or any renewal term of the Lease notwithstanding any event or proceedings described in this section.

15. **APPROVALS.** Neither this Lease nor any amendment or modification hereto shall be effective or legally binding upon Tenant, unless and until a fully executed, original Lease has been returned to Tenant and the review and approval by all appropriate State officials and the State Building Commission, if applicable has been obtained.

16. **COMPLIANCE WITH LAWS.** Landlord represents and warrants to Tenant that as of the date of execution of this Lease, the Building complies with the provisions of the Americans with Disabilities Act (ADA) in all material respects. Landlord hereby indemnifies and holds harmless Tenant from and against all costs, liabilities, and causes of action occurring or arising as a result of Landlord's failure to comply with any of the requirements of the ADA or similar laws or as a result of any violation of any of the requirements of the ADA or similar laws by Landlord or its agents. Landlord shall provide all life safety equipment, including but not limited to, fire extinguishers and smoke alarms, in compliance with applicable municipal building codes.

17. **FORCE MAJEURE.** With the exception of the obligation of Tenant to pay rent and all other amounts that may be due from time to time under this Lease, if either party shall be delayed or hindered in or prevented from doing or performing any act or thing required hereunder by reason of any matters beyond the reasonable control of such party, then such party shall not be liable or responsible for any such delays and the doing or performing of such act or thing shall be extended for a period equivalent to the period of such delay. In such event, this Lease and the obligations of both parties to perform and comply with all of the other terms and provisions of this Lease shall in no way be affected, impaired, or excused.

18. **RECORDS RETENTION.** Landlord shall maintain documentation for all charges against Tenant under the Lease. The books, records and documentation of Landlord, insofar as they relate to reimbursement by Tenant for costs incurred, whether in whole or in part, shall be maintained in conformity with generally accepted accounting

principles for a period of three (3) full years from the date of what amounts to the final payment under this Lease, and shall be subject to audit, at any reasonable time and upon reasonable notice by the Comptroller of the Treasury or his duly appointed representative or a licensed independent public accountant.

19. SPACE AUDIT. Landlord certifies that the rentable square feet set forth in the Lease is accurate to the best of its knowledge. Tenant reserves the right to perform physical measurements of the Leased Premises and adjust the Monthly Rental Installments proportionally based upon such measurements. Tenant shall use the current Building Owner's and Manager's Association standards of measurements for either single or multi-tenant occupancy, whichever is applicable.

20. COMMON AREAS. During the Term of the Lease, Landlord agrees that Tenant and its employees, agents, invitees and visitors shall have the non-exclusive right to use the Common Areas for their intended purpose. Except for repairs, maintenance and replacements required under this Lease, Landlord shall not materially alter (or permit the material alteration of) any entrances, exits, corridors, sidewalks or hallways providing access to or from the Leased Premises. Landlord represents and warrants to Tenant that the Common Areas include all areas which are necessary for the use of the Leased Premises for its current use. As used herein, "Common Areas" means all portions of the Building intended for the general use or benefit of tenants or owners of the Building, and their employees, agents, and visitors, including, without limitation, all entrances, common corridors, parking areas, loading and unloading areas, trash areas, roadways, walkways, sidewalks and driveways.

21 EXHIBITS. State and Landlord shall execute any necessary agreements the forms of which are attached hereto as contemporaneous with the Lease.

EXHIBIT B
FLOOR PLAN

See attached

EXHIBIT C

COMMENCEMENT DATE

Commencement Date Agreement

RE: Lease dated as of _____, by and between _____, as Landlord, and the State of Tennessee, as Tenant.

Dear Sirs:

In accordance with 1.2.5 of the RFP, the Lease Term will commence on the latter of <<Comm Date>> or thirty (30) days after substantial completion of the Tenant Improvements occurs and a certificate of occupancy for the Premises is issued.

Pursuant to the terms of the above captioned Lease, please be advised as follows:

1. The Commencement Date of the Lease Term is the ____ day of _____, 201__, and the Expiration Date of the Lease Term is the ____ day of _____, _____, subject however to the terms and provisions of the Lease.
2. Terms denoted herein by initial capitalization shall have the meanings ascribed thereto in the Lease.
3. The Leased Premises contain _____ Useable Square Feet and _____ Rentable Square Feet. Parties shall promptly enter into an Amendment to Lease reflecting revised Annual Rent and Monthly Rental Installments.

LANDLORD

By: _____

Title: _____

ACKNOWLEDGED AND AGREED:

State of Tennessee

By: _____

Title: _____

**EXHIBIT D
WORK AGREEMENT**

THIS WORK AGREEMENT (the "Agreement") is executed and delivered as of the ____ day of _____, 2013, by _____ ("Landlord") and The State of Tennessee ("State").

WITNESSETH:

WHEREAS, contemporaneous with this Agreement Landlord and State entered into that certain Lease (the "Lease") pursuant to which State shall lease from Landlord certain space (the "Premises") as more particularly described in the Lease; and

WHEREAS, it is a condition to the commencement of the Lease that Landlord cause the Premises to be constructed in accordance with plans and specifications to be provided by State;

WHEREAS, the parties desire to describe the terms and conditions that must be met before the Lease may commence.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and State agree as follows:

1. No later than _____, Landlord shall cause the Premises to be put in the condition set forth on Exhibit E to the Lease (the "Landlord's Delivery Requirements").

2. No later than _____(the "Delivery Date"), State shall provide construction drawings for the build out of the space to State's specifications (the "Build Out Plans") sufficient to allow Landlord to enter into a construction contract with a contractor to construct the improvements (the "Build Out") shown on the Build Out Plans (the "Tenant Improvements"). The Build Out Plans shall be signed and sealed by an architect or designer licensed to do business by the State of Tennessee and shall have been approved by the State Fire Marshal prior to delivery of the same to Landlord.

3. Landlord shall obtain no less than three (3) bids from general contractors licensed to do business in the State and approved by State, in its reasonable discretion, to construct the Tenant Improvements. Unless State, in its sole and absolute discretion, concurs, Landlord shall enter into a construction contract (the "Construction Contract") with the low bidder to construct the Tenant Improvements. State reserves the right to require the selection of a general contractor based on fee and general condition negotiations prior to the Build Out Plans becoming available. Under this approach, Landlord shall contract with the low bidder on the basis of a cost of the work plus a fee with a guaranteed maximum price. All savings would accrue to the benefit of the State. Landlord will not specify any sole-source subcontractors. State will require the integration of its specified bid information and forms in the bid process. Said construction contract shall provide that the Tenant Improvements must be substantially complete by _____(the "Substantial Completion Date").

4. The following additional terms shall apply to the Tenant Improvements and the Construction Contract:

(a) If Landlord requires performance or payment bonds in the Construction Contract, they shall be at Landlord's expense and not charged against the Allowances.

(b) State shall not be required to purchase building stocked materials. However, any building stocked materials actually used by State shall be charged against the Allowances at actual out of pocket cost paid by the Landlord or market cost, whichever is less.

(c) Landlord will provide all utilities and services (i.e., electrical, HVAC, etc.), elevator services, and parking for the construction of the Tenant Improvements to the Premises at no cost to State.

(d) State may provide or engage its own owner's representative. This owner's representative shall be afforded complete access to the process and Premises prior to and during the Build Out.

(e) Landlord will not charge a construction management fee.

5. Landlord shall provide allowances in the amounts set forth on Exhibit F attached to the Lease (the "Allowances") to State to be utilized for payment of the amounts invoiced pursuant to the Construction Contract and other costs incurred by State in furtherance of obtaining the Build Out Plans, overseeing the construction of the Tenant Improvements, and moving into the Premises (collectively, the "Costs"). To the extent that the Allowances are insufficient to cover the Costs, State shall be responsible for payment of the amount of the difference. In the event any category of the Allowances are not completely utilized, State shall have the right to use any excess allowance in any one area (ex. Improvement, Architectural and Moving) to fund deficiencies in another. In the event that the Allowances are not completely utilized, State shall receive a credit against rent first due and accruing under the Lease in the amount of the unused Allowances. Landlord will advance the "Architectural Allowance" to State

upon lease execution. The "Moving Allowance" shall be payable to State at any time after Lease execution at State's option.

6. In the event that Landlord defaults under any of its obligations under this Agreement, and such failure constitutes a breach of this Agreement, then State shall be entitled to receive as full and agreed upon liquidated damages one day of free rent for each day of delay beyond the Delivery Date or Substantial Completion Date, as applicable and shall have the right to terminate this Agreement and the Lease in the event the Tenant Improvements are not substantially complete within thirty (30) days after the Substantial Completion Date, so long as State has not prevented Landlord from achieving substantial completion by such date. Landlord and State agree that said liquidated damages are reasonable given all of the circumstances existing as of the date hereof, including, without limitation, the range of harm to State that is reasonably foreseeable and the anticipation that proof of State's actual damages would be costly, impractical and inconvenient. LANDLORD ACKNOWLEDGES THAT IT HAS READ THIS SECTION AND UNDERSTANDS THE SAME.

7. So long as such activities do not interfere with the performance and construction of the Tenant Improvements, State shall have the right to enter the Premises prior to the Substantial Completion Date or the Commencement Date (as defined in the Lease) for purposes of (i) installing telecommunications and data equipment and cabling; (ii) installing furniture and equipment; and (iii) taking such other actions as may be necessary or desirable to enable the Premises to be in a condition such that they are immediately usable by the State for the intended purpose on the Commencement Date.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

LANDLORD:

_____, a

By:

Name: _____

Title: _____

STATE:

THE STATE OF TENNESSEE

By:

Name: _____

Title: _____

**EXHIBIT E
LANDLORD'S DELIVERY REQUIREMENTS**

[Same as RFP Attachment 6.4]

**EXHIBIT F
ALLOWANCES**

Leasehold Improvement Allowance	\$	per rentable square foot of Leased Premises
Architectural / Engineering Allowance	\$	per rentable square foot of Leased Premises
Moving Allowance	\$	per rentable square foot of Leased Premises
Total	\$	per rentable square foot of Leased Premises

The allowances listed (collectively, the "Allowances") shall be provided by Landlord for Tenant's use in preparing the Leased Premises for occupancy.

**EXHIBIT G
LEASE OPTIONS**

1. Expansion Option:

Right of First Offer - Tenant shall have a continuous, ongoing and irrevocable Right of First Offer on all space in the Building that is available or that may come available during the term of the lease. For any space leased in accordance with the Right of First Offer during the first thirty-six (36) months of the term of the lease, the base rental rate and the parking, rental abatement, allowances and other tenant inducements to be provided by Landlord shall be the same as provided for the initial Premises; provided, however, the rental abatement, allowance and other tenant inducements shall be pro-rated over the duration of the remaining term of the lease. Any space leased in accordance with the Right of First Offer after the first thirty-six (36) months of the term of the lease shall be at the then prevailing market rate. Market rate shall be defined as what an arm's-length, non-expansion, non-renewal, non-equity tenant would pay for space of comparable size, quality, utility, and location, taking into accounts the length of the term and all allowances and concessions being offered in the market. In the event that Landlord and Tenant cannot agree on the market rate, non-binding mediation will be employed to determine the market rate. If Tenant shall exercise its said Right of First Offer, all terms and conditions shall be identical to those in the original lease, except for the business terms, which shall be as set forth above.

- 2. Renewal Option:** Tenant has two (2) options to extend the term for five (5) years each. Each option should be unilaterally exercisable by Tenant. Each renewal option shall be exercisable at 95% the then prevailing market rate. Market rate shall be defined as what an arm's-length, non-expansion, non-renewal, non-equity tenant would pay for space of comparable size, quality, utility, and location, taking into accounts the length of the term and all allowances and concessions being offered in the market. In the event that Landlord and Tenant cannot agree on the market rate, non-binding mediation will be employed to determine the market rate. If Tenant shall exercise a renewal option, all terms and conditions shall be identical to those in the original lease, except for the rent, which shall be as set forth above.

Tenant prefers that the renewal process shall begin with a notice from the Landlord twelve (12) months prior to lease expiration. Tenant will indicate to the Landlord within thirty (30) days of its receipt of Landlord's notice whether it intends to exercise its renewal option. Within thirty (30) days of its receipt of a notice from Tenant that Tenant intends to exercise its renewal option, Landlord will provide Tenant with a written notice summarizing Landlord's opinion of the market renewal rate, including any and all concessions and allowances being offered other tenants in the market considering length of term and the creditworthiness of the tenant. The terms and conditions of the renewal shall otherwise be on terms identical to those negotiated under the original lease. If Tenant does not agree with Landlord's opinion of the market renewal rate, the parties shall thereafter negotiate in good faith to determine such market renewal rate. If, notwithstanding such good faith negotiations, there still exists between the parties a disagreement as to what constitutes the market renewal rate eight (8) months prior to lease expiration, non-binding mediation shall be employed to determine the market renewal rate. Six (6) months prior to the lease expiration, Tenant shall have the right to choose to A) extend at the rental rate either 1) as determined by such non-binding mediation (if such mediation was necessary), or 2) as otherwise agreed by the parties, or, alternatively, B) rescind its prior notice of its intention to exercise its renewal option and allow the lease to terminate as scheduled.

REQUEST FOR PROPOSALS

Office Space

Located in:

_____, _____ County, Tennessee

RFP TRANSACTION NUMBER:


STATE OF TENNESSEE
Department of General Services

RFP CONTENTS

SECTIONS:

1. INTRODUCTION
2. RFP SCHEDULE OF EVENTS
3. PROPOSAL REQUIREMENTS
4. GENERAL CONTRACTING INFORMATION & REQUIREMENTS
5. PROPOSAL EVALUATION & LEASE AWARD

ATTACHMENTS:

- 6.1.1. Proposal Package Cover Sheet**
- 6.1.2. Proposal Statement of Certifications & Assurances**
- 6.2. Qualitative Proposal & Evaluation Guide**
- 6.3. Cost Proposal**
- 6.3.A. Building Operating Cost**
- 6.3.B. Landlord Delivery Requirements**
- 6.4. Proposal Score Summary Matrix**
- 6.5. Standard Form of Lease including Exhibits A through H**
- 6.6. Commission Agreement**

Release Date: _____, **20**_____

1. INTRODUCTION

1.3. Statement of Procurement Purpose

The State of Tennessee, Department of General Services, hereinafter referred to as the "State" or "Tenant," has issued this Request for Proposals ("RFP") to define the State's leasing requirements; solicit proposals; detail proposal requirements; and outline the State's process for evaluating proposals and selecting office space to be leased in the location specified in this RFP.

Through this RFP, the State seeks to procure the leased space that best fits the State's needs at the most favorable, competitive rental rates and to give ALL qualified proposers (each individually, a "Proposer" and collectively, the "Proposers") including those that are (or are owned by) minorities, women, Tennessee service-disabled veterans, and small business enterprises, opportunity to do business with the State as lessor.

1.4. Scope of Lease, Lease Term, and Terms & Conditions

The State has a need for office space and hereby invites proposals for lease in accordance with the requirements and conditions contained in this RFP.

1.2.1. LOCATION

Within _____ County, Tennessee and within the following boundaries:

1.2.2. SPACE REQUIREMENT

The initial space requirement is approximately <<USF>> contiguous useable square feet. The State intends "contiguous" to mean space that is adjacent including floors below or above. The actual square footage will be determined by programming and space planning. Proposals with square footages having a 15% deviation (up or down) will be considered.

All measurements, which Tenant will require the specific right to independently verify, must be computed in accordance with the American National Standard method of measuring floor area in office buildings of the Building Owners and Managers Association International (ANSI/BOMA Z65.1-2010).

1.2.3. PARKING REQUIREMENT

RFP Transaction No. _____

Tenant desires to have safe, convenient and accessible, covered parking. Tenant will require, as a minimum, ___ spaces per 1,000 rentable square feet. Included in this ratio should be a minimum of ___ reserved, assigned spaces. The parking provided shall include handicap parking to meet the relevant code requirements and the parking spaces provided to the State shall include a pro rata share of handicap parking if the parking lot serving the State's premises contains more spaces than those required by the State and such lot is utilized by others.

1.2.4. INITIAL TERM

Tenant requests the Landlord propose a _____ () year lease term, or a _____ () year lease term, or both a _____ () and a _____ () year lease term.

1.2.5. TERM COMMENCEMENT

Tenant requires that the leased space be made available to the Tenant in the condition required by this RFP on _____. The Lease Term will commence on the latter of <<Comm Date>> or thirty (30) days after substantial completion of the Tenant Improvements occurs and a certificate of occupancy for the Premises is issued as long as the substantial completion date occurs on or before the date set forth in the schedule of events in Section 2.1. of the RFP.

1.2.6. TERMS AND CONDITIONS

The RFP Attachment 6.5. Standard Form of Lease including Exhibits A-H details the State's desired terms and conditions and substantially represents the lease that the successful Proposer must sign. In order to submit a Proposal on the State's desired Terms and Conditions, the cost proposal response in RFP Attachment Section 6.3., Cost Proposal, must be filled out in its entirety and exactly as requested. However, the State is willing to consider alternative terms and conditions to those set forth in the Standard Form of Lease including Exhibits A-H (RFP Attachment 6.5.). Any proposed alterations on which the Proposer is basing an alternative proposal, shall be identified as a red-line document of the RFP Attachment 6.5., Standard Form of Lease including Exhibits A-H in conjunction with a corresponding red-line document of the cost proposal response in RFP Attachment Section 6.3., Cost Proposal. While the State is willing to consider alternative terms and conditions, the State has no obligation to consider or to agree to any proposed alterations. Proposers may suggest Proposed Alternative Terms, such as variations on the following items (this list is intended to be representative and not exhaustive):

- Lease term
- Termination Options and terms related thereto
- Allowances for the build out of the leased space and any conditions applicable to such allowance, if any
- Operating Expenses.

See Section 3.1.2. for instructions on how to submit Proposed Alternative Terms.

1.3. Nondiscrimination

No person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of a lease pursuant to this RFP or in the employment practices of the lessor under such lease, on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The successful Proposer pursuant to this RFP shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

1.4. RFP Communications

1.4.1. The State has assigned the following RFP identification number that must be referenced in all communications regarding this RFP:

RFP TRANSACTION NUMBER _____

1.4.2. Unauthorized contact about this RFP with employees, officials, or consultants of the State of Tennessee except as detailed below may result in disqualification from consideration under this procurement process.

