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## **A. DETAILED SCOPE OF WORK**

This Appendix A sets forth a detailed scope of services the Contractor will provide to the FMFADA. An initial sum will be allocated from the FMFADA funds to pay the Contractor's first month fees, and an additional sum will either be allocated from the FMFADA funds or, subject to negotiation, funds advanced by the Contractor to pay for repairs to the Facilities by the Contractor prior to tenant move-in. Funds to pay future fees and reimburse repairs (and any advanced funds) will come from the rents to be paid by tenants; a certain portion of funds will be remitted by Contractor to the FMFADA based upon the financial performance of the Facilities.

## **B. DEFINITIONS**

As used herein, the following terms shall have the following meanings, applicable, as appropriate, to both the singular and plural forms of the defined terms:

1. "Additional Services" refers to work requested by the FMFADA, pursuant to a Task Order and subject to negotiation between the FMFADA and Contractor to delineate statement of work to be performed and the budget for such work.
2. "Agency" means any federal, state or local agency, department, commission, board, bureau, office or other governmental authority having jurisdiction over matters related to the property or the use of property in Fort Monroe.
3. "Annual Review" means the review prior to the end of each Fiscal Year of the Property Management Plan.
4. "Applicable Laws" mean all federal, state and local applicable laws, including without limitation all present and future statutes, regulations, requirements, rules, guidelines, ordinances, codes, licenses, permits, policies, orders, approvals, plans, authorizations, and similar items, and all amendments thereto, and all applicable judicial, administrative and regulatory decrees, judgments, and orders, of any Agency, whether now existing or hereafter enacted, relating to or affecting the Fort Monroe areas managed by the FMFADA or the use, operation, or occupancy of the Facilities.
5. "Bid Schedule" refers to the amounts bid by the Contractor in its offer, pursuant to Appendix B of the Fort Monroe Leasing and Property Management RFP.
6. "Commencement Date" is the date of issuance by the FMFADA to Contractor of the Notice to Proceed.
7. "Construction Insurance" is as defined in Subsection C.3
8. "Construction Management" means the application of specific construction expertise, including but not limited to coordination, planning, estimating, bid management, negotiating contracts, providing oversight, and/or certifying final completion to ensure the successful on-time and on-budget completion of construction work in compliance with a particular Task Order from the FMFADA. Construction Management does not include actual construction or Improvement Work.
9. "Contract" means the contract for leasing and property management services for the Facilities executed by the FMFADA and Contractor.

10. “Contracting Officer’s Representative” means the person appointed by the FMFADA to serve as the primary contact between the FMFADA and Contractor.
11. “Contractor’s Compensation” means the fees that Contractor is entitled to receive for the services it provides, calculated at the rates set forth in Appendix B. Contractor’s Compensation does not include any reimbursements for Operating Expenses, Improvement Work, or for procurement of insurance.
12. “Design Standards” shall mean the Fort Monroe Historic Preservation Design Guidelines, draft dated May 2009 (and any successor draft or final document) as may be issued by the FMFADA from time to time.
13. "Emergency Repairs" mean any repair to the Facilities that is needed to remedy immediate threats to life, health and safety of persons or to preserve the physical condition of the Facilities.
14. "Facilities" means those structures and areas within the Fort Monroe areas managed by the FMFADA and assigned to Contractor to be leased, managed, maintained, and rehabilitated under the terms of the Contract, including those additional structures or areas for which the Contractor has been issued a Task Order to perform Construction Management or Improvement Work.
15. "Fiscal Year" means a state fiscal year commencing on the first day of each July and ending on the last day of the following June.
16. “FF&E” means all fixtures, furniture, equipment, appliances, machinery, and apparatus attached to and forming a part of the Facilities.
17. “FMFADA” means the Fort Monroe Federal Area Development Authority, a political subdivision of the Commonwealth of Virginia, as established in the Code of Virginia.
18. “Fort Monroe” means the Fort Monroe Army Base, located in Hampton, VA, as defined in the 2005 Base Realignment and Closure Commission report.
19. "Fort Monroe Tenant Rules" means those rules and other requirements prescribed by the FMFADA for the use and occupancy of Fort Monroe buildings, a copy of which are appended to Leases and incorporated herein by reference, which requirements may be modified from time to time by the FMFADA at its sole discretion.
20. "Gross Receipts" mean all cash amounts actually collected by Contractor each month during the Term as rent, late charges, workout payments, parking fees, or any other miscellaneous fees, reimbursements, escalations, security deposits (when actually forfeited on account of lease terms), charges or amounts received from a tenant or prospective tenant of the Facilities. Gross Receipts includes such revenues that Contractor collects with the assistance of legal counsel, collection or similar services. Gross Receipts shall specifically exclude non-forfeited security deposits, income derived from interest on investments or otherwise, proceeds of claims on account of insurance policies, abatement of taxes and other impositions, and discounts and dividends on insurance policies.
21. “Hazardous Materials” mean any material or other substance, including storage tanks, (i) the presence of which is governed by any Applicable Law as being hazardous or harmful to

