

U.S. GOVERNMENT LEASE FOR REAL PROPERTY
(Short Form)

1. LEASE NUMBER
GS-04B-50117

PART I - SOLICITATION/DESCRIPTION OF REQUIREMENTS (To be completed by Government)

A. REQUIREMENTS

2. The Government of the United States of America is seeking to lease approximately 5,316 rentable square feet of office and related use space located in Nashville, Tennessee for occupancy not later than September 28, 2010 for a term of three (3) years, with nine (9) months firm. Area of consideration is: Downtown Nashville, TN, within the CBD. Rentable space must yield 4,697 square feet of ANSI/BOMA Office Area (ABOA) for use by Tenant for personnel, furnishing, and equipment.

3. INITIAL OFFERS ARE DUE ON OR BEFORE 4:00 pm Eastern time on Friday, September 17, 2010.

B. STANDARD CONDITIONS AND REQUIREMENTS

4. The following standard conditions and requirements shall apply to any premises offered for lease to the UNITED STATES OF AMERICA (the GOVERNMENT):

- a. Space offered must be in a quality building of sound and substantial construction meeting the Government's requirements for the intended use.
- b. The Lessor shall provide floor plans for the offered space and a valid Certificate of Occupancy for the intended use of the Government and shall meet, maintain, and operate the building in conformance with all applicable current (as of the date of this solicitation) codes and ordinances. If space is offered in a building to be constructed for lease to the Government, the building must be in compliance with the most recent edition of the building code, fire code, and ordinances adopted by the jurisdiction in which the building is located.
- c. Offered space shall meet or be upgraded to meet the applicable egress requirements in National Fire Protection Association (NFPA) 101, *Life Safety Code* or an alternative approach or method for achieving a level of safety deemed equivalent and acceptable by the Government. Offered space located below-grade, including parking garage areas, and all areas referred to as "hazardous areas" (defined in NFPA 101) within the entire building (including non-Government areas), shall be protected by an automatic sprinkler system or an equivalent level of safety. Additional automatic fire sprinkler requirements will apply when offered space is located on or above the 6th floor. Unrestricted access to a minimum of two remote exits shall be provided on each floor of Government occupancy. Scissor stairs shall be counted as only one approved exit. Open-air exterior fire escapes will not be counted as an approved exit. Additional fire alarm system requirements will apply when offered space is located 2 or more stories in height above the lowest level of exit discharge.
- d. The Building and the leased space shall be accessible to persons with disabilities in accordance with appendices C and D of 36 CFR Part 1191 (ABA Chapters 1 and 2 and Chapters 3 through 10 of the ADA-ABA Accessibility Guidelines).
- e. The leased space shall be free of all asbestos containing materials, except undamaged asbestos flooring in the space or undamaged boiler or pipe insulation outside the space, in which case an asbestos management program conforming to Environmental Protection Agency guidance shall be implemented. The space shall be free of other hazardous materials and in compliance with applicable Federal, State, and local environmental laws and regulations.
- f. Services, utilities, and maintenance will be provided daily, extending from 7:00 a.m. to 6:00 p.m. five days a week excluding Saturday, Sunday and federal holidays. The Government shall have access to the leased space at all times, including the use of electrical services, toilets, lights, elevators, and Government office machines without additional payment.
- g. The Lessor shall complete any necessary alterations, repairs, maintenance, and initial cleaning within 5 days after receipt of contract award, unless otherwise negotiated.
- h. The Offeror must have an active registration in the Central Contractor Registration (CCR) System (via the Internet at <http://www.ccr.gov>) prior to lease award and throughout the life of the lease. To remain active, the Lessor must update or renew its registration annually. The Government will not process rent payments to Lessors without an active CCR Registration. The Government will recognize no change of ownership of the leased premises until the new owner registers in the CCR system.