1.4.2.1. Potential Proposers must direct communications relating to this RFP to the following person designated as the RFP Coordinator during the proposal process:

[to be completed by RFP Coordinator]

Department of General Services

c/o _____

William R. Snodgrass Tennessee Tower, _____ Floor

312 Rosa L. Parks Avenue

Nashville, TN 37243

Phone: _____

Email: _____

1.4.2.2. After evaluation of Proposals and during any subsequent discussions, Responsible and Responsive Proposers must direct communications to the following person designated

RFP Transaction No. _____

as the State's authorized broker (the "Broker"), provided, however, that all such discussions are non-binding, and all final decisions shall be made by the State:

[to be completed by RFP Coordinator]

c/o _____

Phone: _____

Email: _____

1.4.2.3. Notwithstanding the foregoing, potential proposers may contact:

- a. staff of the Governor's Office of Diversity Business Enterprise for assistance available to minority-owned, women-owned, and small businesses as well as general, public information relating to this RFP; and
- b. the following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and associated federal regulations:

[to be completed by RFP Coordinator]

c/o _____

Phone: _____

Email: _____

1.4.3. Only the State's official, written responses and communications will be binding with regard to this RFP. All oral communications of any type will be unofficial and non-binding.

RFP Transaction No. _____

- 1.4.4. Proposers must ensure that the State receives all written comments, including questions and requests for clarification, no later than the Written Questions and Comments Deadline detailed in the RFP Section 2, Schedule of Events.
- 1.4.5. Proposers must assume the risk of the method of dispatching any communication or proposal to the State. The State assumes no responsibility for delays or delivery failures resulting from the method of dispatch. Actual or digital "postmarking" of a communication or proposal to the State by a specified deadline date will not substitute for the State's actual receipt of a communication or proposal.
- 1.4.6. The State will convey all official responses and communications related to this RFP to the potential Proposers from whom the State has received a Notice of Intent to Propose (RFP Section 1.8.).
- 1.4.7. The State reserves the right to determine, at its sole discretion, the method of conveying official, written responses and communications related to this RFP. Such written communications may be transmitted by mail, hand-delivery, facsimile, electronic mail, Internet posting, or any other means deemed reasonable by the State.
- 1.4.8. The State reserves the right to determine, at its sole discretion, the appropriate and adequate responses to written comments, questions, and requests related to this RFP. The State's official, written responses will constitute an amendment of this RFP.
- 1.4.9. Any data or factual information provided by the State (in this RFP, an RFP amendment or any other communication relating to this RFP) is for informational purposes only. The State will make reasonable efforts to ensure the accuracy of such data or information; however it is within the discretion of Proposers to independently verify any information before relying thereon.

1.5. Assistance to Proposers With a Handicap or Disability

Potential proposers with a handicap or disability may receive accommodation relating to the communication of this RFP and participating in the RFP process. Potential proposers may contact the RFP Coordinator to request such reasonable accommodation no later than the Disability Accommodation Request Deadline detailed in the RFP Section 2, Schedule of Events.

1.6. Proposer Required Review & Waiver of Objections

RFP Transaction No. _____

- 1.6.1. Each Proposer must carefully review this RFP, including but not limited to, attachments, the RFP Attachment 6.5., Standard Form of Lease including Exhibits A-H, and any amendments, for questions, comments, defects, objections, or any other matter requiring clarification or correction (collectively, "Questions and Comments").
- 1.6.2. Any Proposer having Questions and Comments concerning this RFP must provide such in writing to the State no later than the Written Questions and Comments Deadline detailed in the RFP Section 2, Schedule of Events.
- 1.6.3. Protests based on any objection shall be considered waived and invalid if the objection has not been brought to the attention of the State, in writing, by the Written Questions and Comments Deadline.

1.7. Pre-Proposal Conference – IF REQUIRED

A Pre-Proposal Conference will be held at the time and date detailed in the RFP Section 2, Schedule of Events. Pre-Proposal Conference attendance is not mandatory, and potential proposers may be limited to a maximum number of attendees depending upon overall attendance and space limitations.

The conference will be held at:

ADDRESS/LOCATION
OTHER APPROPRIATE INFORMATION IF ANY

The purpose of the conference is to discuss the RFP scope of services. The State will entertain questions; however potential proposers must understand that the State's response to any question at the Pre-Proposal Conference shall be tentative and non-binding. Potential proposers should submit questions concerning the RFP in writing and must submit them prior to the Written Questions and Comments Deadline date detailed in the RFP Section 2, Schedule of Events. The State will send the official response to questions to potential proposers as indicated on the date detailed in the RFP Section 2, Schedule of Events.

1.8. Notice of Intent to Propose

Before the Notice of Intent to Propose Deadline detailed in the RFP Section 2, Schedule of Events, potential proposers are requested to submit to the RFP Coordinator a Notice of Intent to Propose (in the form of a simple e-mail or other written communication). Such notice should include the following information:

- the business or individual's name (as appropriate)

RFP Transaction No. _____

- a contact person's name and title
- the contact person's mailing address, telephone number, facsimile number, and e-mail address

A Notice of Intent to Propose creates no obligation and is not a prerequisite for making a proposal, however, it is necessary to ensure receipt of any RFP amendments or other notices and communications relating to this RFP.

1.9. Proposal Deadline

A Proposer must ensure that the State receives a proposal no later than the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events. The proposal must respond, as required, to this RFP (including its attachments), as may be amended. The State will not accept late proposals, and a Proposer's failure to submit a proposal before the deadline will result in disqualification of the proposal.

2. SCHEDULE OF EVENTS

2.1. RFP Schedule of Events

EVENT	TIME (central time zone)	DATE (all dates are state business days)
13. RFP Advertised		Day 0
14. Disability Accommodation Request Deadline		+ 2 work days
15. Pre-proposal Conference		+ 3 work days
16. Notice of Intent to Propose		+ 4 work days
17. Written "Questions & Comments" Deadline		+ 4 work days
18. State Response to Written "Questions & Comments"		+ 8 work days
19. Proposal Deadline		+ 15 work days
20. State Completion of Qualitative Proposal Evaluations		+ 20 work days
21. State Opening of Cost Proposals		+ 21 work days
22. State Completion of Cost Proposal Evaluations		+ 25 work days

23. State Completion of Negotiations and Negotiated Cost Proposal Evaluations		+ 40 work days
24. State Notice of Intent to Award Issued <u>and</u> RFP Files Opened for Public Inspection		Day 0
25. Executive Sub Committee of the State Building Commission Approval Sought (<i>If lease term is greater than 5 years or annual rent is greater than \$150,000</i>)		Day 0 but at least 10 days after Notice Intent to Award
14. Lease is circulated to successful Proposer for signature		+ 6 work days
15. Lease Signature Deadline		+ 12 work days
16. Delivery Date for Construction		Specific to each project
17. Substantial Completion Date		Specific to each project
18. Certificate of Occupancy Date		Specific to each project
19. Lease Commencement/Occupancy Date		Specific to each project

2.2. The State reserves the right, at its sole discretion, to adjust the RFP Schedule of Events as it deems necessary. Any adjustment of the Schedule of Events, except for changes to the Lease Commencement/Occupancy Date agreed to with the Best Evaluated Proposer, shall constitute an RFP amendment, and the State will communicate such to potential proposers from whom the State has received a Notice of Intent to Propose (refer to RFP Section 1.8).

3. PROPOSAL REQUIREMENTS

3.1. Proposal Form

A response to this RFP must consist of a Qualitative Proposal and separately sealed Cost Proposal(s). (As more particularly expressed in Section 3.1.2 below, a Proposer may provide more than one Cost Proposal.)

- 3.1.1. **Qualitative Proposal.** The RFP Attachment 6.2., Qualitative Proposal & Evaluation Guide details specific requirements for making a Qualitative Proposal in response to this RFP. The guide requires that a proposer provide certain information and documents.

NOTICE: A Qualitative Proposal should not include any pricing or cost information. If any pricing or cost information amounts of any type (even pricing relating to other projects) references to “free parking” are included in any part of the Qualitative proposal, the State may deem the proposal to be non-responsive and reject it

- 3.1.1.1. A Proposer must use the RFP Attachment 6.2., Qualitative Proposal & Evaluation Guide, to organize, reference, and draft the Qualitative Proposal by duplicating the attachment, adding appropriate proposal page numbers as required, and using the guide as a table of contents covering the Qualitative Proposal.
- 3.1.1.2. A Proposal should be economically prepared, with emphasis on completeness and clarity. A Proposal, as well as any reference material presented, must be written in English and must be written on standard 8 ½” x 11” pages (although oversize exhibits are permissible). All Proposal pages must be numbered.
- 3.1.1.3. The State may determine a Proposal to be non-responsive and reject it if:
- a. the Proposer fails to organize and properly reference the Qualitative Proposal as required by this RFP and the RFP Attachment 6.2., Qualitative Proposal & Evaluation Guide; or

- b. the Qualitative Proposal document does not appropriately respond to, address, or meet all of the requirements and proposal items detailed in the RFP Attachment 6.2., Qualitative Proposal & Evaluation Guide.

- 3.1.2. **Cost Proposal.** Cost Proposals may be submitted in one or both of the following forms: A Cost Proposal for the State's desired Terms and Conditions ("Base Cost Proposal") and/or one or more Cost Proposals with proposed Alternative Terms ("Alternate Cost Proposal").

NOTICE: If a proposer fails to submit a Base or Alternate Cost Proposal exactly as required, the State may deem the proposal to be non-responsive and reject it.

- 3.1.2.1. A Base Cost Proposal must be submitted on an exact duplicate of the RFP Attachment 6.3., Cost Proposal.
 - 3.1.2.1.1 The Base Cost Proposal shall incorporate ALL costs for services under the lease for the total lease term.
 - 3.1.2.1.2 A Proposer must sign and date the Base Cost Proposal.
- 3.1.2.2. An Alternate Cost Proposal should be submitted with a red-line modification of the RFP Attachment 6.3, Cost Proposal and a red-line modification of Attachment 6.5., Standard Form of Lease including Exhibits A-H, if applicable.
 - 3.1.2.2.1 In the event that an Alternate Cost Proposal includes or is based on alternate Terms and Conditions, those must be clearly stipulated in the form of a red-line modification of the RFP Attachment 6.5., Standard Form of Lease including Exhibits A-H.
 - 3.1.2.2.2 Each Alternate Cost Proposal shall incorporate ALL costs for services proposed under the lease for the proposed lease term.
 - 3.1.2.2.3 Each Alternate Cost Proposal shall be clearly marked as an alternate proposal and must be specific, address all necessary terms, and be concise.

3.1.2.2.4 A proposer must sign and date each Alternate Cost Proposal.

3.1.2.3. A Proposer must submit the Cost Proposal(s) to the State in a sealed package separate from the Qualitative Proposal (as detailed in RFP Sections 3.3.3., *et seq.*).

3.2. STATEMENT OF FINANCIAL INTERESTS

It is a requirement of Tennessee Code Annotated Section 12-2-114 that a statement listing the names of any and all persons financially interested in the proposed space be contained in the Lease Proposal. This requirement includes the interests of the owner/agent, any lienholders or any known future purchasers or lienholders. This information is to be provided in RFP Attachment 6.3., Cost Proposal.

3.3. SUBMISSION OF PROPOSALS

A Proposer must deliver a proposal in response to this RFP as detailed below. The State may not accept a proposal delivered by any other method. Each Proposal should include a Proposal Package Cover Sheet in the form of RFP Attachment 6.1.1., which shall reference any amendments to the RFP.

3.3.1. A Proposer must ensure that both the original Qualitative Proposal and Cost Proposal documents meet all form and content requirements detailed within this RFP for such proposals including but not limited to required signatures.

3.3.2. A Proposer must ensure that the State receives a proposal in response to this RFP no later than the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events at the following address.

[to be completed by RFP Coordinator]

c/o _____

RFP Transaction No. _____

Phone: _____

Email: _____

3.3.3. A Proposer must submit original Qualitative Proposal and Cost Proposal documents and copies in separate sealed envelopes or packages as specified below.

3.3.3.1. One (1) original Qualitative Proposal paper document must be placed in a sealed package labeled:

“RFP TRANSACTION # [RFP NUMBER] QUALITATIVE PROPOSAL ORIGINAL”

and **one (1)** copy of the Qualitative Proposal in the form of one (1) digital document in “PDF” format properly recorded on its own otherwise blank, standard file storage medium such as a CD or flash drive labeled:

“RFP TRANSACTION # [RFP NUMBER] QUALITATIVE PROPOSAL COPY”

In the event of a discrepancy between the original Qualitative Proposal document and the digital copy, the original, signed document will take precedence.

3.3.3.2 One (1) original of the Base Cost Proposal and/or one (1) original of each Alternate Cost Proposal paper document must be placed in a sealed package labeled:

“RFP TRANSACTION # [RFP NUMBER] COST PROPOSAL ORIGINAL”

and one (1) copy in the form of a digital document in “PDF/XLS” format properly recorded on separate, blank, standard file storage medium such as a CD or flash drive labeled:

“RFP TRANSACTION # [RFP NUMBER] COST PROPOSAL COPY”

In the event of a discrepancy between the original Cost Proposal document and the digital copy, the original, signed document will take precedence.

3.3.3.3. The separately sealed Qualitative Proposal and Cost Proposal components may be enclosed in a larger package for mailing or delivery, provided that the outermost package is clearly labeled:

“RFP TRANSACTION # [RFP NUMBER] SEALED QUALITATIVE PROPOSAL & SEALED COST PROPOSAL(S) FROM [PROPOSER LEGAL ENTITY NAME]”

3.3.4. A Proposer must separate, seal, package, and label the documents and file storage medium for delivery as follows.

3.3.4.1. The Qualitative Proposal original document and copy file storage medium must be placed in a sealed package that is clearly labeled:

“DO NOT OPEN... RFP TRANSACTION # [RFP NUMBER] QUALITATIVE PROPOSAL FROM [PROPOSER LEGAL ENTITY NAME]”

3.3.4.2. The Base Cost Proposal and/or each Alternate Cost Proposal original document and copy file storage medium must be placed in a separate, sealed package that is clearly labeled:

“DO NOT OPEN... RFP TRANSACTION # [RFP NUMBER] COST PROPOSAL(S) FROM [PROPOSER LEGAL ENTITY NAME]”

3.4. Proposal & Proposer Prohibitions

3.4.1. A Proposal must not result from any collusion between Proposers. The State will reject any Cost Proposal that was not prepared independently without collusion, consultation, communication, or agreement with any other Proposer. Regardless of the time of detection, the State will consider any such actions to be grounds for proposal rejection or lease termination.

3.4.2. A Proposer shall not provide, for consideration in this RFP process or subsequent lease negotiations, incorrect information that the Proposer knew or should have known was materially incorrect. If the State determines that a Proposer has provided such incorrect information, the State may deem the Proposer's proposal non-responsive and reject it.

3.4.3 A Proposer shall not be (and the State will not award a lease to):

- b. an individual who is, or within the past six months has been, an employee of the State of Tennessee or who is a volunteer member of a State board or commission that votes for, lets out, overlooks, or in any manner superintends the services being procured in this RFP;

- b. a company, corporation, or any other contracting entity in which an ownership of two percent (2%) or more is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee (this will not apply either to financial interests that have been placed into a “blind trust” arrangement pursuant to which the employee does not have knowledge of the retention or disposition of such interests or to the ownership of publicly traded stocks or bonds where such ownership constitutes less than 2% of the total outstanding amount of the stocks or bonds of the issuing entity);
- c. a company, corporation, or any other contracting entity which employs an individual who is, or within the past six months has been, an employee of the State of Tennessee in a position that would allow the direct or indirect use or disclosure of information, which was obtained through or in connection with his or her employment and not made available to the general public, for the purpose of furthering the private interest or personal profit of any person; or,
- d. any individual, company, or other entity involved in assisting the State in the development, formulation, or drafting of this RFP or its scope of services (such person or entity being deemed by the State as having information that would afford an unfair advantage over other Proposers).

For the purposes of applying the requirements of this RFP subsection 3.4.3., the State will deem an individual to be an employee of the State of Tennessee until such time as all compensation for salary, termination pay, and annual leave has been paid, but the term “employee of the State of Tennessee” shall not include individuals performing volunteer services for the State of Tennessee.

3.5. Proposal Errors & Revisions

A Proposer is liable for any and all proposal errors or omissions. A Proposer will not be allowed to alter or revise proposal documents after the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events unless such is formally requested, in writing, by the State.

3.6. Proposal Withdrawal

A Proposer may withdraw a submitted proposal at any time before the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events by submitting a written request signed by an authorized Proposer representative. After withdrawing a proposal, a Proposer may submit another proposal at any time before the Proposal Deadline.

NOTICE: If a Proposer fails to submit a Cost Proposal(s) exactly as required, the State may deem the proposal non-responsive and reject it.

3.7. Proposal Preparation Costs

The State will not pay any costs associated with the preparation, submittal, or presentation of any proposal.

4. GENERAL LEASING INFORMATION & REQUIREMENTS

4.1. RFP Amendment

The State reserves the right to amend this RFP at any time, provided that it is amended in writing. However, prior to any such amendment, the State will consider whether it would negatively impact the ability of potential proposers to meet the proposal deadline and will revise the RFP Section 2, Schedule of Events if deemed appropriate. If an RFP amendment is issued, the State will convey it to potential proposers who submitted a Notice of Intent to Propose (RFP Section 1.8). A proposer must respond, as required, to the RFP, including all attachments and amendments.

4.2. RFP Cancellation

The State reserves the right, at its sole discretion, to cancel or to cancel and reissue this RFP in accordance with applicable laws and regulations.

4.3. State Right of Rejection

4.3.1. Subject to applicable laws and regulations, the State reserves the right to reject, at its sole discretion, any and all proposals.

4.3.2. The State may deem as non-responsive and reject any proposal that does not comply with all terms, conditions, and performance requirements of this RFP.

4.4. Disclosure of Proposal Contents

4.4.1. Each proposal and all materials submitted to the State in response to this RFP become the property of the State of Tennessee. Selection or rejection of a proposal does not affect this ownership right. By submitting a proposal, a Proposer acknowledges and accepts that the full proposal contents and associated documents will become open to public inspection in accordance with the laws of the State of Tennessee.

4.4.2. The State will hold all proposal information in confidence during the evaluation process.

4.4.3. Upon completion of proposal evaluations, indicated by public release of an Evaluation Notice or Notice of Intent to Award as applicable, the proposals and associated materials will be open for review by the public in accordance with *Tennessee Code Annotated*, Section 10-7-504(a)(7).

4.5. Severability

If any provision of this RFP is declared by a court to be illegal or in conflict with any law, said decision will not affect the validity of the remaining RFP terms and provisions, and the rights and obligations of the State and Proposers will be construed and enforced as if the RFP did not contain the particular provision held to be invalid.