human health or the environment; (ii) that is or becomes defined as a "hazardous waste," "extremely hazardous waste," "restricted hazardous waste," "hazardous substance," "pollutant," "contaminant," or "toxic contaminant" under any Applicable Laws; (iii) that is toxic, explosive, corrosive, flammable, infectious, ignitable, radioactive, carcinogenic, mutagenic, or otherwise hazardous or is or becomes regulated by any Agency under any Applicable Laws; (iv) the presence of which causes or threatens to cause a nuisance, or poses or threatens to pose a hazard to the environment or to the health or safety of persons; (v) that contains, without limitation of the foregoing, gasoline, diesel fuel or other petroleum hydrocarbons or volatile organic compounds; (vi) that contains, without limitation of the foregoing, polychlorinated biphenyls (PCBs), asbestos, asbestos-containing materials, or urea formaldehyde foam insulation; (vii) that contains or consists of, without limitation of the foregoing, radon gas The presence of which is governed by any Applicable Law as being hazardous or harmful to human health or the environment;

22. "Historic Preservation Management Plan" means the document to be prepared by the FMFADA setting forth the standards for maintenance and management of historic buildings and cultural landscapes at Fort Monroe.
23. "Improvement Work" means the construction of capital improvement work beyond the scope of the Property Management Plan, undertaken by Contractor pursuant to a Task Order from the FMFADA, for the purpose of performing rehabilitation in Fort Monroe. Improvement Work may include Construction Management services that are provided by another entity than Contractor.
24. "Insurance" means insurance coverage required pursuant to the provisions of Section C.3.
25. "Inventory and Condition Report" means a document that sets forth the inventory and condition of any of the FMFADA personal property, FF&E, and improvements on the Facilities.
26. "Lease" means an agreement for occupancy granted by the FMFADA or through the Contractor as authorized under the Contract as lessor in return for valuable consideration, and as applicable subject to the terms and conditions of agreements between the U.S. Army and the FMFADA. The term lease as used in this scope does not refer to the creation of a leasehold estate or other interest in real property.
27. "Leasing" means the process of entering into a Lease between an occupant of Fort Monroe building and the FMFADA.
28. "Master Lease" means the master lease of all or a portion of Fort Monroe executed by the U.S. Army and the FMFADA.
29. "NHPA" means the National Historic Preservation Act of 1966.
30. "Operating Expenses" mean all expenses related to the operation of the Facilities. Operating Expenses shall include, but not limited to:

Property Management

Miscellaneous expenses related to Property Management and Leasing Services (excluding Contractor's compensation for Leasing Services)