5. SERVICES AND UTILITIES (To be provided by Lessor as part of rent)

<input checked="" type="checkbox"/> HEAT	<input checked="" type="checkbox"/> TRASH REMOVAL	<input checked="" type="checkbox"/> ELEVATOR SERVICE	<input checked="" type="checkbox"/> INITIAL & REPLACEMENT LAMPS, TUBES & BALLASTS And AIR FILTERS	<input checked="" type="checkbox"/> OTHER (Specify below)
<input checked="" type="checkbox"/> ELECTRICITY	<input checked="" type="checkbox"/> CHILLED DRINKING WATER	<input checked="" type="checkbox"/> WINDOW WASHING	<input type="checkbox"/> PAINTING FREQUENCY	a) See Attachment B
<input checked="" type="checkbox"/> POWER (Special Equip.)	<input checked="" type="checkbox"/> AIR CONDITIONING	Frequency <u>n/a</u>	Space <u>n/a</u>	b) See Part 6 below and page 4 of Form 3626
<input checked="" type="checkbox"/> WATER (Hot & Cold)	<input checked="" type="checkbox"/> TOILET SUPPLIES	<input checked="" type="checkbox"/> CARPET CLEANING	Public Areas <u>n/a</u>	
<input checked="" type="checkbox"/> SNOW REMOVAL	<input checked="" type="checkbox"/> JANITORIAL SERV. & SUPP.	Frequency <u>Upon Occupancy</u>		

6. OTHER REQUIREMENTS

- A. The requirements described in this solicitation package are to be included in the rental consideration.
- B. The Lessor shall provide complete initial cleaning of space (including restrooms), and ensure all building systems serving the leased space and pertinent common areas are functioning properly prior to Government occupancy.
- C. Space will be accepted with no initial tenant improvements. The Government reserves the right to request subsequent tenant improvements at any time throughout the life of the lease, to be paid via lump sum.

7. NOTE: All offers are subject to the terms and conditions outlined above, and elsewhere in this solicitation, including the Government's General Clauses and Representations and Certifications.

8. BASIS OF AWARD

- ☒ THE ACCEPTABLE OFFER WITH THE LOWEST PRICE PER SQUARE FOOT, ACCORDING TO THE ANSI/BOMA Z65.1-1996 DEFINITION FOR BOMA USABLE OFFICE AREA, WHICH MEANS "THE AREA WHERE A TENANT NORMALLY HOUSES PERSONNEL AND/OR FURNITURE, FOR WHICH A MEASUREMENT IS TO BE COMPUTED"
- ☐ OFFER MOST ADVANTAGEOUS TO THE GOVERNMENT, WITH THE FOLLOWING EVALUATION FACTORS BEING
 - ☐ SIGNIFICANTLY MORE IMPORTANT THAN PRICE
 - ☐ APPROXIMATELY EQUAL TO PRICE
 - ☐ SIGNIFICANTLY LESS IMPORTANT THAN PRICE
 - ☐ (Listed in descending order, unless stated otherwise):

PART II - OFFER (To be completed by Offeror/Owner and remain open until lease award)

A. LOCATION AND DESCRIPTION OF PREMISES OFFERED FOR LEASE BY GOVERNMENT

1. NAME AND ADDRESS OF BUILDING (Include ZIP Code) DAVID G. STONE BUILDING 211 7 th AVENUE NASHVILLE, TN 37219-1823	2. LOCATION(S) IN BUILDING	
	a. FLOOR(S) 4th	b. ROOM NUMBER(S) 420
	c. SQ. FT. RENTABLE <u>5,316</u> ABOA <u>4,697</u> Common Area Factor <u>1.1319</u>	d. TYPE <input checked="" type="checkbox"/> GENERAL OFFICE <input type="checkbox"/> OTHER (Specify) <u>5 parking spaces</u> <input type="checkbox"/> WAREHOUSE

B. TERM

3. To have and to hold, for the term commencing on September 28, 2010 and continuing through September 27, 2013 inclusive. The Government may terminate this lease in whole or in part at any time on or June 28, 2011, by giving at least 90 days notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

C. RENTAL

4. Rent shall be payable in arrears and will be due on the first workday of each month. When the date for commencement of the lease falls after the 15th day of the month, the initial rental payment shall be due on the first workday of the second month following the commencement date. Rent for a period of less than a month shall be prorated.

5. AMOUNT OF ANNUAL RENT <u>\$93,030.00</u> <u>102,333</u>	7. HVAC OVERTIME RATE PER HOUR	8. ELECTRONIC FUNDS TRANSFER PAYMENT SHALL BE MADE TO (Name and Address) <u>Michael D. Shmerling Partners, G.P.</u> <u>618 Church Street, Suite 200</u> <u>Nashville, TN 37219-2435</u>
6. RATE PER MONTH <u>\$7,752.50</u> <u>8,527.75</u>		

9a. NAME AND ADDRESS OF OWNER (Include ZIP code. If requested by the Government and the owner is a partnership or joint venture, list all General Partners, using a separate sheet, if necessary.)