5. PROPOSAL EVALUATION & LEASE AWARD

5.1. The evaluation criteria for responses to this RFP, including the qualitative factors for evaluation and their respective weights have been determined in advance and have been sealed for confidentiality and placed with the Office of the State Architect for safe keeping until the proposal deadline.

5.2. Evaluation Categories & Maximum Points

The State will consider each proposed building's qualitative aspects and the proposed cost in the evaluation of proposals and will award points in each of the categories detailed below to each apparently responsive proposal.

EVALUATION CATEGORY	MAXIMUM POINTS POSSIBLE
Qualitative Factors (refer to RFP Attachment 6.2., Section B)	(withheld in accordance with 5.1.)
Cost Proposal (refer to RFP Attachment 6.3.)	(withheld in accordance with 5.1.)

5.3. Evaluation Process

The proposal evaluation process is designed to award the lease resulting from this RFP to the Responsive and Responsible Proposer offering the best combination of attributes based upon the evaluation criteria. The term "Responsive" means a person or entity which has submitted a proposal which conforms in all material respects to the RFP. The term "Responsible" means a person or entity which has the capacity in all material respects to perform fully the Lease requirements, and the integrity and reliability that will assure good faith performance.

5.3.1. **Qualitative Proposal Evaluation.** The Proposal Evaluation Team (consisting of three or more State employees) will use the RFP Attachment 6.2., Qualitative Proposal & Evaluation Guide to manage the Qualitative Proposal Evaluation and maintain evaluation records. The Broker may serve as a technical advisor to the Proposal Evaluation Team.

5.3.1.1. The State reserves the right, at its sole discretion, to request Proposer clarify information in a Qualitative Proposal and/or to conduct clarification discussions with any or all Proposers. Any such clarification or discussion will be limited to specific sections of the proposal identified by the State and shall be in accordance with all policies of the Real Estate Asset Management division of the Department of General Services.

5.3.1.2. The RFP Coordinator will review each Qualitative Proposal to determine compliance with RFP Attachment 6.2., Qualitative Proposal & Evaluation Guide, Section A— Mandatory Requirements. If the RFP Coordinator determines that a proposal may have failed to meet one

or more of the mandatory requirements, the RFP Coordinator shall seek the advice of an attorney on the staff of the Department of General Services who will review the proposal and document his/her determination of whether:

- a. the proposal adequately meets requirements for further evaluation;
- b. the State will request clarifications or corrections for consideration prior to further evaluation; or,
- c. the State will determine the proposal non-responsive to the RFP and reject it.

5.3.1.3. Proposal Evaluation Team members will independently evaluate each Qualitative Proposal (that the RFP Coordinator has determined appears responsive to the RFP) in light of the qualitative factors and the Market Survey and will score each in accordance with the RFP Attachment 6.2., Qualitative Proposal & Evaluation Guide, Section B.

5.3.1.4. For each proposal evaluated, the RFP Coordinator will calculate the average of the Proposal Evaluation Team member scores for RFP Attachment 6.2., Qualitative Proposal & Evaluation Guide, Section B and record each average as the proposal score for the respective Qualitative Proposal section.

5.3.1.5. Before Cost Proposals are opened, the Proposal Evaluation Team will review the Qualitative Proposal Evaluation record and any other available information pertinent to whether or not each Proposer is Responsive and Responsible. If the Proposal Evaluation Team identifies any Proposer that appears not to meet the Responsive and Responsible thresholds such that the team would not recommend the Proposer for Cost Proposal Evaluation and potential lease award, the RFP Coordinator will fully document the determination in accordance with the Department's legal counsel.

5.3.2. **Cost Proposal Evaluation.** The RFP Coordinator will open for evaluation the Base and/or Alternate Cost Proposal(s) of each apparently Responsive and Responsible Proposer after completion of the Qualitative Proposal Evaluation. The RFP Coordinator will then evaluate each cost proposal based on the net present value of the total "Average Annual Effective Cost" to the State over the term of the lease. The Average Annual Effective Cost shall include the annual base rent, estimates of additional rent such as pass through of operating expenses as defined in RFP Attachment 6.3.A., Building Operating Cost, estimates of any deficiency in Landlord's Delivery Requirements as defined in RFP Attachment 6.3.B., costs associated with any Landlord services not included in the base rent, and any net difference between the allowances requested and the allowances provided, the State's share of the brokerage commission, any parking costs, and other cost factors disclosed in the RFP that are determined by the

State to be applicable to the requirements. Upon completion of the analysis, the RFP Coordinator who will in turn calculate the Cost Proposal Score in accordance with the RFP Attachment 6.3, Cost Proposal & Scoring Guide.

- 5.3.3. **Preliminary Total Proposal Score.** The RFP Coordinator will calculate the sum of the Qualitative Proposal section scores and each Base and/or Alternate Cost Proposal score and record the resulting number as the total score for the subject Proposal (refer to RFP Attachment 6.4., Proposal Score Summary Matrix).

- 5.3.4. **Proposal Negotiation.** The State may elect to negotiate by requesting revised Cost Proposals and other supplemental materials from apparently Responsive and Responsible Proposers. However, the State reserves the right to award a lease on the basis of initial proposals received. Accordingly, each proposal should contain the Proposer's best terms from a price, terms, and qualitative standpoint. The State may negotiate in accordance with the Real Estate Asset Management Lease Communications and Negotiations Policy as approved by the State Building Commission.

- 5.3.5 **Final Total Proposal Score.** The RFP Coordinator will calculate the sum of the Qualitative Proposal section scores and each Base Alternate or Negotiated Cost Proposal scores and record the resulting number as the total score for the subject Proposal (refer to RFP Attachment 6.4., Proposal Score Summary Matrix).

5.4. Lease Award Process

- 5.4.1 After the evaluation process is complete, the RFP Coordinator will forward the Final Total Proposal Scores to the proper officials of the Department of General Services (DGS) who will consider the same to determine which Proposal should be accepted. The Commissioner of DGS shall issue a notice of intent to award the lease to all Proposers.

- 5.4.2. Upon issuance of the Notice of Intent to Award, the State will make the RFP files available for public inspection.

NOTICE: The Notice of Intent to Award shall not create rights, interests, or claims of entitlement in either the Proposer with apparent best-evaluated proposal or any other Proposer.

- 5.4.3. The Proposer identified in the Notice of Intent to Award must sign a lease drawn by the State pursuant to this RFP. The lease shall be substantially the same as the RFP Attachment 6.5., Standard Form of Lease including Exhibits A-H except as modified by the State after taking into account the results of the negotiations, if any. The Proposer must sign the lease no later than Lease Signature Deadline detailed in the RFP Section 2, Schedule of Events. If the Proposer fails to provide the signed lease by the deadline, the State may determine that the Proposer is non-responsive to this RFP and reject the proposal.

5.5 RFP Files Open

RFP Transaction No. _____

The State will make the RFP files available for public inspection on the date specified in the RFP Section 2, Schedule of Events. The files will remain open for public review from that date.

5.6. Protest Process

Any protests or appeals of protests pursuant to this RFP or the Notice of Intent to Award shall be handled in accordance with State Building Commission By-laws, Policy and Procedure Item 18.

5.7. Lease Approval and Lease Payments

5.7.1. This RFP and its proposer selection processes do not obligate the State and do not create rights, interests, or claims of entitlement in either the Proposer with the apparent best-evaluated proposal or any other Proposer. State obligations pursuant to a lease award shall commence only after the lease is signed by the State and the Proposer and after the lease is approved by all other State officials as required by applicable laws and regulations.

5.7.2. No payment will be obligated or made until the relevant lease is approved as required by applicable statutes and rules of the State of Tennessee.

PROPOSAL PACKAGE COVER SHEET

Office Space

Located in:

_____, _____ **County, Tennessee**

RFP TRANSACTION NUMBER: _____



STATE OF TENNESSEE
Department of General Services

Any blank spaces may cause Proposal to be unacceptable and rejected.

Proposer Identification:

Proposer

Address

The Proposer received the following amendments to the RFP, and this Proposal reflects the Proposer's consideration of these amendments: [list amendments received, if any]

PROPOSAL STATEMENT OF CERTIFICATIONS AND ASSURANCES

The Proposer must sign and complete the Proposal Statement of Certifications and Assurances below as required, and it must be included in the Proposal (as required by RFP Attachment 6.2., Proposal Evaluation Guide, Section A, Item A.2.).

The Proposer does, hereby, expressly affirm, declare, confirm, certify, and assure ALL of the following:

- 1. The Proposer will comply with all of the provisions and requirements of the RFP.
- 2. The Proposer will perform pursuant to the terms of the lease agreed to by the parties, if applicable, for the total lease term.
- 3. The Proposer will comply with:
 - (a) the laws of the State of Tennessee;
 - (b) Title VI of the federal Civil Rights Act of 1964;
 - (c) Title IX of the federal Education Amendments Act of 1972;
 - (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
 - (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
- 4. To the knowledge of the undersigned, the information detailed within the proposal submitted in response to the RFP is accurate.
- 5. The proposal submitted in response to the RFP was independently prepared, without collusion, under penalty of perjury.
- 6. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the RFP or any resulting lease.
- 7. The proposal submitted in response to the RFP shall remain valid for at least 90 days subsequent to the date of the Proposal opening and thereafter in accordance with any lease entered into pursuant to the RFP.
- 8. I acknowledge that _____ (“Broker”) shall have the right to collect a lease commission from the landlord entering into a lease with the State pursuant to this RFP; provided no such lease commission shall exceed _____ of the total rents to be paid or received by such landlord from the date of a fully executed and approved lease for the term of a new lease. Any such commission shall be subject to the terms of a separate agreement between the landlord and Broker.

By signing this Proposal Statement of Certifications and Assurances, below, the signatory also certifies legal authority to bind the proposing entity to the provisions of this RFP and any lease awarded pursuant to it. If the signatory is not the Proposer (if an individual) or the Proposer’s company *President or Chief Executive Officer*, this document must attach evidence showing the individual’s authority to bind the proposing entity.

DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO BIND THE PROPOSING ENTITY

Signature: _____

PRINTED NAME AND TITLE: _____

DATE: _____

PROPOSER LEGAL ENTITY NAME: _____

PROPOSER FEDERAL ID NUMBER OR SSN: _____

RFP ATTACHMENT 6.2. – SECTION A

QUALITATIVE PROPOSAL & EVALUATION GUIDE

SECTION A: MANDATORY REQUIREMENTS. The Proposer must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Proposer must also detail the proposal page number for each item in the appropriate space below.

The RFP Coordinator will review the proposal to determine if the Mandatory Requirement Items are addressed as required and mark each with pass or fail. For each item that is not addressed as required, the Proposal Evaluation Team must review the proposal and attach a written determination. In addition to the Mandatory Requirement Items, the RFP Coordinator will review each proposal for compliance with all RFP requirements.

PROPOSER LEGAL ENTITY NAME:			
PROPOSED BUILDING ADDRESS:			
Proposal Page # (Proposer completes)	Item Ref.	Section A— Mandatory Requirements	Pass/Fail (State Use ONLY)
		The Proposal must be delivered to the State no later than the Proposal Deadline specified in the RFP Section 2, Schedule of Events.	
		The Qualitative Proposal, Base Cost Proposal and any Alternate Term & Cost Proposal documentation must be packaged separately as required (refer to RFP Section 3.3., <i>et. seq.</i>).	
		The Qualitative Proposal should NOT contain cost or pricing information related to the response to this RFP.	
		The Qualitative Proposal must NOT contain any restrictions of the rights of the State or other qualification of the proposal.	
	A.1	<p>The space offered is identified and described as follows (<u>Address of proposed space should be the 911 Emergency Address</u>):</p> <p align="center">Name of Building _____</p> <p align="center">911 Street Address _____</p> <p align="center">City _____ State _____</p> <p align="center">Zip Code _____</p>	

	A.2.	<u>Statement of Certifications and Assurances:</u> Provide the Proposal Statement of Certifications and Assurances (RFP Attachment 6.1.2.) completed and signed by an individual empowered to bind the Proposer to the provisions of this RFP and any resulting lease. The document must be signed without exception or qualification.	
	A.3.	<u>Conflict of Interest:</u> Provide a statement, based upon reasonable inquiry, of whether the Proposer or any individual who shall perform work under the lease has a possible conflict of interest (e.g., employment by the State of Tennessee) and, if so, the nature of that conflict. NOTE: Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award.	
	A.4.	Provide office Square Footage as described in RFP Section 1.2.2.	
	A.5.	Provide Site Location and Access Maps	
	A.6.	Provide as-built drawings (preferably in CADD form) of the proposed premises	
	A.7.	Provide photographs: a building elevation, the primary entrance lobby, and at least one as-is photo of each floor proposed.	
State Use – RFP Coordinator Signature, Printed Name & Date:			

QUALITATIVE PROPOSAL & EVALUATION GUIDE

SECTION B: QUALITATIVE PROPOSAL. The Proposer must address all items (below) and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Proposer must also detail the proposal page number for each item in the appropriate space below.

A Proposal Evaluation Team, made up of three or more State employees, will independently evaluate and score the proposal's response to each item. Each evaluator will use the following whole number, raw point scale for scoring each item:

0 = little value 1 = poor 2 = fair 3 = satisfactory 4 = good 5 = excellent

The RFP Coordinator will multiply the Item Score by the associated Evaluation Factor (indicating the relative emphasis of the item in the overall evaluation). The resulting product will be the item's raw, weighted score for purposes of calculating the section score as indicated.

PROPOSER LEGAL ENTITY NAME:					
PROPOSED BUILDING ADDRESS:					
Proposal Page # (Proposer completes)	Item Ref.	Section B— Qualitative Items	Item Score	Evaluation Factor	Raw Weighted Score
	B.1.	<p><u>Site and Vicinity:</u></p> <ul style="list-style-type: none"> The State's desired location is described in RFP Section 1.2.1. Please confirm that the proposed building meets the criteria, including information on access points to the Building. <p>Please describe the uses near the premises, including a list of other tenants in the Building and the location of any retail in the Building or in the vicinity.</p>		<u>(Withheld in accordance with 5.1)</u>	
	B.2.	<p><u>Building Quality:</u> The State's desired space requirement is described in Section 1.2.2. Please indicate the square footage included in your proposal. Please include with your response the following to assist Tenant in understanding the quality and appearance of the Building: brochures; site plan; descriptive materials regarding building materials and infrastructure; technical information regarding floor plate configuration, ceiling height, lobby size, floor load capacity, column spacing and landscaping plans. Please include answers to</p>		<u>(Withheld in accordance with 5.1)</u>	

		<p>the following:</p> <ul style="list-style-type: none"> ▪ Is a UPS available? ▪ Are there at least two (2) 20 amp quad 110 dedicated outlets? ▪ Are fiber optics available? ▪ Is category 6 cable already in place? ▪ What is the maximum ceiling height Landlord can provide from slab to bottom of the ceiling tile? ▪ What is the maximum floor load the Premises are designed to accommodate? ▪ How many watts per square foot of power can Landlord provide? ▪ What is the maximum density Landlord's HVAC system is designed to accommodate? 													
	B.3.	<p><u>Space Quality:</u> In order to assist Tenant in understanding the quality and appearance of the premises, please describe generally the proposed premises, including square footage, services provided, including janitorial, if applicable, finishes and window treatments. Please provide 8 1/2" x 11" size floor plans of the areas proposed and describe the floors available to meet the State's space needs in the table below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Location (Floor)</th> <th style="text-align: center;">Size/Floor (Usable SF)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td style="text-align: center;">Total:</td> <td> </td> </tr> </tbody> </table>	Location (Floor)	Size/Floor (Usable SF)							Total:				
Location (Floor)	Size/Floor (Usable SF)														
Total:															
	B.4.	<p><u>Parking:</u> Tenant desires to have safe, convenient and accessible parking as described in Section 1.2.3. Please describe your proposal to meet the State's parking needs, including location and access.</p>			(Withheld in accordance with 5.1)										
	B.5.	<p><u>Landlord Qualifications/Property Management:</u></p> <p>Please describe the landlord's qualifications, including past history of leasing to the State. Please identify the property management company, if different from the Landlord and provide recent project experience of the property</p>			(Withheld in accordance with 5.1)										

		management firm. Also, please identify the individual who will be responsible for the property's maintenance and repair and provide his/her recent experience and qualifications.			
<p><i>The RFP Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point.</i></p>			<p>Total Raw Weighted Score: (Sum of Raw Weighted Scores Above)</p>		
<p style="text-align: center;">Total Raw Weighted Score</p> <hr style="width: 30%; margin: auto;"/> <p style="text-align: center;">Maximum Possible Raw Weighted Score (i.e., 5 x the sum of the item weights above)</p>			<p>X RFP §5.1. Number (maximum possible score)</p>	<p>= SCORE:</p>	

<p><i>State Use – Evaluator Identification:</i></p>
<p><i>State Use – RFP Coordinator Signature, Printed Name & Date:</i></p>

COST PROPOSAL - The Proposer must address all items detailed below and provide, in sequence, the information as requested (referenced with the associated item references). The responses to RFP Attachment 6.3. will be analyzed to establish the net present value of the effective annual cost. The Cost Proposal shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract resulting from this RFP. All monetary amounts shall be in U.S. currency.

PROPOSER LEGAL ENTITY NAME:	
PROPOSED BUILDING ADDRESS:	
PROPOSER SIGNATURE:	
PRINTED NAME & TITLE:	
DATE:	

Section A:
Note: Proposer must answer each question as set forth in this section. Any blank spaces shall be considered as giving the State the right to provide an estimate for the associated costs.

F. **INITIAL TERM:** Please describe the Lease term that your proposal is based upon:

G. **Delivery Date:** Please indicate the date you anticipate being able to deliver the Premises to the State in the condition specified in RFP Attachment 6.3.B. (collectively, the "Landlord's Delivery Requirements").

H. **Landlord's Delivery Requirements:** To the extent that Proposer does not anticipate that the Premises will delivered in accordance with Landlord's Delivery Requirements, then any such deficiencies should be noted in a red-line of RFP Attachment 6.3. The State reserves the right to accept such deficiencies as-is but shall take into account, during its evaluation of the Cost Proposal(s) any additional cost incurred by the State as a result of such deficiencies.

I. **Tenant Improvement Construction:** The State may negotiate with the successful Proposer certain changes to be made to the Premises at Tenant's expense, to better accommodate the specific State agency that will occupy the Premises (the "Tenant Improvements"). Please indicate your acceptance of this provision or indicate any differences below:

J. **Operating Expenses:** The State will pay its proportionate share of increases in Operating Expenses over a base, which shall be the actual Operating Expenses incurred in the ____ calendar year. RFP Attachment 6.3.A., Building Operating Cost, describes the permitted pass through of increases in operating expenses.