Utility and Refuse Collection Services

Preservation Maintenance

Insurance

Legal Services

Additional Services authorized pursuant to Task Orders issued by the FMFADA

Operating Expenses do not include and Contractor shall not be compensated besides Contractor's Compensation for any of Contractor's overhead costs including, without limitation, professional license or certification fees, administration, payroll, travel and entertainment, and postage and delivery fees. (but excluding Contractor's Compensation and Improvement Work)

31. "Premises" means an individual residential unit or commercial building, or a portion thereof, in the Facilities. The Premises may be an individual residential structure or a unit in a duplex or multiple family residential structures, or an entire non-residential building, or a portion of a non-residential building.
32. "Preservation Maintenance" means the act or process of continuously performing maintenance to ensure good order, condition and repair, including without limitation (i) the prompt performance by Contractor of all repair, maintenance, replacement, upgrading, and improvements necessary to maintain the Facilities in good order, condition, and repair in a manner consistent with the operation of comparable properties in the Hampton Roads Area and in compliance with all Applicable Laws, including but not limited to the Programmatic Agreement, Design Standards, Historic Preservation Management Plan, and the Fort Monroe Tenant Rules; (ii) the replacement, as they become worn-out or obsolete, of all FF&E; (iii) housekeeping and routine and periodic work scheduled to mitigate wear and deterioration without altering the appearance of the Facilities; (iv) the repair or replacement-in-kind of broken or worn-out elements, parts or surfaces so as to maintain the existing appearance of the Facilities; (v) scheduled inspections of all building systems on the Facilities; and (vi) performance of all actions necessary to ensure that no nuisance or waste exists or are maintained on the Facilities.
33. "Programmatic Agreement" shall mean the Programmatic Agreement among United States Army, Virginia State Historic Preservation Officer, Advisory Council on Historic Preservation, Commonwealth of Virginia, Fort Monroe Federal Area Development Authority, and National Park Service for the Closure and Disposal of Fort Monroe, VA, dated March, 2009.
34. "Property Management" means all activities related to the leasing and operation of Facilities in Fort Monroe for the objective of generating maximum rental revenues, ensuring satisfied tenants, and protecting and preserving historic property, consistent with the requirements of Applicable Laws, Programmatic Agreement, Design Standards, Historic Preservation Management Plan, the Fort Monroe Tenant Rules, Leases, and other terms and conditions established by the FMFADA. Property Management includes providing reports and other services to the FMFADA and all other services typically provided by fee property managers to owners of quality complexes in the Hampton Roads Area.
35. "Property Management Plan" means a plan that specifies how Contractor shall conduct its Property Management activities in compliance with the terms, agreements, covenants,

conditions and provisions of the Contract and to ensure tenant compliance with Lease terms and conditions and the Fort Monroe Tenant Rules.

36. "Property Manager" means the individual appointed by Contractor to serve as the primarily liaison with the Contracting Officer's Representative and fulfill Contractor's responsibilities on a day-to-day basis.
37. "Rent" is as defined in the Lease.
38. "Secretary's Standards" means those requirements established in the "Secretary of the Interior's Standards for the Treatment of Historic Properties" for Preservation Maintenance, rehabilitation, reconstruction, or restoration for historic structures or cultural landscapes and applicable to all permittees, lessees, cooperators, concessioners, contractors and other Fort Monroe tenants whose activities affect historic structures or cultural landscapes, which Secretary's Standards may be modified from time to time.
39. "Task Order" means an order for the performance of tasks during the Contract Term.
40. "Tenant" means the party granted the exclusive use and occupancy of a unit in the Facilities pursuant to a Lease executed by the FMFADA, or the Contractor as authorized by the FMFADA under the Contract.
41. "Tenant Move-In Report" means the report prepared by Contractor and signed by a Tenant prior to Tenant's possession of a unit of the Facilities which includes the Inventory and Condition Report as of date of Tenant's possession and such other information as determined necessary by the FMFADA and Contractor.
42. "Tenant Move-Out Report" means the report prepared by Contractor and signed by a Tenant at Tenant's vacating of a unit of the Facilities which includes the Inventory and Condition Report as of date of Tenant's vacating, the balance of funds owed to or from Tenant (including security deposits) and such other information as determined necessary by the FMFADA and Contractor.
43. "Term" is as defined in the Contract.
44. "Termination Date" is as defined in the Contract.