<u>Michael D. Shmerling Partners, G.P. / 618 Church Street, Suite 200 / Nashville, TN 37219-2435</u>		
9b. TELEPHONE NUMBER OF OWNER <u>(615) 248-9255</u>	10. TYPE OF INTEREST IN PROPERTY OF PERSON SIGNING <input checked="" type="checkbox"/> OWNER <input type="checkbox"/> AUTHORIZED AGENT <input type="checkbox"/> OTHER (Specify)	
11a. NAME OF OWNER OR AUTHORIZED AGENT (Type or Print) <u>Michael Shmerling</u>	11b. TITLE OF PERSON SIGNING <u>Managing Partner</u>	
11c. SIGNATURE OF OWNER OR AUTHORIZED AGENT <u>Michael D. Shmerling</u>	11d. DATE <u>9/22/10</u>	

PART III - AWARD (To be completed by Government)

1. Your offer is hereby accepted. This award consummates the lease which consists of the following attached documents: (a) this GSA Form 3626, (b) Representations and Certifications, (c) the Government's General Clauses, and (d) the following changes or additions made or agreed to by you:

- Attachment A - Definitions
- Attachment B - Janitorial
- Attachment C - Operating Costs
- Floor plan of offered space

2. THIS DOCUMENT IS NOT BINDING ON THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNLESS SIGNED BELOW BY AUTHORIZED CONTRACTING OFFICER.

3a. NAME OF CONTRACTING OFFICER (Type or Print) <u>Marcus Skinner</u>	3b. SIGNATURE OF CONTRACTING OFFICER <u>Marcus Skinner</u>	3c. DATE <u>9/24/10</u>
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Part I, Page 1, Section B., Item 3. OTHER REQUIREMENTS is hereby continued as follows:

- 1) **RESTORATION WAIVER:** The Lessor hereby waives and forever relinquishes any right to make a claim against the Government for waste, damages or restoration arising from or related to any alteration or removal of any alteration by the Government during the term of this lease or any extensions. Alterations may be completed by either the Government and/or the Lessor including initial buildout of the leased space and/or any subsequent modifications required during the lease period. At the Government's sole discretion, property remaining in leased space after termination of the lease contract will become the property of the Lessor.
- 2) **RADON IN AIR:** If space planned for occupancy by the Government is on the second floor above grade or lower, the Lessor shall, prior to occupancy, test the leased space for 2 days to 3 days using charcoal canisters or electret ion chambers to ensure that radon in air levels are below EPA's action concentration of 4 picoCuries per liter. **OPTIONAL** for long-term lease: After the initial testing, a follow-up test for a minimum of 90 days using alpha track detectors or electret ion chambers shall be completed.

Part II, Page 2, Section C., Item 7. ANNUAL RENT is hereby continued as follows:

- 1.) The rental rate consists of the following components:
 - A. \$ 6.41 prsf - Operating Costs Base rate for operating costs escalation purposes.
 - B. \$ ~~41.09~~ prsf - Shell Rate \$12.84 *MS*
 - C. \$ _____ prsf - Tenant Improvements
- 2.) The percentage of occupancy by the Government is 9.93 %, based on Government occupancy of 5,316 rentable square feet and total building area of 53,511 rentable square feet.
- 3.) The adjustment rate for vacant premises is established to reduce the rental rate by \$ 44.09 prsf. \$12.84 *MS*
- 4.) There will be a cost of \$ _____ per hour for overtime usage of the total leased space for utilities provided by the Lessor after normal building operating hours noted on page 1 of the Form 3626. This overtime usage may be requested and reimbursed (via invoice procedures) by the GSA Customer Service Center office in Louisville, KY, on behalf of the tenant.
- 5.) The common area factor (CAF) is established as 13.19%.
- 6.) Any space provided in excess of square footage Requirement defined in GSA Form 3626, Part 1, Section A "Requirements" is at no additional charge to the Government.
- 6.) Annual shell rent shall increase at a rate of 3% annually as follows:

9/28/10 - 9/27/11	\$58,954.44	68,257.44	<i>MS</i>
9/28/11 - 9/27/12	\$60,723.07	70,305.16	
9/28/12 - 9/27/13	\$62,544.77	72,414.32	

INITIALS:

LESSOR

GOV'T