Please indicate your acceptance of this provision below or indicate any differences by submitting a red-line of RFP Attachment 6.3.A., Building Operating Cost.

Further, please provide the actual operating expense history per square foot for the three years described below:

	Previous Year Actual	Current Year Projected	Base Year Estimate
General and Administrative Expense			
Management Fee			
Advertising and Promotion			
Repair and Maintenance			
Utilities			
Supplies			
Janitorial Service			
Security			
Elevator			
Taxes			
Insurance			
Salaries			
Other			
Total Expense Estimate			
Total Building Rentable Square Feet			
Yearly% Occupancy Average			
Total Expense Grossed Up to 95% Occupancy			

K. **Financial Interest Parties:** As required by T.C.A. Section 12-2-114, the names of any and all persons financially interested in the Lease are as follows:

Name _____

Telephone Number _____

Address _____

PLEASE NOTE: THIS SECTION MUST BE COMPLETED.

PROPOSER LEGAL ENTITY NAME:

PROPOSED BUILDING ADDRESS:

Section B:

Note: Proposer must answer each question as set forth in this section. Any blank spaces shall be considered as giving the State the right to provide an estimate for the associated costs.

3. Premises

(See RFP Section 1.2.2.)

This Lease Proposal is based on the following areas within the building described above:

Location (Floor)	Size/Floor		Loss Factor, if applicable (difference between usable and rentable square feet)	
	USF	RSF	Single Tenant	Multi-Tenant
Total				

4. **Rental Rate:** Please use the table below to propose your rental rate(s). The State desires to have a full service rental rate with no pass through of operating expenses in the first year of the term. Any base rental rate escalations should be fixed escalations rather than indexed escalations. Please quote all rental rates on a per rentable square foot basis. Any adjustments to the base rental rates (such as free rent) should be reflected in the table.

Complete the table below to indicate the rental rate the Proposer is willing to offer the State for the following two (2) lease term combinations.

Proposal A:

- Termination Rights— The State may terminate the Lease for convenience or for cause, as described in Block 6 on the cover page to the Standard Form of Lease and in Paragraph 6 of Exhibit A to the Lease.

Proposal B:

- Termination Rights—The State may terminate the Lease for cause as described in Paragraph 6 of Exhibit A to the Lease.

PROPOSER LEGAL ENTITY NAME:

PROPOSED BUILDING ADDRESS:

Five Year Term

<u>Rate/RSF</u>	<u>Proposal A</u>	<u>Proposal B</u>
	With Termination for Convenience	Without Termination for Convenience
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		

Ten Year Term

<u>Rate/RSF</u>	<u>Proposal A</u>	<u>Proposal B</u>
	With Termination for Convenience	Without Termination for Convenience
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		
Year 6		

PROPOSER LEGAL ENTITY NAME:

PROPOSED BUILDING ADDRESS:

Year 7			
Year 8			
Year 9			
Year 10			

5. Parking

(See RFP Section 1.2.3.)

Please include a description of the type of parking that is included in your Proposal by completing the chart set forth

RFP Transaction No. _____

PROPOSER LEGAL ENTITY NAME:

PROPOSED BUILDING ADDRESS:

below. If costs associated with parking provided under this Lease are included in the rental rates set forth in RFP Attachment 6.3., Section B Paragraph 2 above then a zero (0) should be placed in the cost per space column; provided, however, that if the cost of parking is not included in the rental rate set forth in RFP Attachment 6.3., Section B Paragraph 2 above, then the proposed cost per space should be included in the chart below.

Type	Proposed No. of Spaces	Cost per Space (if not in rental rate set forth above)
Covered Reserved Spaces		
Covered Unreserved Spaces		
Surface Reserved Spaces		
Surface Unreserved Spaces		
Total		

6. **Allowances:**

- A. **Tenant Improvement Allowance:** The State believes that it will require \$_____ for tenant improvements (“Tenant Improvement Allowance”) with Landlord’s Delivery Requirements completed at the Landlord’s cost and expense. Tenant requests the Landlord fund the Tenant Improvement Allowance as part of the rental quotation. Please list the Tenant Improvement Allowance that Landlord intends to provide.
- B. **Variable Tenant Improvement Adjustment:** In the event the State elects to utilize either more or less than the requested Tenant Improvement Allowance, please describe the formula to be used to modify the quoted rental rate to accommodate such adjustment in the table below. Please also quote the limits of this possible adjustment, if any.
- C. **Architectural Allowance:** Tenant shall cause the preparation of the architectural and mechanical, electrical and plumbing construction documents. Tenant requests the Landlord fund an allowance (Architectural Allowance) of \$XXX per rentable square foot to cover this cost as part of the rental quotation. Please LIST THE ALLOWANCES Landlord intends to provide in the table below.
- D. **Moving Allowance:** Tenant requests that the Landlord fund as a part of the rental quotation an

PROPOSER LEGAL ENTITY NAME:

PROPOSED BUILDING ADDRESS:

allowance of \$_____ per rentable square foot to cover all move related costs (the "Moving Allowance").
Please list the allowance Landlord intends to provide in the table below.

<u>Allowance Category</u>	Amount of Allowance if Lease has a 10 Year Term	Amount of Allowance if Lease has a 15 Year Term
Tenant Improvement Allowance		
Variable Tenant Improvement Allowance Formula		
Architectural Allowance		
Moving Allowance		

EVALUATION COST AMOUNT:

The RFP Coordinator will use this amount and the formula below to calculate the Cost Proposal Score.
Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.

lowest evaluation cost amount from all proposals

_____ **evaluation cost amount being evaluated**

x RFP § 5.1. NUMBER = SCORE:
(maximum section score)

State Use – RFP Coordinator Signature, Printed Name & Date:

Building Operating Cost

1. **General Provisions.**

- a. If there is any conflict or inconsistency between this Building Operating Cost (“BOC”) and the other provisions of the Lease, then the provisions of this BOC shall control and govern the interpretation of the Lease.
- b. Inasmuch as the Lease may contain certain terminology that may not be identical to the terminology contained herein, the following terms are hereby deemed to have the same meaning and can be used interchangeably: Expenses, Direct Expenses, Operating Expenses, and Operating Costs; Taxes, Tax Expenses, Tax Costs, Property Taxes and Real Estate Taxes; Landlord and Lessor; Tenant, State, and Lessee; Expense Year and Comparison Year; Tenant’s Share and Tenant’s Pro Rata Share; Building, Property, Project and Building/Project.
- c. Landlord shall utilize accounting records and procedures conforming to generally accepted accounting principles, consistently applied, with respect to all aspects of determining Tenant’s Pro Rata Share of the Operating Costs and Real Estate Taxes.

2. **Exclusions from Operating Costs.** Notwithstanding anything to the contrary contained in the Lease, the following items shall be excluded from the calculation of Operating Costs and/or Real Estate Taxes, each as the case may be, as such applicable term(s) are defined by the Lease:

- a. **Corporate Overhead** - All costs associated with the operation of the business of the entity which constitutes Landlord or Landlord’s affiliated organizations or Landlord’s managing agent (as distinguished from the costs of the operations of the Building/Project) including, but not limited to, any entity’s general corporate overhead and general administrative expenses, legal, risk management or other departmental costs of off-site personnel, corporate and/or partnership accounting and legal costs, asset management fees, administrative fees, and any other costs that would normally be considered included in a management fee, placement/recruiting expenses for employees whether they are assigned to the Building/Project or not, employee training programs, costs of any business licenses, and/or all costs associated with start-up or move of a management office due to sale of the building, change of management companies or leasing;
- b. **Leasing** - Any cost relating to the marketing, solicitation, negotiation and execution of leases of space in the Building/Project, including without limitation, promotional and advertising expenses, real estate licenses and other industry certifications, tickets to special events, commissions, finders fees, and referral fees, all expenses relating to the negotiation and preparation of any lease, license, sublease or other such document, costs of design, plans, permits, licenses, inspection, utilities, construction and clean up of tenant improvements to the Premises or the premises of other tenants or other occupants, the amount of any allowances or credits paid to or granted to tenants or other occupants of the Building/Project;
- c. **Executive / Unrelated Salaries** - Wages, salaries, fees, fringe benefits, and any other form of compensation paid to any executive employee of Landlord and/or Landlord’s managing agent above the grade of Building Manager as such term is commonly understood in the property management industry, provided, however, all wages, salaries and other compensation otherwise allowed to be included in Operating Costs shall also exclude any portion of such costs related to any employee’s time devoted to other efforts unrelated to the maintenance and operation of the Building/Project;
- d. **Competitively Bid/Arm’s Length Transactions** - Any amount paid by Landlord or Landlord’s managing agent to a subsidiary or affiliate of Landlord or Landlord’s managing agent, or to any party as a result of a non-competitive selection process, for management or other services to the Building/Project, or for supplies or other materials, to the extent the cost of such services, supplies, or materials exceed the cost that would have been paid had the services,

- supplies or materials been provided by parties unaffiliated with the Landlord or Landlord's managing agent on a competitive basis by reputable, professional firms customarily engaged in providing such services;
- e. **Financing / Ground Lease** – Mortgage payments; debt costs or other financing charges; costs of defending any lawsuits; costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interests in the Building/Project; bad debt loss; rent loss or any reserves thereof; any rental payments and related costs pursuant to any ground lease of land underlying all or any portion of the Building/Project; and any costs related to any reciprocal easement agreement, and/or covenant, condition and restriction agreement;
 - f. **Office & Parking Charges** - Any office rental and any parking charges, either actual or not, for the Landlord's and/or Landlord's managing agent's management, engineering, maintenance, security, parking or other vendor personnel;
 - g. **Building Defects** - Any costs incurred in connection with the original design, construction, landscaping and clean-up of the Building/Project or any major changes to same, including but not limited to, additions or deletions of floors, renovations of the common areas (except as otherwise expressly permitted under this BOC), correction of defects in design and/or construction of the Building/Project including defective equipment and the replacement of equipment or Building/Project components which have reached the end of their useful life;
 - h. **Capital** - All "Capital Expenditures" (as hereinafter defined), except those Capital Expenditures incurred which (i) actually reduce Operating Costs, or (ii) are required by governmental regulation or law enacted after the Commencement Date, or (iii) are necessary to maintain the general cosmetic appearance of the common areas of the Building/Project (i.e., routine painting of the common areas, replacement of carpet or wall covering in common areas), where the aggregate cost of such common area work does not exceed \$0.05 per square foot of rentable area in the Building, the cost of any of the foregoing to be amortized, net of the item's reasonably estimated salvage value at the end of its useful life, with interest at the lesser of the interest rate actually paid by Landlord or 7.0% per annum, on a straight-line basis, over the useful life of the Capital Expenditure in question, provided, however, the annual amortization for Capital Expenditures under subsection (i) of this paragraph shall not exceed the annual amount of Operating Costs actually saved as a result of such Capital Expenditure. For purposes of this Lease the parties agree Capital Expenditures shall be defined as any expenditure incurred by the Landlord which (x) provides a benefit in excess of one year, (y) is a non-recurring expenditure (i.e., such that the subject expenditure is not expected to recur in a two (2) year period), and (z) cost, in the aggregate including all associated and related expenditures for consulting fees, permits, installment payments, etc., in excess of \$0.05 per square foot per square foot of rentable area in the Building.
 - i. **Capital Expenditures** – Any expenditure of funds which would be categorized as "capital expenditures" under generally accepted accounting principles.
 - j. **Other Capital** - Rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment, the cost of which if purchased would be excluded from Operating Costs as a capital cost, excepting from this exclusion equipment not affixed to the Building/Project which is used in providing janitorial or similar services and, further excepting from this exclusion such equipment rented or leased to remedy or ameliorate an emergency condition in the Building/Project;
 - k. **Building Codes/ADA** - Any cost incurred in connection with upgrading the Building/Project to comply with insurance requirements, life safety codes, ordinances, statutes, or other laws in effect prior to the Commencement Date, including without limitation the Americans With Disabilities Act (or similar laws, statutes, ordinances or rules imposed by the State, County, City, or other agency where the Building/Project is located), including penalties or damages incurred as a result of non-compliance;
 - l. **Hazardous Material** - Any cost or expense related to monitoring, testing, removal, cleaning, abatement or remediation of any "hazardous material" including toxic mold, in or about the Building/Project or real property, and including, without limitation, hazardous substances in the ground water or soil;
 - m. **Telecommunications** - Any cost incurred in connection with modifying, removing, upgrading, replacing, repairing or maintaining the Building's/Project's telecommunication systems, including the purchase, installation and operation of any informational displays in the Building's/Project's elevators or lobbies;
 - n. **Reimbursements** - Any cost of any service or items sold or provided to tenants or other occupants for which Landlord or Landlord's managing agent has been or is entitled to be reimbursed by such tenants or other occupants for such service or has been or is entitled to be reimbursed by insurance or otherwise compensated by parties other than tenants of the Building/Project, to include replacement of any item covered by a warranty;
 - o. **Benefits to Others** - Expenses in connection with services or other benefits which are provided to another tenant or occupant of the Building/Project and which do not benefit Tenant, including the repairs and maintenance of the common area of a multi-tenant floor (e.g. elevator lobby, restrooms and hallways), if Tenant is a full-floor tenant and such repairs and maintenance are not provided to Tenant without separate charge therefor;
 - p. **Real Estate Taxes** - Any increase of Real Estate Taxes and assessments due to any change in ownership including, but not limited to, the sale or any other form of full or partial transfer of title of the Building/Project or any part thereof,

the transfer of title of any leases in the Building/Project, any renovation or new construction in the Building/Project or related facilities;

- q. **Other Taxes** - Landlord's gross receipts taxes for the Building/Project, personal and corporate income taxes, inheritance and estate taxes, other business taxes and assessments, franchise, gift and transfer taxes, and all other Real Estate Taxes relating to a period payable or assessed outside the term of the Lease;
- r. **Special Assessment** - Special assessments or special taxes initiated as a means of financing improvements to the Building/Project and the surrounding areas thereof;
- s. **Parking** – Expenses associated with the operation, maintenance and repair of the parking facilities serving the Building/Project, including, but not limited to, all expenses for parking equipment, tickets, supplies, signs, insurance, cleaning, resurfacing, restriping, business taxes, management fees and costs, maintenance, utilities, Real Estate Taxes, and wages, salaries, employee benefits and taxes for personnel working in connection with any such parking facilities, shall be reduced by the sum of all revenues received or receivable by Landlord or the operator of such parking facilities. If any entity receives free or abated parking while any other party is required to pay or does not receive free or abated parking, the full value of such free or abated parking shall be deemed revenue of the parking facilities for purposes hereof;
- t. **Advertising/Promotion/Gifts** - All advertising and promotional costs including any form of entertainment expenses, dining expenses, any costs relating to tenant or vendor relation programs including flowers, gifts, luncheons, parties, and other social events but excluding any cost associated with life safety information or education services which are provided to the tenants of the Building/Project;
- u. **Fines & Penalties** - Any fines, costs, late charges, liquidated damages, penalties, tax penalties or related interest charges, imposed on Landlord or Landlord's managing agent;
- v. **Contributions/Dues/Subscriptions** - Any costs, fees, dues, contributions or similar expenses for political, charitable, industry association or similar organizations, as well as the cost of any newspaper, magazine, trade or other subscriptions, excepting the Building's/Project's annual membership dues in the local Building Owners and Managers Association ("BOMA") for the Building and not for the individual ;
- w. **Art** - Costs, other than those incurred in ordinary maintenance and repair, for sculptures, paintings, fountains or other objects of art or the display of such items;
- x. **Concessionaires** - Any compensation or benefits paid to or provided to clerks, attendants or other persons in commercial concessions operated by or on behalf of the Landlord;
- y. **Insurance** - (i) The cost of any insurance coverage, whether or not required by the holder of any mortgage on the Property which is related, in whole or in part, to (a) property or casualty insurance coverage in amounts greater than the replacement cost of the Property, or (b) lease enhancement insurance or other credit enhancement-related insurance; (ii) to the extent Landlord incurs any losses covered by the insurance Landlord is required to carry pursuant to the terms of this Lease, Operating Expenses may only include those commercially reasonable deductibles paid by Landlord but not, in any event, in excess of an aggregate of \$50,000.00; and/or (iii) any increase in the cost of Landlord's insurance caused by a specific use of another tenant or by Landlord;
- z. **Reserves** - Any reserves of any kind;
- aa. **Environmental Certification** - If the Building does not have such certifications as of the Commencement Date, any expenses incurred by the Landlord in connection with its plans or efforts to obtain or renew any form of certification for energy efficiency or environmental responsibility from organizations or governmental agencies such as the United States Green Building Council's Leadership in Energy and Environmental Design (LEED) certification, Energy Star, Green Globes, etc., including, without limitation, consulting fees, legal fees, architectural, design and/or engineering fees and submission fees. Notwithstanding anything to the contrary, however, Capital Expenditures associated with such efforts shall be treated in accordance with Section 2(h) immediately above.

3. Operating Costs and Real Estate Tax Adjustments.

- a. **Gross Up Adjustment.** If the Building/Project is not at least ninety-five percent (95%) occupied during all or any portion of the Base Year or any Comparison Year, Landlord shall make an appropriate adjustment to those Operating Costs which vary with occupancy for such year to determine what the Building/Project Operating Costs would have been for such year if the Building/Project had been ninety-five percent (95%) occupied during such year. Such gross up adjustments shall be made by Landlord by increasing only the variable portion of those costs which actually vary based upon the level of occupancy of the Building/Project.
- b. **Base Year Equivalency.** In the event Landlord incurs costs associated with or relating to Operating Costs and/or Real Estate Taxes which were not part of Operating Costs and/or Real Estate Taxes during Tenant's entire Base

Year or expenses associated with increased levels or frequency of such services, then Operating Costs and/or Real Estate Taxes for the Base Year shall be increased, including being grossed up to ninety-five percent (95%) level, by the reasonably estimated amount of such costs as if such costs had been incurred and included in Operating Costs and/or Real Estate Taxes during the entire Base Year. The purpose of this provision is to result in an “apples to apples” comparison between the Base Year and all Comparison Years. Additionally, if the Building/Project’s insurance policies were purchased on a portfolio-wide or multi-building basis in the Base Year, and if the Building/Project subsequently ceases to be insured as part of a portfolio-wide or multi-building basis, the Base Year insurance expenses will be adjusted to reflect what the insurance premium costs would have been in the Base Year on the basis of stand-alone insurance policies.