## **C. CONTRACTOR RESPONSIBILITIES**

Contractor shall provide Property Management, Leasing, Insurance, Legal, and Additional Services for the Facilities. Contractor shall undertake and complete Improvement Work as may be requested by the FMFADA pursuant to subsequent Task Orders. Contractor shall provide Construction Management services for Improvement work of a size, complexity, and value that requires a third-party general contractor.

### **1. PROPERTY MANAGEMENT**

Contractor shall provide at its sole expense all necessary services, materials, equipment, supplies, forms, facilities, and professional and technical personnel to manage and operate the Facilities as set forth in this Section so as to ensure compliance with all Applicable Laws, Fort Monroe Tenant Rules, and the terms, agreements, covenants, conditions and provisions of the Contract and Leases.

- A. Contractor shall appoint an experienced Property Manager to manage the Facilities and serve as the initial point of contact for the FMFADA regarding property management of the Facilities. The appointment of the Property Manager shall be subject to the prior and continuing approval of the FMFADA. Approval may be withdrawn by the FMFADA at any time in its sole discretion. In the event that the FMFADA withdraws its approval of Contractor's Property Manager, Contractor shall immediately appoint another Property Manager to manage the Facilities, which shall be subject to the same prior and continuing approval of the FMFADA.
- B. Contractor shall act as the FMFADA's agent for collection of funds and shall maintain a trust account as set forth in Section C.10.
- C. Contractor shall use its best efforts to do, or cause to be done, everything reasonably necessary or desirable to enforce the terms and provisions of all Leases. In addition, Contractor shall use its best efforts to do, or cause to be done, everything reasonably necessary or desirable to enforce the terms and provisions of all contracts, purchase orders and other agreements, including without limitation all amendments and riders thereto, between itself or the FMFADA and vendors and/or contractors, and relating to the Facilities.
- D. Contractor shall use its best efforts to do, or cause to be done, everything reasonably necessary or desirable to enforce the collection of all rent and other charges due the FMFADA from Tenants in accordance with the terms of their Leases.
- E. Contractor shall notify the FMFADA in writing when legal or other enforcement action is necessary to enforce the terms and conditions of Leases or the Fort Monroe Tenant Rules. Contractor is authorized to undertake such enforcement action as is necessary in its judgment to collect amounts owed under Leases or obtain compliance with Fort Monroe Tenant Rules, with the exception of filing suit or requesting other action by a court of competent jurisdiction.
- F. Contractor shall use its best efforts to do, or cause to be done, everything reasonably necessary or desirable to operate and manage the Facilities in a manner consistent with comparable high quality properties in the Hampton Roads metropolitan area. To that end, Contractor's duties shall include but not be limited to the following:
  - 1. Preparing statements of work, soliciting bids, negotiating subcontracts or other agreement terms, supervising, and terminating all necessary subcontractors, vendors, or other

service providers, excluding utility services, required for the operation of the Facilities, subject to the approval of the FMFADA. Contractor shall receive no compensation or other consideration from contractors, vendors, or other service providers in conjunction with its award of subcontracts or agreements. Contractor shall take no action nor enter into any subcontract or agreement which would prevent or limit Contractor's or the FMFADA's ability to terminate such subcontracts or agreements on thirty (30) days prior notice;

2. Conducting scheduled inspections of the exterior of the Facilities and its surrounding site and the interiors of all vacant Quarters in the Facilities;

3. Conducting inspections of the FF&E and Facilities prior to tenant move-in or move-out and preparing Tenant Move-In, Tenant Move-Out and Inventory and Condition Reports in conjunction with those inspections;