- c. **Real Estate Tax Adjustments.** If the Building/Project is not fully assessed in the Base Year and any Comparison Years, then the Landlord shall adjust the subject year’s Real Estate Tax Expense to reflect what such year’s taxes would have been had the Building/Project been fully completed and assessed for tax purposes. If Landlord obtains a reduction in Real Estate Taxes for the Base Year, then such reduction will not reduce the amount for Real Estate Taxes for such Base Year for purposes of calculating Tenant’s Additional Rent obligations related to Real Estate Taxes.
- d. **Other Adjustments.**
 - (i.) **Net Expenses** - Building/Project Operating Costs and Real Estate Taxes shall be “net” only, and shall therefore be reduced by all cash discounts, trade discounts, quantity discounts, rebates, refunds, credits, or other amounts received by Landlord or Landlord’s managing agent, including any such related amounts from tenants of the Building/Project, for its purchase of or provision of any goods, utilities, or services;
 - (ii.) **Partial Year** - Building/Project Operating Costs that cover a period of time not entirely within the Term of the Lease shall be prorated based on the actual number of days in the year;
 - (iii.) **Vacancy Credit** - In the event Tenant ceases to occupy (but still leases), the Premises or any portion thereof, Tenant shall receive a credit against Rent equal to the cost of services, utilities and any other expense not incurred as a result of such vacancy;
 - (iv.) **Duplicate Charges** - Landlord shall not (i) profit by including items in Operating Costs and/or Real Estate Taxes that are otherwise also charged separately to others, or (ii) collect Operating Costs and/or Real Estate Taxes from Tenant and all other tenants/occupants in the Building/Project in an amount in excess of what Landlord actually incurred for the items included in Operating Costs;
 - (v.) **Utility Services** - If, during the Base Year, the Landlord does not purchase electricity (or other utilities) from a so-called “clean” or “renewable” sources (whether in whole or in part), the Operating Costs (as well as separately metered or sub-metered electricity expenses), of subsequent years during the Term shall not include any incrementally higher cost associated with purchasing so-called “clean” or “renewable” utilities unless, and only to the extent, Tenant has previously provided its written consent to such costs being included in Operating Costs (or utility expenses). Tenant shall have the right to withhold its consent to the inclusion of such higher costs in its sole and absolute discretion.
 - (vi.) **Free Rent Adjustments** – If the management fee includable in Operating Costs is determined as a percentage of the Building’s/Project’s gross receipts or similar revenue basis, such revenues (including parking revenues and additional rent charges) shall be straight-lined to average the rental rates paid during the respective lease terms.
 - (vii.) **Warranty** - In the event any portion of the Building/Project is covered by a warranty at any time during the Base Year, Landlord shall increase Operating Costs for the Base Year by such amount as Landlord would have incurred during the Base Year with respect to the items or matters covered by the subject warranty had such warranty not been in effect at the time during the Base Year.
- e. **Controllable Expenses.** Beginning with the first calendar year following the Base Year, Controllable Expenses (as hereinafter defined), shall not increase by more than two and one-half percent (2.5%) over the prior calendar year’s Controllable Expenses. By way of example, if the Controllable Expenses for the Base Year equal \$100,000, the Controllable Expenses for the next calendar year shall not exceed \$102,500, and the Controllable Expenses for succeeding calendar year shall be capped at two and one-half percent (2.5%) greater than either \$102,500 or the actual Controllable Expenses of the prior year, whichever is less. Controllable Expenses are defined as the sum of all Operating Costs, as determined in accordance with the terms of the Lease and this BOC, other than (i) Real Estate Taxes, (ii) insurance premiums, (iii) utilities and (iv) snow and ice removal expenses.

4. Tenant’s Lease Compliance Audit Rights.

- a. The payment by Tenant of any Tenant's Pro Rata Share of Building/Project Operating Costs and Real Estate Taxes amount pursuant to this Lease shall not preclude Tenant from questioning the accuracy of any statement provided by Landlord.
- b. Landlord shall provide to Tenant in substantial detail each year the calculations performed to determine Tenant's Share of Operating Costs for the Building/Project in accordance with the applicable provisions of the Lease and this BOC, including the total Operating Costs by category, and listing gross up adjustments, etc. Landlord's annual statement shall also provide its calculation of Tenant's Pro Rata Share of Building/Project Operating Costs and Real Estate Taxes by setting forth the ratio of the Premises rentable square feet to the Building/Project rentable square feet and shall provide the average Building/Project occupancy for such year.
- c. Tenant or its authorized agent shall have the right, at its own cost and expense, to inspect and/or audit Landlord's detailed records each year with respect to Building/Project Operating Costs and Real Estate Taxes, as well as all other rent payable by Tenant pursuant to the Lease for the Base Year and any Comparison Year. Pursuant to the foregoing, Landlord shall be obligated to retain such records for Tenant's Base Year and all Comparison Years associated with this Lease, regardless of whether or not such periods were prior to Landlord's ownership of the Building/Project, until three (3) years following the termination of the Lease. Within fifteen (15) business days of Tenant's written notice to Landlord of its desire to review Landlord's books and records, Landlord shall provide Tenant or Tenant's authorized representative a full and complete copy of the financial records reasonably necessary for Tenant to complete such audit or review. If, after the review of such documentation, Tenant desires additional information of Landlord's books and records including but not limited to, invoices paid by Landlord or service contracts, Landlord shall cooperate with Tenant making all pertinent records available to Tenant, Tenant's employees and agents for inspection. Tenant, Tenant's employees and agents, shall be entitled to make copies of such records and further provided that Tenant keeps such copies confidential and does not show or distribute such copies to any other tenants in the Building/Project, except as otherwise provided by law or court order.
- d. The results of such audit, as reasonably determined by both parties, shall be binding upon Landlord and Tenant. If such audit discloses the amount paid as Tenant's Pro Rata Share of Operating Costs and Real Estate Taxes for the Building/Project, or of other rental amount payable pursuant to the Lease, has been overstated by more than three percent (3%), then, in addition to immediately repaying such overpayment to Tenant, with interest (at a rate of Prime plus 2.0%) from the date of overcharge, Landlord shall also pay the costs incurred by Tenant in connection with such audit.

RFP Attachment 6.3.B.

Landlord's Delivery Requirements

I. General

- A. This exhibit specifies base building elements that shall be provided by the Landlord at the Landlord's expense.
- B. The Base Building shall be designed to meet all applicable minimum code requirements for commercial office building construction, including the requirements of the Americans with Disabilities Act.
- C. The Premises shall have a current occupancy permit issued by the local jurisdiction at the time of Tenant's occupancy.

II. Site

- C. The site shall be fully graded, landscaped and maintained in a manner commensurate with market for comparable properties of the same property type and class as the Premises. Landlord shall maintain the site improvements over the term of the Lease.
- D. Landlord shall provide parking facilities in quantities as required within this RFP and shall meet all code requirements for handicap accessible parking. Such parking facilities shall be in provided and kept in good repair, with traffic marking, striping, and appropriate signage provided for way-finding and in such manner as to meet all applicable codes and ordinances.

III. Structure

- A. The building structure shall meet all applicable code requirements. Floor to floor heights will allow for a minimum finished ceiling height of 9'-0" within Tenant's space. Space above ceilings must allow sufficient clearance for ease of installation of Tenant's mechanical and electrical equipment, including but not limited to distribution ductwork, HVAC boxes, lighting and conduit.
- B. The building foundation will satisfy minimum code requirements for allowable total and differential settlement. The building foundation and below-grade spaces shall be protected with a properly installed foundation drainage and waterproofing system.

- C. Building slabs shall comply with the following floor flatness and floor levelness standards:
- Specified Overall Value: F(F)-35/F(L)-25
 - Minimum Local Value: F(F)-20/F(L)-15

IV. Building Skin and Roof.

- A. The building skin and roof will be complete and weather-tight including all exterior finish materials, cladding, sealants, glass and glazing including vision and spandrel glass, store front glass, exterior doors and hardware, membrane or built-up roofing, ballast, flashing, and other elements required to make the building weather-tight. The building skin and roof shall be sufficiently weather tight to prevent weather damage to Tenant Improvements, and to Tenant's furniture, fixtures, equipment and other property.
- B. The exterior building perimeter, roof, and foundation shall be insulated in accordance with energy code requirements.
- C. The interior face of all non-glazed exterior walls in Tenant and common spaces shall be insulated to energy code requirements and covered with gypsum wallboard. The gypsum wallboard shall be taped, blocked and finish sanded. In addition, all columns within the tenant spaces will be covered with gypsum wall board, taped, blocked and finish sanded.

V. Building Common Areas.

- A. The building entrance lobby, common corridors, restrooms, mechanical spaces, loading dock, trash removal spaces, and other common areas will be substantially complete.
- B. Men and women's rest rooms shall be located on each floor per code requirements. Restrooms shall meet ADA requirements. Restrooms shall be complete with all fixtures, partitions, accessories, lavatories, lavatory tops, and mirrors. Fixtures, partitions, and accessories shall be institution grade or better, and shall be water saving type, as appropriate. Toilet fixtures shall be wall-hung. The finishes in restrooms shall be commensurate with market for comparable properties of the same property type and class as the Premises.
- C. Exit stairways shall be provided on each floor per code and ADA requirements. Stairways shall be complete with lighting, handrails, treads and risers, doors and hardware, emergency lights, and exit signs.
- D. Passenger and service elevators shall serve each Tenant floor not having ground level access and be in good working order. Elevators shall meet ADA requirements.

- E. Common areas will be finished per code requirements, complete with all floor, wall, and ceiling finishes, lighting, emergency lights, and exit signs.
- F. Landlord shall provide at Landlord's expense no less than two (2), 4" diameter, vertically-aligned conduit sleeves in common area mechanical spaces for Tenant's use in common with other tenants of the Building to feed voice, video, and data cable risers. Conduit sleeve shall penetrate the roof to allow Tenant to service Tenant supplied and installed roof mounted antenna systems. Conduit shall terminate in building Main Telephone Room to allow Tenant to connect to the building main telephone service.

VI. Common Walls.

- A. Base building shall include slab-to-slab gypsum wallboard on the public side of all demising walls, corridors, stairwells, and other walls not interior to the Tenant space. Common walls shall meet fire code requirements. All common walls shall be taped, blocked, finished and sanded. Landlord will install sound attenuation insulation on tenant side of Common Walls and demising walls prior to Tenant finishes being installed. Common walls adjacent to or below fan rooms, toilets, retail areas, and mechanical spaces shall be constructed to ensure the following acoustical performance criteria: Sound Transmission Class (STC) greater than or equal to fifty (50). All other common walls shall be constructed to ensure an acoustical performance criteria greater than or equal to STC-40.
- B. Common walls shall include entry and exit doors from common areas per applicable codes and regulations furnished and installed by Landlord. Doors in firewalls shall meet code requirements and regulations. Doors and hardware shall be building standard or better. Doors shall be completely functional and include hinges, lever sets, closers, doorstops, and other hardware. Doors and hardware shall comply with ADA requirements. The Tenant shall approve the location of all entry and exit doors to the Tenant space, but such approval shall be according to all safety codes.

VII. Fire Protection and Life Safety Systems.

- A. The base building shall include a fully functioning, approved, automatic fire protection system installed in accordance with applicable codes and regulations. The fire protection system will be installed complete, including all mains, risers, pumps, laterals, sprinkler heads, fire extinguishers, fire extinguisher cabinets, hose cabinets and hoses, backup power system, and other devices.
- B. The fire protection system shall include all control and monitoring devices, including but not limited to, annunciator panels, alarm systems, pull stations, emergency lighting, exit signs, alarms, smoke and heat detectors, tamper-proof detection devices, and other devices.
- C. The fire protection system shall be provided with emergency power as required by local codes.
- D. Landlord shall supply and install all sprinkler heads at Landlord's expense. In locations where ceiling is not provided in Base Building condition, heads shall be installed in turned-up, "warehouse" condition, or as otherwise meets code. Modification of the sprinkler heads or of ceiling height shall be part of the Tenant Work.

VIII. Window Treatment.

The base building shall include building standard window treatments on the exterior Tenant windows.

IX. Electrical.

- E. Base building shall include electrical energy to be used in the Premises. In addition to power for building system air conditioning, building system heating, and domestic hot water. Landlord shall provide a minimum of 2 watts per square foot for lighting (277/480 volts) and 5 watts per square foot for power (120/208 volts).
- F. Landlord shall install at Landlord's expense all main switchboards, panel boards, distribution boards, transformer, bus duct, feeders and other equipment to completely distribute power to electrical closets on each Tenant floor. Landlord shall locate an electrical service panel in the electrical closet in the Common Area on the same floor as the Premises. Installation of electrical service up to and including the Tenant's service panel(s) shall be a base building cost.
- G. Landlord at Landlord's expense shall install all wiring, branch circuiting, conduit and devices for the complete electrical system to all public and common areas. Landlord shall provide at Landlord's expense all power wiring and connection for all mechanical equipment furnished as part of base building. Landlord shall provide at Landlord's expense all power wiring to life safety and fire protection systems.
- H. Landlord shall provide at Landlord's expense a lightning protection system if required by applicable codes.

X. Communications.

Landlord at Landlord's expense will bring data/telephone service, as provided by the local data/telephone operating company, to the building Main Telephone Room.

XI. Lighting.

- E. Landlord shall furnish and install lights in all common areas.
- F. Base building shall include a lighting level of at least 20 foot-candles at foot level in corridors providing ingress and egress to the Premises. Base building shall include a lighting level of at least 10 foot-candles or minimum levels to insure safety in other interior areas.
- G. Base building shall include the cost to provide electrical service to all lighting and light control devices.

- H. Landlord shall furnish and install building standard light fixtures at a ratio of 1 fixture per each 80 RSF and fully operational in Tenant space. At a minimum, fixtures shall be deep cell parabolic light fixtures or direct/indirect recessed or pendant mount fixtures.

XII. Plumbing.

- C. Landlord shall provide a minimum of two wet columns per floor with cold water, vent and sanitary tie-ins for Tenant plumbing connections.
- D. Plumbing tie-ins shall be for State's use for break room or other functions required by Tenant's program.

XIII. HVAC.

- C. Base building common areas shall include Building Standard heating, ventilation, and air conditioning systems.
- D. All HVAC for Tenant spaces shall be installed with complete distribution to ceiling mounted diffusers and perimeter slot diffusers for exterior zones and distribution to VAV boxes for interior zones. The distribution shall be designed in accordance with current ASHRAE standards. All HVAC systems will be in good working order and repair.

XIV. Ceiling Grid and Tile.

Landlord shall provide building standard 2 x 2 ceiling grid and tile throughout the Tenant's space in good condition and repair and shall comply with the following requirements:

- Grid shall be 9/16"
- Ceiling tile shall be white with a smooth face, light reflectance of at least 0.83, an NRC minimum of 0.60, CAC minimum of 33, Square or beveled edge joint detail with a narrow reveal for 9/16" grid and a minimum thickness of 5/8"

XV. Building Directory.

Landlord shall provide a directory in the lobby of the building as a base building cost.

Landlord shall add Tenant's name to directory, and shall provide Tenant suite signage (suite entry door plaque or hall plaque, matching building graphics standards) as a base building cost.

XVI. Keys.

Landlord shall supply Tenant sufficient keys, at a reasonable cost, to allow access to the Premises, parking areas and other common areas of the Property.

XVII. Access Control.

- C. Landlord will provide at Landlord's expense an electronically controlled card access building control system. The system will control all entry areas to the Building from elevator lobbies and the parking area. The Landlord will code each card for individual employee access. Landlord shall supply Tenant sufficient access cards, at a reasonable cost, to allow access to the Premises, parking areas (if applicable) and other common areas of the Property.
- D. Tenant may install card access to Tenant's space at suite entry locations, fire stairs with access into tenant's space and interior doors within Tenant's space compatible with the Base Building security system.

PRELIMINARY/FINAL PROPOSAL SCORE SUMMARY MATRIX

	<i>PROPOSER NAME</i>				<i>PROPOSER NAME</i>				<i>PROPOSER NAME</i>					
Qualitative Proposal														
<i>EVALUATOR #1</i>														
<i>EVALUATOR #2</i>														
<i>EVALUATOR #3</i>														
	AVERAGE:					AVERAGE:					AVERAGE:			
COST PROPOSAL	SCORE:					SCORE:					SCORE:			
TOTAL PROPOSAL EVALUATION SCORE:														

RFP Coordinator Signature, Printed Name & Date:

STANDARD FORM OF LEASE

(see attached)

AGENCY:

ALLOTMENT CODE:

COST CENTER:

This Instrument Prepared By:

State of Tennessee

Real Estate Asset Management

William R. Snodgrass Tennessee Tower

22nd Floor, 312 Rosa L. Parks Avenue

Nashville, TN 37243-1102

LE NO.

NOTE: No hand written or interlineated changes to this Lease will override the printed text of this Lease.

State is Tenant

This lease document is not effective or binding unless approved in accordance with all applicable laws.

LEASE

1. Date of this Lease: _____

Name and Address of Building:

2. Tenant: **State of Tennessee**

Landlord Name and Address:

3. Leased Premises: space in the Building as identified herein and more particularly described on Exhibit B together with all Common Areas, including, without limitation, parking.

4. Rentable Square Feet: _____

5. Term of Lease: _____ year(s) and _____ month(s)
Commencement Date of Lease Term
(and of the obligations hereunder): _____
Expiration Date of Lease Term: _____
If no fixed Commencement Date is inserted, the Commencement Date shall be set pursuant to Exhibit C.

6. Termination for Convenience: Tenant may terminate this Lease at any time by giving written notice to Landlord at least _____ days prior to the date the termination becomes effective; ***provided, however, that such termination shall not be effective prior to _____.***

Monthly Rental Installments Table

7. <u>Lease Year(s)</u>	<u>Annual Rental</u>	<u>Monthly Rental Installments</u>	<u>Rental Rate Per Rentable Square Foot</u>
	\$	\$	\$

8. Utilities & Services:

- All utilities are included in the Monthly Rental Installments.
- The following utilities are not included in the Monthly Rental Installments: _____
- Tenant is solely responsible for payment of the following separately metered utilities: electric gas water/sewer
- Janitorial services are not included in the Monthly Rental Installments.

9. **Improvements (check any that apply):** Leasehold Improvement Allowance: \$ _____ per Rentable Square Foot

- A. Existing Space (New Tenant or Renewal)
- B. Landlord to build out space pursuant to Exhibit _____

10. This Lease is a sublease pursuant to that certain _____ dated effective _____ by and between _____, as landlord, and Landlord, as tenant. If not checked, this paragraph is not applicable.

11. Attached hereto and incorporated herein for all purposes are the following additional exhibits:
 Exhibit A -- Lease Standard Terms and Conditions; Exhibit B – Floor Plan;
 Other – Exhibit C – Commencement Date; Other – Exhibit D – Work Agreement; Exhibit E- Landlord's Delivery Requirements; Exhibit F- Allowances;
 Exhibit G- Lease Options; Exhibit H- Building Operating Costs

LANDLORD: By: _____ Name: _____ Title: _____	TENANT: STATE OF TENNESSEE By: _____ Robert E. Oglesby, Commissioner of Department of General Services By: _____ Robert E. Cooper, Jr., Attorney General & Reporter (For Form and Legality)
--	---

Notary acknowledgements attached

LANDLORD NOTARY

STATE OF TENNESSEE
 COUNTY OF _____

Before me, _____, Notary Public in and for the County and State aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself/herself to be, the within named Landlord, and that he/she, executed the foregoing instrument for the purposes therein contained

Witness my hand and seal, at office in _____, Tennessee, this the ____ day of _____, 201__.

 NOTARY PUBLIC
 My Commission Expires: _____

[seal]

TENANT NOTARY

STATE OF TENNESSEE
 COUNTY OF DAVIDSON

Before me, _____, Notary Public in and for the County and State aforesaid, personally appeared Robert E. Oglesby, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself to be Commissioner of the Department of General Services for the State of Tennessee, the within named Tenant, and that he as such representative, executed the foregoing instrument for the purposes therein contained and signed the name of the State of Tennessee, by himself as Commissioner, Department of General Services for the State of Tennessee.

Witness my hand and seal, at office in Nashville, Tennessee, this the ____ day of _____, 201__.

 NOTARY PUBLIC
 My Commission Expires: _____

[seal]

EXHIBIT A

State is Tenant

NOTE: No hand written or interlineated changes to this Lease will override the printed text of this lease.

In consideration of the mutual covenants and representations set forth in the Lease (the "Lease") and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties do hereby agree as follows. The capitalized terms used in this Exhibit A shall have the meaning assigned to such terms in the Lease, unless another meaning is assigned to such terms in this Exhibit A.

1. **DEMISE.** Upon the terms and conditions hereinafter set forth and as set forth in the Lease, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the Leased Premises for the Term of the Lease. Landlord represents and warrants to Tenant that Landlord is the fee simple owner of the Leased Premises and has the right to lease the Leased Premises to Tenant pursuant to the terms of the Lease. Landlord further represents and warrants to Tenant that there are no easements, covenants, restrictions or other agreements or instruments encumbering the Leased Premises that (i) contain any pre-approval rights relating to this Lease (including any lender approval rights) which have not been secured by Landlord, or (ii) would interfere with or restrict Tenant's ability to use the Leased Premises for office, storage and any other purpose permissible under applicable law (the "Permitted Use"). Landlord further represents and warrants to Tenant that (x) the use of the Leased Premises for the various purposes for which it is presently being used is permitted under all applicable zoning legal requirements and (y) all utilities necessary for the use of the Leased Premises for the various purposes for which it is presently being used are being supplied to the Building via publicly dedicated utility easement areas.

2. **RENT.** The Monthly Rental Installments for the Lease of the Leased Premises shall be payable in arrears on the last day of each and every month during the term hereof to Landlord at Landlord's address as set forth on the Lease, provided Landlord has submitted a completed the ACH Form (as defined below) to Tenant. Landlord shall not invoice Tenant for services until Landlord has completed this form and submitted it to Tenant. The Monthly Rental Installments shall be prorated for any partial calendar month during the Term. . The Monthly Rental Installments and all other sums paid to Landlord under this Lease as defined in Article 22 and amounts paid pursuant to Exhibit H shall hereinafter collectively be referred to as "Rent" or "rent".

No payment shall be made by Tenant under this Lease until Tenant has received the following documentation properly completed:

1. Landlord shall complete, sign and present to Tenant an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by Tenant. By doing so, Landlord acknowledges and agrees that, once said form is received by Tenant, all payments to Landlord, under this or any other contract Landlord has with Tenant shall be made by Automated Clearing House (ACH).

2. Landlord shall complete, sign and present to Tenant a "Substitute W-9 Form" provided by Tenant. The taxpayer identification number detailed by said form must agree with Landlord's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Lease.

Landlord agrees that the Rent provided under the terms of this Section 2 is based in part upon the costs of the services, utilities, and supplies to be furnished by Landlord pursuant to Section 3 hereof and that should Tenant vacate the Leased Premises prior to the end of the term of this Lease, or, if after notice in writing from Tenant, all or any part of such services, utilities or supplies for any reason are not used by Tenant, then, in such event, the Monthly Rental Installments as to each month or portion thereof as to which such services, utilities or supplies are not used by Tenant shall be reduced by an amount equal to the average monthly costs of such unused services, utilities or supplies during the six-month period immediately preceding the first month in which such services, utilities or supplies are not used.

3. LANDLORD'S OBLIGATIONS.

B. Utilities:

If utilities are included in the Monthly Rental Installments, then Landlord shall, at Landlord's expense, but subject to reimbursement as set forth in Exhibit H, furnish all utilities to the Leased Premises, including electrical, gas, water and sewer, heat, ventilation, and air conditioning in capacities sufficient for the Permitted Use; provided, however, Tenant shall be responsible for telephone and data services. Electrical, gas, water and sewer, if provided by Landlord, must be provided on a 24 hours per day, 7 days a week basis. Heat, ventilation and air conditioning must be provided at least during the hours of 6:00am-7:00pm, Monday through Friday; provided, however, that the temperature of the telecom closet on the Leased Premises at all times shall be maintained between 64 and 75 degrees with a relative

humidity range of 30-55%. If utilities are included in the Monthly Rental Installments, then the Tenant shall reimburse the Landlord annually for the cost of utilities associated with and properly allocable to the Leased Premises in excess of \$1.75 per square foot. The Landlord shall provide the Tenant, on an annual basis at the end of each year of the term of this Lease, a detailed list of costs subject to reimbursement under this paragraph. In order for any expenses to be reimbursable hereunder by the Tenant, the costs incurred by the Landlord must have been reasonable and necessary. The Landlord shall maintain documentation for all charges against the Tenant under this Lease. The books, records and documentation of the Landlord, insofar as they relate to reimbursement by the Tenant for costs incurred, whether in whole or in part, shall be maintained in conformity with generally accepted accounting principles for a period of three (3) full years from the date of what amounts to the final payment under this Lease, and shall be subject to audit, at any reasonable time and upon reasonable notice by the Comptroller of the Treasury or his duly appointed representative or a licensed independent public accountant.

B. Maintenance

Landlord shall, at Landlord's expense, but subject to reimbursement as set forth in Exhibit H, and as required to keep the Building and the Leased Premises in a good, attractive and safe condition, maintain and repair, in a good and workmanlike manner and in compliance with all replacement and maintenance schedules followed by prudent landlords of commercial buildings, (i) the Building, including, but not limited to, the repair, maintenance and replacement of the roof, foundation and exterior and load-bearing walls; (ii) the mechanical, plumbing and electrical systems, including, but not limited to, air conditioning, heating, plumbing, wiring and piping and all filters, valves and other components; (iii) the exterior of the Building and the land upon which the Building is located, including any landscaped areas, parking areas and driveways, including, but not be limited to the following: weekly lawn cutting during the growing season, debris pick-up, leaf removal, mulching of planting beds, maintain any landscaping, daily snow and ice removal from parking areas and entrances to the Leased Premises; (iv) elevators, if any; (v) interior of the Building and the Leased Premises, including but not limited to repair, maintenance, patching, mold, mildew, and moisture removal, and painting of the walls, floors, ceilings, carpet and other surfaces; (vi) all lighting components, including but not limited to, furnishing and replacement of electrical light bulbs, fluorescent tubes, ballasts and starters as needed. Landlord shall also, at Landlord's expense, furnish and maintain appropriate outside trash and refuse receptacles for the disposal of trash and refuse from the Leased Premises. Furthermore, Landlord shall have maintenance personnel available to respond to routine calls within twenty four (24) hours and emergency calls within four (4) hours. "Emergency" repair or maintenance calls shall include, but not be limited to, situations involving HVAC, electrical, plumbing, roof leaks, utility disruptions, ingress and egress, and environmental issues. Tenant shall be permitted to maintain, inspect, repair and replace any equipment or fixtures installed by Tenant on the Leased Premises (the "Tenant Maintenance"), and Landlord shall hold Tenant harmless for any damage to the Leased Premises caused by the Tenant Maintenance.

C. Insurance

Landlord shall, at Landlord's expense, but subject to reimbursement as set forth in Exhibit H, maintain fire and extended coverage insurance on Leased Premises, in an amount not less than the full replacement cost of the Building, and comprehensive general liability insurance coverage in the sum of One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) per annual aggregate against any and all liability, loss or damage arising from any injury or damage to any person or property occurring in or about the Leased Premises or the Building resulting from Landlord's negligence or matters arising for reasons beyond Tenant's control. The policies described in this Section shall name Tenant as an additional insured. Annually, Landlord shall furnish Tenant with a certificate of such coverage which shall provide that thirty (30) days' advance written notice shall be given to Tenant in the event of cancellation or material change in the insurance policies maintained as required herein.

D. Taxes

Subject to reimbursement as set forth in Exhibit H, Landlord shall be responsible for payment of all real estate taxes assessed against the Building or land on which the Building is located, as well as all applicable local, state and federal income taxes which are or may be payable by Landlord. Landlord, by virtue of leasing property to Tenant, does not become a State of Tennessee agency, entity, or employee and is not entitled to any rights, privileges or immunities pertaining to the State or its agencies and instrumentalities.

E. Janitorial

If janitorial services are included in the Monthly Rental Installments, Landlord shall, at Landlord's expense, subject to reimbursement as set forth in Exhibit H, provide janitorial services to the Leased Premises in accordance with the following schedule:

- i. Daily: Dust all furniture, counters, cabinets and window sills; sweep and/or vacuum all floors; empty all wastebaskets; dispose of all rubbish; clean and maintain in sanitary condition all restrooms and plumbing fixtures; sweep sidewalks, stairways and halls; replace light bulbs, tubes, ballasts and starters if necessary; and stock supplies.
- ii. Weekly: Mop all floors and dust all window blinds; and vacuum carpets, if any.
- iii. Quarterly: Strip and wax all floors, if not carpeted.
- iv. Semi-Annually: Wash all windows, window blinds, light fixtures, walls and painted surfaces and clean all carpeted areas via commercial hot water extraction or commercial chemical dry cleaning.

F. Pest Control

Landlord shall, at Landlord's expense, subject to reimbursement as set forth in Exhibit H, provide monthly interior and quarterly exterior pest extermination services. All such services shall be performed after normal business hours.

4. TENANT'S OBLIGATIONS. In addition to the said rent to be paid, Tenant also agrees to pay directly during the term of the Lease, commencing on the Commencement Date, the following items of expense as the same become due and payable:

- A. The cost of all separately metered utilities supplied to the Leased Premises.
- B. All service costs and installations of all telephone or data services.

5. IMPROVEMENTS. Tenant shall have the right during the existence of the Lease to make alterations, attach fixtures and erect additions, structures or signs in or upon the Leased Premises. Such fixtures, additions, structures or signs so placed in or upon or attached to the Leased Premises under the Lease or any prior lease of the Leased Premises by Tenant shall be and remain the property of Tenant and may be removed therefrom by Tenant prior to the termination or expiration of this Lease or any renewal or extension thereof, or within a reasonable time thereafter.

6. TERMINATION FOR CAUSE. Tenant may in its sole discretion terminate this Lease at any time for any of the following causes: (a) Landlord's failure to disclose any conflict or potential conflict of interest existing at the date of this Lease or hereafter created; (b) termination or consolidation of Tenant's operations or programs housed in the Leased Premises because of loss of funding; (c) lack of funding by the appropriate Legislative Body for obligations required of Tenant under this Lease; (d) misrepresentations contained in the response to the request for proposal or committed during the negotiation, execution or term of this Lease; (e) failure to comply with the assertions and promises set forth in the response to the request for proposals; (f) the availability of space in Tenant-owned property, provided that no cancellation for this reason may take place until the Lease has been in effect for one year; and (g) any default by Landlord which is not adequately remedied in accordance with *Section 8* hereof. Notwithstanding the foregoing, all terms and conditions of the Lease are made subject to the continued appropriations by the appropriate Legislative Body

7. ENVIRONMENTAL PROVISIONS. Following due inquiry, Landlord represents that there are no hazardous substances or hazardous wastes as defined by the Comprehensive Environmental Response and Liability Act or any hazardous wastes as defined by the Resource Conservation and Recovery Act, or any mold, PCB's, radon or asbestos containing materials, located on, in or about the Leased Premises to be occupied by Tenant. Landlord agrees that should any hazardous wastes, hazardous substances, mold, PCB's, radon or asbestos containing materials be determined to be present as a result of the acts or omissions or negligence of any person or legal entity, other than Tenant, Landlord shall indemnify, hold harmless and defend Tenant from all claims, damages, expenses or litigation resulting from the presence of such materials. If Tenant reasonably believes that hazardous substances may be present in the Leased Premises or the Building, Landlord will engage, at its expense, a qualified third party engineer to conduct an appropriate environmental survey. If hazardous substances are found or such survey indicates a risk of such hazardous substances being present in the Leased Premises or Building, then Landlord, at its expense, will make all necessary changes and/or corrections so that the Building and/or the Leased Premises are in compliance with all environmental laws and regulations. In the event Landlord discovers hazardous materials on the Leased Premises during the Term of this Lease, Landlord shall promptly notify Tenant.

8. DEFAULT. Tenant shall be in default of the terms of the Lease if Tenant shall fail to make a payment of any rent or additional rent, and such rent or additional rent is not paid within ten (10) days of written notice by Landlord to Tenant of non-payment of same, or in the event that Tenant shall otherwise commit an act of default under the terms hereof, and shall not cure such default within thirty (30) days of written notice by Landlord to Tenant of such default,

or, if it is not possible to complete the cure by such time, Tenant has not commenced the cure within such 30 day period and does not thereafter diligently pursue the same to completion within a reasonable time thereafter. In the event of default by Tenant hereunder:

- A. Landlord may continue the Lease in full force and effect and shall have the right to collect rent when due. During the term Tenant is in default, Landlord may re-enter the Leased Premises with legal process and relet same, or any part thereof, to third parties for Tenant's account. Tenant shall pay to Landlord the rent due under the Lease on the date such rent is due, less the rent Landlord receives from any reletting. Landlord shall make its best efforts to relet the Leased Premises at a reasonable price. Under this paragraph, Tenant's obligations shall not exceed the total rent due for the remainder of the term.
- B. Landlord may terminate the Lease pursuant to the terms of this Section. Upon termination, Landlord shall have the right to collect an amount equal to all expenses, if any, not including attorneys' fees, incurred by Landlord in recovering possession of the Leased Premises and all reasonable costs and charges for the care of the Leased Premises while vacated by Tenant.

Except as specifically set forth herein, Landlord shall be in default of the terms of the Lease if Landlord shall commit an act of default under the terms hereof, and shall not cure such default within twenty (20) days of written notice by Tenant to Landlord of such default, or, if it is not possible to complete the cure by such time, Landlord has not commenced the cure within such 20 day period and does not thereafter diligently pursue the same to completion within a reasonable time thereafter. In the event of a default by Landlord hereunder, Tenant may, in addition to all rights and remedies available at law or in equity, (i) cure such default and deduct any reasonable and necessary amounts incurred by Tenant in connection therewith from the rent next due by Tenant hereunder with the presentment of receipts for such reasonable and necessary actions, or (ii) terminate the Lease. Notwithstanding the foregoing, in the event that Tenant is unable, in its reasonable judgment, to operate in the Leased Premises as a result of the failure by Landlord to satisfy its obligations pursuant to Section 3 hereof (A) for a period of more than forty eight (48) consecutive hours, then the rent shall abate during the entire period of the disruption and Tenant shall have the right to terminate the Lease in the event Landlord remains unable to satisfy its obligations pursuant to Section 3 hereof for a period of more than ten (10) consecutive days; or (B) more than ten (10) days during any twelve (12) month period, then Tenant shall have the right to terminate the Lease.

9. **END OF TERM.** At the termination of this Lease, Tenant shall surrender its interest in the Leased Premises to Landlord in as good condition and repair as reasonable use thereof will permit, ordinary wear and tear excepted, and will leave the Leased Premises broom clean. Tenant shall have the right, prior to said termination, to remove any equipment, furniture, trade fixtures or other personal property in the Leased Premises owned by Tenant, provided that Tenant promptly repairs any damage to the Leased Premises caused by such removal. In the event of holding over by Tenant after the expiration or termination of the Term of this Lease, Tenant shall pay rent at the then-current rate for rent as set forth in the Lease, on a monthly basis and the Term of this Lease shall be automatically extended for successive periods of one (1) year each; provided that during any automatically extended period following the expiration of the Term of this Lease, Landlord and Tenant shall each have the right to terminate this Lease by delivering written notice to the other at least ninety (90) days prior to the desired expiration date.

10. **MISCELLANEOUS.** The article captions contained in the Lease are for the convenience of the parties only and shall not be considered in the construction or interpretation of any provision hereof. Landlord and its agents shall have reasonable access to the Leased Premises during all reasonable business hours for the purpose of examining same to ascertain if they are in good repair and to make reasonable repairs which Landlord may be required to make hereunder. The making of repairs by Landlord or its agents shall be coordinated with Tenant to minimize disruptions of Tenant's conduct of business in the Leased Premises. The Lease contains the entire agreement between the parties and supersedes any and all other prior oral and written agreements between the parties regarding the subject matter contained herein and may not be changed or terminated orally but only by agreement in writing and signed by all parties. Landlord and Tenant acknowledge and agree that (i) all exhibits referenced in the Lease (or in any of its exhibits) are incorporated into the Lease by reference, and (ii) any reference to "the Lease," "this Lease," "hereunder," "herein" or words of like import shall mean and be a reference to the Lease including such exhibits. No waiver by either party shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provision. The Lease shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors, assigns, executors and administrators. Landlord has provided to Tenant a list of names and addresses of persons, associations, or corporations who hold any financial interest in the Leased Premises; such list shall be immediately revised in the event of a transfer of any such interest. The Lease Proposal Package from which this lease originated and the Landlord's response to the Lease Proposal Package (collectively, the "Proposal Package") is hereby incorporated in the Lease; provided, however, that in the event of any conflict between the terms of the Proposal Package and the Lease, the terms of the Lease shall control.