4. Promoting and maintaining good relations with Tenants and neighbors of the Facilities, including distributing information to Tenants on how to request permission from the FMFADA through Contractor for permissible activities pursuant to the Fort Monroe Tenant Rules;

5. Maintaining 24-hour emergency telephone service to enable tenants or the FMFADA to reach Contractor's designated emergency contact or the Property Manager at any time;

6. Coordinating with the FMFADA and Fort Monroe public safety staff on emergency procedures and providing written information to tenants on emergency preparedness, including but not limited to the FMFADA emergency preparedness programs;

7. Preparing an annual budget, maintaining accounting records, and preparing monthly reports for all operations attributable to the work to be performed under the Contract

8. Providing timely reports to the FMFADA on the status of management operations, including identifying and analyzing problems related to the implementation of the Property Management Plan for the Facilities, and developing for the approval of the FMFADA plans of action to respond to such problems;

9. Attending a monthly meeting at Fort Monroe with the FMFADA to review Contractor performance, and such other meetings as may be requested by the FMFADA;

10. Ensuring that no late fees or penalties are assessed against the FMFADA or Contractor and no discounts lost as a result of Contractor's failure to promptly pay undisputed invoices for Operating Expenses or Construction Management or Improvement Work, and in the event that such late fees or penalties are assessed, paying such late fees or penalties at the sole expense of Contractor; and maintaining all licenses and certifications required by Applicable Laws and owners of comparable properties to provide services under the Contract.

G. Contractor shall pay all Operating Expenses and Construction Management and Improvement Work for the Facilities and the Fort Monroe areas managed by the FMFADA from rental receipts. Contractor shall pay such expenses on a timely basis to take advantage of all available discounts and to maintain positive relationships with all vendors, contractors, subcontractors, or other service providers.

- H. Contractor shall receive and promptly and professionally respond to all communications and requests from tenants, vendors, subcontractors, or others regarding the Facilities, including those communications and requests forwarded to Contractor by the FMFADA. Any and all replies to such communications and requests shall be in strict accordance with the Property Management Plan or the FMFADA's other instructions. Contractor shall provide a copy of all written correspondence sent or received with respect to the Facilities to the FMFADA along with the Monthly Report
- I. Contractor shall cooperate with appraisers, engineers, counsel and/or any other persons or entities retained by the FMFADA, and the FMFADA staff, in the evaluation of the Facilities, or the performance of other services for the FMFADA relating to the Facilities or Fort Monroe.

## **2. LEASING SERVICES**

Contractor shall provide leasing services for both residential and non-residential properties identified by the FMFADA in its sole discretion as available for lease under the Contract. The FMFADA reserves the right to directly lease and manage buildings not assigned to Contractor as Facilities. Contractor shall not be entitled to any compensation for such buildings directly leased and managed by the FMFADA except to the extent the FMFADA may request specific services from Contractor.

### **A. Leasing and Marketing Plan**

1. Within fourteen (14) days of the Commencement Date, Contractor shall submit a residential leasing and marketing plan to the FMFADA for review and approval. The residential leasing and marketing plan will set forth a cost-effective program that (i) maximizes the visibility of available Fort Monroe units and prospective tenant inquiries; (ii) realizes maximum occupancy; (iii) achieves fair market rental rates for non-U.S. Military active-duty tenants; and (iv) established a preferential leasing program targeting in priority order: U.S. military families, military and civilian foreign families assigned to NATO or other U.S. military commands, state and federal government employees on detail or short-term assignments, local agency public safety employees; and members of the general public.

2. Within fourteen (14) days of the Commencement Date, Contractor shall submit a non-residential leasing and marketing plan to the FMFADA for review and approval. The commercial leasing and marketing will set forth a cost-effective program that (i) maximizes the visibility of available Fort Monroe office, industrial, and storage space and prospective tenant inquiries; and (ii) can achieve fair market rental rates for facilities generally in their "as is" condition.

3. Contractor's leasing and marketing plan will be reviewed at least annually as part of the Annual Review or as changes in market conditions warrant.