11. **DAMAGE OR DESTRUCTION.** If the Leased Premises are damaged by fire or other casualty, the damage shall be repaired by and at the expense of Landlord (excluding any personal property which is owned by Tenant), provided that such repairs can, in Landlord's opinion, be made within sixty (60) days after the occurrence of such damage. Landlord shall notify Tenant within fifteen (15) days of the event of casualty of its determination. Until such repairs are completed, the rent shall be abated in proportion to the part of the Leased Premises rendered unusable, but there shall be no abatement of rent for a period equal to one (1) day or less. If such repairs cannot, in Landlord's opinion, be made within sixty (60) days and Landlord nonetheless chooses to repair, then Tenant may, at its option, continue as Tenant under the Lease until such repairs are completed, during which time all rent shall abate, or Tenant may terminate the Lease. A total destruction of the Building in which the Leased Premises are located shall automatically terminate the Lease. Total destruction of the Building shall be defined as damage greater than fifty percent (50%) of the then replacement value thereof.

12. **NOTICES.** Any notice required or permitted to be given hereunder shall be sufficiently given if personally served, sent by registered or certified mail, or by reputable overnight courier, addressed to the relevant party at the addresses specified in the Lease, for Landlord, and for Tenant to: Real Estate Asset Management, 312 Rosa L. Parks Avenue, 22nd Floor, Nashville, Tennessee 37243.

13. **QUIET ENJOYMENT.** Landlord warrants and shall defend Tenant in the quiet enjoyment and possession of the Leased Premises during the term and any extension or renewal thereof.

14. **SUBORDINATION, ATTORNMEN AND NON-DISTURBANCE.** Tenant agrees that the Lease and all rights of Tenant hereunder are and shall be subject and subordinate to any ground or underlying lease which may now or hereafter be in effect regarding the Building or any component thereof, to any mortgage now or hereafter encumbering the Leased Premises or the Building or any component thereof, to all advances made or hereafter to be made upon the security of such mortgage, to all amendments, modifications, renewals, consolidations, extensions and restatements of such mortgage, and to any replacements and substitutions for such mortgage (collectively, "Mortgages"); provided as a condition to such subordination, any holder of the Mortgage must enter into a Subordination, Non-Disturbance and Attornment Agreement with Tenant in form reasonably acceptable to Tenant. In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, or in the event of a deed in lieu of foreclosure with respect to any Mortgage covering the Leased Premises or the Building, or in the event of termination of any Lease under which Landlord may hold title, Tenant shall, at the option of transferee, attorn to such transferee and shall recognize and be bound and obligated hereunder to such person as Landlord under the Lease, unless the Lease is terminated. Notwithstanding anything contained herein to the contrary, so long as Tenant is not in default in the payment of rent, or in the performance of any of the other terms, covenants or conditions of the Lease beyond any applicable cure periods, no mortgagee or similar person shall disturb Tenant in its occupancy of the Leased Premises during the original or any renewal term of the Lease notwithstanding any event or proceedings described in this section.

15. **APPROVALS.** Neither this Lease nor any amendment or modification hereto shall be effective or legally binding upon Tenant, unless and until a fully executed, original Lease has been returned to Tenant and the review and approval by all appropriate State officials and the State Building Commission, if applicable has been obtained.

16. **COMPLIANCE WITH LAWS.** Landlord represents and warrants to Tenant that as of the date of execution of this Lease, the Building complies with the provisions of the Americans with Disabilities Act (ADA) in all material respects. Landlord hereby indemnifies and holds harmless Tenant from and against all costs, liabilities, and causes of action occurring or arising as a result of Landlord's failure to comply with any of the requirements of the ADA or similar laws or as a result of any violation of any of the requirements of the ADA or similar laws by Landlord or its agents. Landlord shall provide all life safety equipment, including but not limited to, fire extinguishers and smoke alarms, in compliance with applicable municipal building codes.

17. **FORCE MAJEURE.** With the exception of the obligation of Tenant to pay rent and all other amounts that may be due from time to time under this Lease, if either party shall be delayed or hindered in or prevented from doing or performing any act or thing required hereunder by reason of any matters beyond the reasonable control of such party, then such party shall not be liable or responsible for any such delays and the doing or performing of such act or thing shall be extended for a period equivalent to the period of such delay. In such event, this Lease and the obligations of both parties to perform and comply with all of the other terms and provisions of this Lease shall in no way be affected, impaired, or excused.

18. **RECORDS RETENTION.** Landlord shall maintain documentation for all charges against Tenant under the Lease. The books, records and documentation of Landlord, insofar as they relate to reimbursement by Tenant for costs incurred, whether in whole or in part, shall be maintained in conformity with generally accepted accounting

principles for a period of three (3) full years from the date of what amounts to the final payment under this Lease, and shall be subject to audit, at any reasonable time and upon reasonable notice by the Comptroller of the Treasury or his duly appointed representative or a licensed independent public accountant.

19. SPACE AUDIT. Landlord certifies that the rentable square feet set forth in the Lease is accurate to the best of its knowledge. Tenant reserves the right to perform physical measurements of the Leased Premises and adjust the Monthly Rental Installments proportionally based upon such measurements. Tenant shall use the current Building Owner's and Manager's Association standards of measurements for either single or multi-tenant occupancy, whichever is applicable.

20. COMMON AREAS. During the Term of the Lease, Landlord agrees that Tenant and its employees, agents, invitees and visitors shall have the non-exclusive right to use the Common Areas for their intended purpose. Except for repairs, maintenance and replacements required under this Lease, Landlord shall not materially alter (or permit the material alteration of) any entrances, exits, corridors, sidewalks or hallways providing access to or from the Leased Premises. Landlord represents and warrants to Tenant that the Common Areas include all areas which are necessary for the use of the Leased Premises for its current use. As used herein, "Common Areas" means all portions of the Building intended for the general use or benefit of tenants or owners of the Building, and their employees, agents, and visitors, including, without limitation, all entrances, common corridors, parking areas, loading and unloading areas, trash areas, roadways, walkways, sidewalks and driveways.

21 EXHIBITS. State and Landlord shall execute any necessary agreements the forms of which are attached hereto as contemporaneous with the Lease.

EXHIBIT B
FLOOR PLAN

See attached

EXHIBIT C

COMMENCEMENT DATE

Commencement Date Agreement

RE: Lease dated as of _____, by and between _____, as Landlord, and the State of Tennessee, as Tenant.

Dear Sirs:

In accordance with 1.2.5 of the RFP, the Lease Term will commence on the latter of <<Comm Date>> or thirty (30) days after substantial completion of the Tenant Improvements occurs and a certificate of occupancy for the Premises is issued.

Pursuant to the terms of the above captioned Lease, please be advised as follows:

- 4. The Commencement Date of the Lease Term is the ____ day of _____, 201__, and the Expiration Date of the Lease Term is the ____ day of _____, _____, subject however to the terms and provisions of the Lease.
- 5. Terms denoted herein by initial capitalization shall have the meanings ascribed thereto in the Lease.
- 6. The Leased Premises contain _____ Useable Square Feet and _____ Rentable Square Feet. Parties shall promptly enter into an Amendment to Lease reflecting revised Annual Rent and Monthly Rental Installments.

LANDLORD

By: _____

Title: _____

ACKNOWLEDGED AND AGREED:

State of Tennessee

By: _____

Title: _____

**EXHIBIT D
WORK AGREEMENT**

THIS WORK AGREEMENT (the "Agreement") is executed and delivered as of the ____ day of _____, 2013, by _____ ("Landlord") and The State of Tennessee ("State").

WITNESSETH:

WHEREAS, contemporaneous with this Agreement Landlord and State entered into that certain Lease (the "Lease") pursuant to which State shall lease from Landlord certain space (the "Premises") as more particularly described in the Lease; and

WHEREAS, it is a condition to the commencement of the Lease that Landlord cause the Premises to be constructed in accordance with plans and specifications to be provided by State;

WHEREAS, the parties desire to describe the terms and conditions that must be met before the Lease may commence.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and State agree as follows:

8. No later than _____, Landlord shall cause the Premises to be put in the condition set forth on Exhibit E to the Lease (the "Landlord's Delivery Requirements").

9. No later than _____ (the "Delivery Date"), State shall provide construction drawings for the build out of the space to State's specifications (the "Build Out Plans") sufficient to allow Landlord to enter into a construction contract with a contractor to construct the improvements (the "Build Out") shown on the Build Out Plans (the "Tenant Improvements"). The Build Out Plans shall be signed and sealed by an architect or designer licensed to do business by the State of Tennessee and shall have been approved by the State Fire Marshal prior to delivery of the same to Landlord.

10. Landlord shall obtain no less than three (3) bids from general contractors licensed to do business in the State and approved by State, in its reasonable discretion, to construct the Tenant Improvements. Unless State, in its sole and absolute discretion, concurs, Landlord shall enter into a construction contract (the "Construction Contract") with the low bidder to construct the Tenant Improvements. State reserves the right to require the selection of a general contractor based on fee and general condition negotiations prior to the Build Out Plans becoming available. Under this approach, Landlord shall contract with the low bidder on the basis of a cost of the work plus a fee with a guaranteed maximum price. All savings would accrue to the benefit of the State. Landlord will not specify any sole-source subcontractors. State will require the integration of its specified bid information and forms in the bid process. Said construction contract shall provide that the Tenant Improvements must be substantially complete by _____ (the "Substantial Completion Date").

11. The following additional terms shall apply to the Tenant Improvements and the Construction Contract:

(a) If Landlord requires performance or payment bonds in the Construction Contract, they shall be at Landlord's expense and not charged against the Allowances.

(b) State shall not be required to purchase building stocked materials. However, any building stocked materials actually used by State shall be charged against the Allowances at actual out of pocket cost paid by the Landlord or market cost, whichever is less.

(c) Landlord will provide all utilities and services (i.e., electrical, HVAC, etc.), elevator services, and parking for the construction of the Tenant Improvements to the Premises at no cost to State.

(d) State may provide or engage its own owner's representative. This owner's representative shall be afforded complete access to the process and Premises prior to and during the Build Out.

(e) Landlord will not charge a construction management fee.

12. Landlord shall provide allowances in the amounts set forth on Exhibit F attached to the Lease (the "Allowances") to State to be utilized for payment of the amounts invoiced pursuant to the Construction Contract and other costs incurred by State in furtherance of obtaining the Build Out Plans, overseeing the construction of the Tenant Improvements, and moving into the Premises (collectively, the "Costs"). To the extent that the Allowances are insufficient to cover the Costs, State shall be responsible for payment of the amount of the difference. In the event any category of the Allowances are not completely utilized, State shall have the right to use any excess allowance in any one area (ex. Improvement, Architectural and Moving) to fund deficiencies in another. In the event that the Allowances are not completely utilized, State shall receive a credit against rent first due and accruing under

the Lease in the amount of the unused Allowances. Landlord will advance the "Architectural Allowance" to State upon lease execution. The "Moving Allowance" shall be payable to State at any time after Lease execution at State's option.

13. In the event that Landlord defaults under any of its obligations under this Agreement, and such failure constitutes a breach of this Agreement, then State shall be entitled to receive as full and agreed upon liquidated damages one day of free rent for each day of delay beyond the Delivery Date or Substantial Completion Date, as applicable and shall have the right to terminate this Agreement and the Lease in the event the Tenant Improvements are not substantially complete within thirty (30) days after the Substantial Completion Date, so long as State has not prevented Landlord from achieving substantial completion by such date. Landlord and State agree that said liquidated damages are reasonable given all of the circumstances existing as of the date hereof, including, without limitation, the range of harm to State that is reasonably foreseeable and the anticipation that proof of State's actual damages would be costly, impractical and inconvenient. LANDLORD ACKNOWLEDGES THAT IT HAS READ THIS SECTION AND UNDERSTANDS THE SAME.

14. So long as such activities do not interfere with the performance and construction of the Tenant Improvements, State shall have the right to enter the Premises prior to the Substantial Completion Date or the Commencement Date (as defined in the Lease) for purposes of (i) installing telecommunications and data equipment and cabling; (ii) installing furniture and equipment; and (iii) taking such other actions as may be necessary or desirable to enable the Premises to be in a condition such that they are immediately usable by the State for the intended purpose on the Commencement Date.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

LANDLORD:

_____, a

By:

Name: _____

Title: _____

STATE:

THE STATE OF TENNESSEE

By:

Name: _____

Title: _____

**EXHIBIT E
LANDLORD'S DELIVERY REQUIREMENTS**

[Same as RFP Attachment 6.3B]

**EXHIBIT F
ALLOWANCES**

Leasehold Improvement Allowance	\$ _____per rentable square foot of Leased Premises
Architectural / Engineering Allowance	\$ _____per rentable square foot of Leased Premises
Moving Allowance	\$ _____per rentable square foot of Leased Premises
Total	\$ _____per rentable square foot of Leased Premises

The allowances listed (collectively, the "Allowances") shall be provided by Landlord for Tenant's use in preparing the Leased Premises for occupancy.

**EXHIBIT G
LEASE OPTIONS**

1. Expansion Option:

Right of First Offer - Tenant shall have a continuous, ongoing and irrevocable Right of First Offer on all space in the Building that is available or that may come available during the term of the lease. For any space leased in accordance with the Right of First Offer during the first thirty-six (36) months of the term of the lease, the base rental rate and the parking, rental abatement, allowances and other tenant inducements to be provided by Landlord shall be the same as provided for the initial Premises; provided, however, the rental abatement, allowance and other tenant inducements shall be pro-rated over the duration of the remaining term of the lease. Any space leased in accordance with the Right of First Offer after the first thirty-six (36) months of the term of the lease shall be at the then prevailing market rate. Market rate shall be defined as what an arm's-length, non-expansion, non-renewal, non-equity tenant would pay for space of comparable size, quality, utility, and location, taking into accounts the length of the term and all allowances and concessions being offered in the market. In the event that Landlord and Tenant cannot agree on the market rate, non-binding mediation will be employed to determine the market rate. If Tenant shall exercise its said Right of First Offer, all terms and conditions shall be identical to those in the original lease, except for the business terms, which shall be as set forth above.

- 2. Renewal Option:** Tenant has two (2) options to extend the term for five (5) years each. Each option should be unilaterally exercisable by Tenant. Each renewal option shall be exercisable at 95% the then prevailing market rate. Market rate shall be defined as what an arm's-length, non-expansion, non-renewal, non-equity tenant would pay for space of comparable size, quality, utility, and location, taking into accounts the length of the term and all allowances and concessions being offered in the market. In the event that Landlord and Tenant cannot agree on the market rate, non-binding mediation will be employed to determine the market rate. If Tenant shall exercise a renewal option, all terms and conditions shall be identical to those in the original lease, except for the rent, which shall be as set forth above.

Tenant prefers that the renewal process shall begin with a notice from the Landlord twelve (12) months prior to lease expiration. Tenant will indicate to the Landlord within thirty (30) days of its receipt of Landlord's notice whether it intends to exercise its renewal option. Within thirty (30) days of its receipt of a notice from Tenant that Tenant intends to exercise its renewal option, Landlord will provide Tenant with a written notice summarizing Landlord's opinion of the market renewal rate, including any and all concessions and allowances being offered other tenants in the market considering length of term and the creditworthiness of the tenant. The terms and conditions of the renewal shall otherwise be on terms identical to those negotiated under the original lease. If Tenant does not agree with Landlord's opinion of the market renewal rate, the parties shall thereafter negotiate in good faith to determine such market renewal rate. If, notwithstanding such good faith negotiations, there still exists between the parties a disagreement as to what constitutes the market renewal rate eight (8) months prior to lease expiration, non-binding mediation shall be employed to determine the market renewal rate. Six (6) months prior to the lease expiration, Tenant shall have the right to choose to A) extend at the rental rate either 1) as determined by such non-binding mediation (if such mediation was necessary), or 2) as otherwise agreed by the parties, or, alternatively, B) rescind its prior notice of its intention to exercise its renewal option and allow the lease to terminate as scheduled.

EXHIBIT H

BUILDING OPERATING COSTS

For Base Year Lease Only. N/A for the Standard State Lease. For the Lease that goes in the RFP, they don't include from #1- General Provisions and on down. Those provisions are cut from the RFP and added to this section.

1. The following definitions shall apply to this Exhibit H:

- (a) The term "Base Year" shall mean _____.
- (b) The term "Pro Rata Share" shall mean _____ percent (_____%) based upon _____ (____) rentable square feet in the Leased Premises and _____ rentable square feet in the Building; provided, however, that in the event that the amount of space leased or occupied by Tenant subsequent to the date of this Lease, whether, with respect to the space leased by Tenant, pursuant to an option to expand, space audit, or otherwise, Tenant's Pro Rata Share shall be appropriately adjusted by Landlord. Tenant's Pro Rata Share shall always and at any particular time be the percentage derived from dividing the rentable square footage of the Leased Premises by the total rentable square feet contained in the Building.
- (c) The term "Operating Expenses" shall mean all operating expenses of the Building, which shall be computed on the accrual basis and shall consist of all expenditures by Landlord to maintain the Building in good condition and occupancy. All such operating expenses shall be determined in accordance with generally accepted accounting principles, which shall be consistently applied, and shall mean all expenses, costs, and disbursements of every kind and nature which Landlord shall pay or become obligated to pay in connection with the ownership, operation, and maintenance of the Building.
- (d) The term "Real Estate Taxes", shall mean all taxes, payments in lieu of taxes, and assessments and governmental charges, whether federal, state or municipal, measured on the value of the Building, or attributable to the Building or its operation or incident to the ownership thereof, excluding federal and state taxes on income.

2. Notwithstanding anything to the contrary in Exhibit A to the Lease, commencing on _____, for each calendar year during the Term, Tenant agrees to pay to Landlord, Tenant's Pro Rata Share of the Operating Expenses and Real Estate Taxes for such calendar year in excess of the Operating Expenses and Real Estate Taxes for the Base Year ("Operating Expenses Excess"). Tenant shall pay the Operating Expenses Excess in monthly installments equal to 1/12th of the amount estimated by Landlord, in its good-faith judgment, as Tenant's Pro Rata Share of the Operating Expenses Excess for the then-current calendar year. Such monthly payments shall be made at the same time as Tenant pays its Monthly Rental Installment. Within one hundred fifty (150) days after the end of each calendar year of the Term, the sum collected by Landlord representing Operating Expenses Excess shall be compared by Landlord to the actual Operating Expenses Excess. If the amount collected by Landlord from Tenant is less than the amount actually due, Tenant shall pay the difference, as Rent, to Landlord within forty five (45) after receipt of notice of the amount due. If the amount so collected exceeds the amount actually due, the excess shall, at the option of Tenant, be paid to Tenant (if Tenant is not in default) or be credited by Landlord against the next payment of Rent becoming due from Tenant, and if no further Rent shall become due, said excess shall be paid by Landlord to Tenant. The effect of this reconciliation payment is that Tenant will pay its Pro Rata Share of the Operating Expenses Excess and no more.

3. General Provisions.

a. If there is any conflict or inconsistency between this Building Operating Cost ("BOC") and the other provisions of the Lease, then the provisions of this BOC shall control and govern the interpretation of the Lease.

b. Inasmuch as the Lease may contain certain terminology that may not be identical to the terminology contained herein, the following terms are hereby deemed to have the same meaning and can be used interchangeably: Expenses, Direct Expenses, Operating Expenses, and Operating Costs; Taxes, Tax Expenses, Tax Costs, Property Taxes and Real Estate Taxes; Landlord and Lessor; Tenant, State, and Lessee; Expense Year and Comparison Year; Tenant's Share and Tenant's Pro Rata Share; Building, Property, Project and Building/Project.

c. Landlord shall utilize accounting records and procedures conforming to generally accepted accounting principles, consistently applied, with respect to all aspects of determining Tenant's Pro Rata Share of the Operating Costs and Real Estate Taxes.

4. Exclusions from Operating Costs. Notwithstanding anything to the contrary contained in the Lease, the following items shall be excluded from the calculation of Operating Costs and/or Real Estate Taxes, each as the case may be, as such applicable term(s) are defined by the Lease:

a. Corporate Overhead - All costs associated with the operation of the business of the entity which constitutes Landlord or Landlord's affiliated organizations or Landlord's managing agent (as distinguished from the costs of the operations of the Building/Project) including, but not limited to, any entity's general corporate overhead and general administrative expenses, legal, risk management or other departmental costs of off-site personnel, corporate and/or partnership accounting and legal costs, asset management fees, administrative fees, and any other costs that would normally be considered included in a management fee, placement/recruiting expenses for employees whether they are assigned to the Building/Project or not, employee training programs, costs of any business licenses, and/or all costs associated with start-up or move of a management office due to sale of the building, change of management companies or leasing;

b. Leasing - Any cost relating to the marketing, solicitation, negotiation and execution of leases of space in the Building/Project, including without limitation, promotional and advertising expenses, real estate licenses and other industry certifications, tickets to special events, commissions, finders fees, and referral fees, all expenses relating to the negotiation and preparation of any lease, license, sublease or other such document, costs of design, plans, permits, licenses, inspection, utilities, construction and clean up of tenant improvements to the Premises or the premises of other tenants or other occupants, the amount of any allowances or credits paid to or granted to tenants or other occupants of the Building/Project;

c. Executive / Unrelated Salaries - Wages, salaries, fees, fringe benefits, and any other form of compensation paid to any executive employee of Landlord and/or Landlord's managing agent above the grade of Building Manager as such term is commonly understood in the property management industry, provided, however, all wages, salaries and other compensation otherwise allowed to be included in Operating Costs shall also exclude any portion of such costs related to any employee's time devoted to other efforts unrelated to the maintenance and operation of the Building/Project;

d. Competitively Bid/Arms Length Transactions - Any amount paid by Landlord or Landlord's managing agent to a subsidiary or affiliate of Landlord or Landlord's managing agent, or to any party as a result of a non-competitive selection process, for management or other services to the Building/Project, or for supplies or other materials, to the extent the cost of such services, supplies, or materials exceed the cost that would have been paid had the services, supplies or materials been

provided by parties unaffiliated with the Landlord or Landlord's managing agent on a competitive basis by reputable, professional firms customarily engaged in providing such services;

e. Financing / Ground Lease – Mortgage payments; debt costs or other financing charges; costs of defending any lawsuits; costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interests in the Building/Project; bad debt loss; rent loss or any reserves thereof; any rental payments and related costs pursuant to any ground lease of land underlying all or any portion of the Building/Project; and any costs related to any reciprocal easement agreement, and/or covenant, condition and restriction agreement;

f. Office & Parking Charges - Any office rental and any parking charges, either actual or not, for the Landlord's and/or Landlord's managing agent's management, engineering, maintenance, security, parking or other vendor personnel;

g. Building Defects - Any costs incurred in connection with the original design, construction, landscaping and clean-up of the Building/Project or any major changes to same, including but not limited to, additions or deletions of floors, renovations of the common areas (except as otherwise expressly permitted under this BOC), correction of defects in design and/or construction of the Building/Project including defective equipment and the replacement of equipment or Building/Project components which have reached the end of their useful life;

h. Capital - All "Capital Expenditures" (as hereinafter defined), except those Capital Expenditures incurred which (i) actually reduce Operating Costs, or (ii) are required by governmental regulation or law enacted after the Commencement Date, or (iii) are necessary to maintain the general cosmetic appearance of the common areas of the Building/Project (i.e., routine painting of the common areas, replacement of carpet or wall covering in common areas), where the aggregate cost of such common area work does not exceed \$0.05 per square foot of rentable area in the Building, the cost of any of the foregoing to be amortized, net of the item's reasonably estimated salvage value at the end of its useful life, with interest at the lesser of the interest rate actually paid by Landlord or 7.0% per annum, on a straight-line basis, over the useful life of the Capital Expenditure in question, provided, however, the annual amortization for Capital Expenditures under subsection (i) of this paragraph shall not exceed the annual amount of Operating Costs actually saved as a result of such Capital Expenditure. For purposes of this Lease the parties agree Capital Expenditures shall be defined as any expenditure incurred by the Landlord which (x) provides a benefit in excess of one year, (y) is a non-recurring expenditure (i.e., such that the subject expenditure is not expected to recur in a two (2) year period), and (z) cost, in the aggregate including all associated and related expenditures for consulting fees, permits, installment payments, etc., in excess of \$0.05 per square foot per square foot of rentable area in the Building.

i. Capital Expenditures – Any expenditures made of funds which would be categorized as "capital expenditures" under generally accepted accounting principles.

j. Other Capital - Rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment, the cost of which if purchased would be excluded from Operating Costs as a capital cost, excepting from this exclusion equipment not affixed to the Building/Project which is used in providing janitorial or similar services and, further excepting from this exclusion such equipment rented or leased to remedy or ameliorate an emergency condition in the Building/Project;

k. Building Codes/ADA - Any cost incurred in connection with upgrading the Building/Project to comply with insurance requirements, life safety codes, ordinances, statutes, or other laws in effect prior to the Commencement Date, including without limitation the Americans With Disabilities Act (or similar laws, statutes, ordinances or rules imposed by the State, County, City, or other agency where the Building/Project is located), including penalties or damages incurred as a result of non-compliance;

l. Hazardous Material - Any cost or expense related to monitoring, testing, removal, cleaning, abatement or remediation of any "hazardous material" including toxic mold, in or about the Building/Project or real property, and including, without limitation, hazardous substances in the ground water or soil;

- m. Telecommunications - Any cost incurred in connection with modifying, removing, upgrading, replacing, repairing or maintaining the Building's/Project's telecommunication systems, including the purchase, installation and operation of any informational displays in the Building's/Project's elevators or lobbies;
- n. Reimbursements - Any cost of any service or items sold or provided to tenants or other occupants for which Landlord or Landlord's managing agent has been or is entitled to be reimbursed by such tenants or other occupants for such service or has been or is entitled to be reimbursed by insurance or otherwise compensated by parties other than tenants of the Building/Project, to include replacement of any item covered by a warranty;
- o. Benefits to Others - Expenses in connection with services or other benefits which are provided to another tenant or occupant of the Building/Project and which do not benefit Tenant, including the repairs and maintenance of the common area of a multi-tenant floor (e.g. elevator lobby, restrooms and hallways), if Tenant is a full-floor tenant and such repairs and maintenance are not provided to Tenant without separate charge therefor;
- p. Real Estate Taxes - Any increase of Real Estate Taxes and assessments due to any change in ownership including, but not limited to, the sale or any other form of full or partial transfer of title of the Building/Project or any part thereof, the transfer of title of any leases in the Building/Project, any renovation or new construction in the Building/Project or related facilities;
- q. Other Taxes - Landlord's gross receipts taxes for the Building/Project, personal and corporate income taxes, inheritance and estate taxes, other business taxes and assessments, franchise, gift and transfer taxes, and all other Real Estate Taxes relating to a period payable or assessed outside the term of the Lease;
- r. Special Assessment - Special assessments or special taxes initiated as a means of financing improvements to the Building/Project and the surrounding areas thereof;
- s. Parking - Expenses associated with the operation, maintenance and repair of the parking facilities serving the Building/Project, including, but not limited to, all expenses for parking equipment, tickets, supplies, signs, insurance, cleaning, resurfacing, restriping, business taxes, management fees and costs, maintenance, utilities, Real Estate Taxes, and wages, salaries, employee benefits and taxes for personnel working in connection with any such parking facilities, shall be reduced by the sum of all revenues received or receivable by Landlord or the operator of such parking facilities. If any entity receives free or abated parking while any other party is required to pay or does not receive free or abated parking, the full value of such free or abated parking shall be deemed revenue of the parking facilities for purposes hereof;
- t. Advertising/Promotion/Gifts - All advertising and promotional costs including any form of entertainment expenses, dining expenses, any costs relating to tenant or vendor relation programs including flowers, gifts, luncheons, parties, and other social events but excluding any cost associated with life safety information or education services which are provided to the tenants of the Building/Project;
- u. Fines & Penalties - Any fines, costs, late charges, liquidated damages, penalties, tax penalties or related interest charges, imposed on Landlord or Landlord's managing agent;
- v. Contributions/Dues/Subscriptions - Any costs, fees, dues, contributions or similar expenses for political, charitable, industry association or similar organizations, as well as the cost of any newspaper, magazine, trade or other subscriptions, excepting the Building's/Project's annual membership dues in the local Building Owners and Managers Association ("BOMA") for the Building and not for the individual ;
- w. Art - Costs, other than those incurred in ordinary maintenance and repair, for sculptures, paintings, fountains or other objects of art or the display of such items;
- x. Concessionaires - Any compensation or benefits paid to or provided to clerks, attendants or other persons in commercial concessions operated by or on behalf of the Landlord;

y. Insurance - (i) The cost of any insurance coverage, whether or not required by the holder of any mortgage on the Property which is related, in whole or in part, to (a) property or casualty insurance coverage in amounts greater than the replacement cost of the Property, or (b) lease enhancement insurance or other credit enhancement-related insurance; (ii) to the extent Landlord incurs any losses covered by the insurance Landlord is required to carry pursuant to the terms of this Lease, Operating Expenses may only include those commercially reasonable deductibles paid by Landlord but not, in any event, in excess of an aggregate of \$50,000.00; and/or (iii) any increase in the cost of Landlord's insurance caused by a specific use of another tenant or by Landlord;

z. Reserves - Any reserves of any kind;

aa. Environmental Certification - If the Building does not have such certifications as of the Commencement Date, any expenses incurred by the Landlord in connection with its plans or efforts to obtain or renew any form of certification for energy efficiency or environmental responsibility from organizations or governmental agencies such as the United States Green Building Council's Leadership in Energy and Environmental Design (LEED) certification, Energy Star, Green Globes, etc., including, without limitation, consulting fees, legal fees, architectural, design and/or engineering fees and submission fees. Notwithstanding anything to the contrary, however, Capital Expenditures associated with such efforts shall be treated in accordance with Section 2(h) immediately above.

5. Operating Costs and Real Estate Tax Adjustments.

a. Gross Up Adjustment. If the Building/Project is not at least ninety-five percent (95%) occupied during all or any portion of the Base Year or any Comparison Year, Landlord shall make an appropriate adjustment to those Operating Costs which vary with occupancy for such year to determine what the Building/Project Operating Costs would have been for such year if the Building/Project had been ninety-five percent (95%) occupied during such year. Such gross up adjustments shall be made by Landlord by increasing only the variable portion of those costs which actually vary based upon the level of occupancy of the Building/Project.

b. Base Year Equivalency. In the event Landlord incurs costs associated with or relating to Operating Costs and/or Real Estate Taxes which were not part of Operating Costs and/or Real Estate Taxes during Tenant's entire Base Year or expenses associated with increased levels or frequency of such services, then Operating Costs and/or Real Estate Taxes for the Base Year shall be increased, including being grossed up to ninety-five percent (95%) level, by the reasonably estimated amount of such costs as if such costs had been incurred and included in Operating Costs and/or Real Estate Taxes during the entire Base Year. The purpose of this provision is to result in an "apples to apples" comparison between the Base Year and all Comparison Years. Additionally, if the Building/Project's insurance policies were purchased on a portfolio-wide or multi-building basis in the Base Year, and if the Building/Project subsequently ceases to be insured as part of a portfolio-wide or multi-building basis, the Base Year insurance expenses will be adjusted to reflect what the insurance premium costs would have been in the Base Year on the basis of stand-alone insurance policies.

c. Real Estate Tax Adjustments. If the Building/Project is not fully assessed in the Base Year and any Comparison Years, then the Landlord shall adjust the subject year's Real Estate Tax Expense to reflect what such year's taxes would have been had the Building/Project been fully completed and assessed for tax purposes. If Landlord obtains a reduction in Real Estate Taxes for the Base Year, then such reduction will not reduce the amount for Real Estate Taxes for such Base Year for purposes of calculating Tenant's Additional Rent obligations related to Real Estate Taxes.

d. Other Adjustments.

(i.) Net Expenses - Building/Project Operating Costs and Real Estate Taxes shall be "net" only, and shall therefore be reduced by all cash discounts, trade discounts, quantity discounts, rebates, refunds, credits, or other amounts received by Landlord or Landlord's managing agent, including any such related amounts from tenants of the Building/Project, for its purchase of or provision of any goods, utilities, or services;

(ii.) Partial Year - Building/Project Operating Costs that cover a period of time not entirely within the Term of the Lease shall be prorated based on the actual number of days in the year;

(iii.) Vacancy Credit - In the event Tenant ceases to occupy (but still leases), the Premises or any portion thereof, Tenant shall receive a credit against Rent equal to the cost of services, utilities and any other expense not incurred as a result of such vacancy;

(iv.) Duplicate Charges - Landlord shall not (i) profit by including items in Operating Costs and/or Real Estate Taxes that are otherwise also charged separately to others, or (ii) collect Operating Costs and/or Real Estate Taxes from Tenant and all other tenants/occupants in the Building/Project in an amount in excess of what Landlord actually incurred for the items included in Operating Costs;

(v.) Utility Services - If, during the Base Year, the Landlord does not purchase electricity (or other utilities) from a so-called "clean" or "renewable" sources (whether in whole or in part), the Operating Costs (as well as separately metered or sub-metered electricity expenses), of subsequent years during the Term shall not include any incrementally higher cost associated with purchasing so-called "clean" or "renewable" utilities unless, and only to the extent, Tenant has previously provided its written consent to such costs being included in Operating Costs (or utility expenses). Tenant shall have the right to withhold its consent to the inclusion of such higher costs in its sole and absolute discretion.

(vi.) Free Rent Adjustments – If the management fee includable in Operating Costs is determined as a percentage of the Building's/Project's gross receipts or similar revenue basis, such revenues (including parking revenues and additional rent charges) shall be straight-lined to average the rental rates paid during the respective lease terms.

(vii.) Warranty - In the event any portion of the Building/Project is covered by a warranty at any time during the Base Year, Landlord shall increase Operating Costs for the Base Year by such amount as Landlord would have incurred during the Base Year with respect to the items or matters covered by the subject warranty had such warranty not been in effect at the time during the Base Year.

e. Controllable Expenses. Beginning with the first calendar year following the Base Year, Controllable Expenses (as hereinafter defined), shall not increase by more than two and one-half percent (2.5%) over the prior calendar year's Controllable Expenses. By way of example, if the Controllable Expenses for the Base Year equal \$100,000, the Controllable Expenses for the next calendar year shall not exceed \$102,500, and the Controllable Expenses for succeeding calendar year shall be capped at two and one-half percent (2.5%) greater than either \$102,500 or the actual Controllable Expenses of the prior year, whichever is less. Controllable Expenses are defined as the sum of all Operating Costs, as determined in accordance with the terms of the Lease and this BOC, other than (i) Real Estate Taxes, (ii) insurance premiums, (iii) utilities and (iv) snow and ice removal expenses.

6. Tenant's Lease Compliance Audit Rights.

a. The payment by Tenant of any Tenant's Pro Rata Share of Building/Project Operating Costs and Real Estate Taxes amount pursuant to this Lease shall not preclude Tenant from questioning the accuracy of any statement provided by Landlord.

b. Landlord shall provide to Tenant in substantial detail each year the calculations performed to determine Tenant's Share of Operating Costs for the Building/Project in accordance with the applicable provisions of the Lease and this BOC, including the total Operating Costs by category, and listing gross up adjustments, etc. Landlord's annual statement shall also provide its calculation of Tenant's Pro Rata Share of Building/Project Operating Costs and Real Estate Taxes by setting forth the ratio of the Premises rentable square feet to the Building/Project rentable square feet and shall provide the average Building/Project occupancy for such year.

c. Tenant or its authorized agent shall have the right, at its own cost and expense, to inspect and/or audit Landlord's detailed records each year with respect to Building/Project Operating Costs and Real Estate Taxes, as well as all other rent payable by Tenant pursuant to the Lease for the Base Year and any Comparison Year. Pursuant to the foregoing, Landlord shall be obligated to retain such records for Tenant's Base Year and all Comparison Years associated with this Lease, regardless of whether or not such periods were prior to Landlord's ownership of the Building/Project, until three (3) years following the termination of the Lease. Within fifteen (15) business days of Tenant's written notice to Landlord of its desire to review Landlord's books and records, Landlord shall provide Tenant or Tenant's authorized representative a full and complete copy of the financial records reasonably necessary for Tenant to complete such audit or review. If, after the review of such documentation, Tenant desires additional information of Landlord's books and records including but not limited to, invoices paid by Landlord or service contracts, Landlord shall cooperate with Tenant making all pertinent records available to Tenant, Tenant's employees and agents for inspection. Tenant, Tenant's employees and agents, shall be entitled to make copies of such records and further provided that Tenant keeps such copies confidential and does not show or distribute such copies to any other tenants in the Building/Project, except as otherwise provided by law or court order.

d. The results of such audit, as reasonably determined by both parties, shall be binding upon Landlord and Tenant. If such audit discloses the amount paid as Tenant's Pro Rata Share of Operating Costs and Real Estate Taxes for the Building/Project, or of other rental amount payable pursuant to the Lease, has been overstated by more than three percent (3%), then, in addition to immediately repaying such overpayment to Tenant, with interest (at a rate of Prime plus 2.0%) from the date of overcharge, Landlord shall also pay the costs incurred by Tenant in connection with such audit.

[Insert Form of Commission Agreement]