4. As part of Contractor's activities under this Contract, Contractor may not use seals, insignia, logotypes, or program identifiers developed by the FMFADA to promote or identify Fort Monroe or Old Point Comfort without the FMFADA's prior written approval.

### **B. Leasing Procedures**

1. For residential Leases with a term of two (2) years or less (including all potential extension of term at sole discretion of Tenant), Contractor shall prepare Leases for signature by Tenants and execute same as may be authorized by the FMFADA under the Contract. For Leases with a total term greater than two (2) years, the Contractor shall first seek written approval from the FMFADA prior to preparation of such Lease for Tenant signature then forward such approved signed Lease to the FMFADA for execution.
2. For non-residential Leases, Contractor shall first prepare a non-binding term sheet in coordination with the FMFADA for Tenant signature. Upon full acceptance by the FMFADA and Tenant of the term sheet, Contractor shall provide technical support during lease negotiations in its capacity as leasing agent or broker but not legal services except as may be requested by the FMFADA. All non-residential Leases shall be executed by the FMFADA.
3. Subsequent to Lease execution, Contractor shall input pertinent lease information into an industry-standard lease management database in furtherance of Contractors property management and reporting obligations under the Contract.
4. Subsequent to execution of a Lease by the FMFADA, Contractor shall provide an invoice to the FMFADA for the Contractor's Compensation due it for Leasing Services. The amount of which shall be calculated pursuant to Appendix B.

C. Rental Rates

1. For residential units, Contractor shall prepare a rent survey to determine market rental rates in conjunction with the FMFADA. Prior to transfer of Fort Monroe, residential units leased to active U.S. military tenants will be at rates established jointly by the U.S. Army and the FMFADA; rates for all other tenants will be market rates. After transfer of Fort Monroe, rates for active U.S. Military tenants will be consistent with U.S. Department of Defense Base Allowance for Housing schedules issued for the Fort Monroe market area, and rates for all other tenants will be at market rates.
2. Contractor shall prepare a rent survey or comparables analysis for non-residential Facilities and rental rates will be set by the FMFADA in conjunction with the Contractor.
3. Contractor's rent surveys shall be updated at a minimum annually as part of the Annual Review.

D. Setting of Reimbursement and Other Charges

The following charges to Tenants shall apply until such time as Contractor is otherwise directed in writing by the FMFADA. Contractor shall notify the FMFADA in writing when it believes that reimbursement amounts or charges need to be added, deleted, or revised to reflect changes in services provided, costs, market conditions, relevant local, Commonwealth, or federal law, or Applicable Laws. Reimbursement or charges to be paid by Tenants include but are not limited to:

1. Application fees: Standard charge as jointly determined by Contractor and the FMFADA;

2. Fees for credit checks or reports: Standard charge as jointly determined by Contractor and the FMFADA;
3. Late fees for late rental or reimbursement payments received more than five days after the due date;
4. Fees for returned or non-negotiable checks or money orders: Standard charge as jointly determined by Contractor and the FMFADA;
5. fees for additional services (e.g. Improvement Work) provided to Tenant beyond Preservation Maintenance: actual cost of such services, plus Construction Management service charges (if incurred), plus fifteen percent (15%) to be remitted to the FMFADA for the FMFADA's administrative expenses.
6. Tenants shall be responsible for the costs of electricity, gas, water, telephone, and cable TV usage.

E. Lease

The Lease which will be used for the Facilities will be provided by FMFADA. Contractor shall make best efforts to notify the FMFADA of changes in Applicable Laws, market conditions, or other factors which warrant modification or revision of the Lease. The Lease shall be modified as necessary by the FMFADA from time to time, and its adequacy will be reviewed in conjunction with the Annual Review.

F. Modification of Leasing Procedures

Leasing and marketing procedures will be reviewed in conjunction with the Annual Review. Contractor shall submit to the FMFADA with each monthly report any recommendations it has for improving marketing and leasing procedures, rental rates, or application charges. In the event that Applicable Laws or the FMFADA policies are revised or modified, the leasing procedures will be modified by the FMFADA to reflect the then current Applicable Laws or the FMFADA policies.

### 3. **INSURANCE SERVICES**

When requested by the FMFADA, Contractor shall obtain and maintain Insurance on behalf of the FMFADA. In the case of any insurance obtained under this section, Contractor shall solicit bids on a competitive basis. Contractor shall present bids and obtain the written approval of the FMFADA prior to placing any of the insurance coverage required.

A. Property Insurance

Contractor shall work with FMFADA to establish a cost-effective property insurance program to cover the Facilities and to comply with any property insurance requirements as may be set forth in the Master Lease. Contractor shall be responsible for administrative monitoring of such property insurance program, including notification to the FMFADA of any required actions necessary to keep the FMFADA's property insurance policy in good standing. Any premiums or

other payments to third-party carriers paid by Contractor will qualify for reimbursement as provided for in Section I.

B. Liability Insurance

Contractor shall obtain and maintain at its sole expense during the Term policies of insurance for its liability. Coverage may be provided using Primary and Umbrella/Excess Liability forms and/or under blanket policies of insurance. The FMFADA and, as required by the Master Lease, the United States of America will be named as an additional insured by endorsement. Such insurance shall be primary and not contributing with any other insurance. The minimum limits and scope of coverage as follows:

1. Commercial General Liability with a per occurrence limit of \$5 million with a General Aggregate of \$5 million on a per location basis (if per location basis not available, General Aggregate shall be \$10 million). Coverage to include Personal Injury Liability including assault or battery, false arrest, detention of imprisonment, malicious prosecution, libel, slander, defamation or violation of the right of privacy, wrongful entry or eviction, discrimination based on race, color, ethnic origin, gender, physical capabilities or religion.
2. Business Auto Liability with a per accident limit of \$1 million covering all owned, non-owned, and hired vehicles.
3. Workers Compensation and Employers Liability with statutory compensation benefits and \$1 million per coverage bodily injury and disease limits.
4. Crime Insurance providing Employee Dishonesty coverage in the minimum amount of \$1 million.
5. Professional Liability for errors and omissions with a per occurrence limit of not less than \$1 million protecting the FMFADA against losses from the negligent acts, errors, and/or omissions of Contractor's officers, agents, and employees.
6. Other Required Insurance - Contractor shall maintain all other insurance necessary adequately to provide services under the Contract.

C. Policy Requirements

All policies required pursuant this section shall be written with insurers rated A VII or better in the most current Best's Key Rating Guide. All policies provided for herein shall expressly provide that such policies shall not be canceled, non-renewed, or materially altered without thirty (30) days prior written notice to the FMFADA. Evidence of required insurance and applicable endorsements shall be provided to the FMFADA by Contractor in advance of commencement of any activities involving the Facilities.

D. Subcontractors, Independent Contractors, Service Providers, and Vendors

Contractor shall require all subcontractors, independent contractors, service providers, and vendors to obtain and maintain at their sole expense policies of insurance with minimum limits and scope of coverage as follows:

1. Commercial General Liability with a per occurrence limit of \$1 million and general aggregate limit of \$2 million on a per project basis (if not on a per project basis, general aggregate limit shall be \$5 million).
2. Business Auto Liability with a per accident limit of \$1 million covering all owned, non-owned, and hired vehicles.
3. Workers Compensation and Employers Liability with statutory benefits and \$1 million per coverage part for bodily injury and disease.
4. Contractor shall cause the FMFADA and, as required under the Master Lease, the United States of America to be added as an additional insured under the Commercial General Liability policy by endorsement; such coverage to be primary and non-contributing with any other insurance. No subcontractor, independent contractor, service provider, or vendor shall be permitted to begin activities involving the Facilities until evidence of required insurance is provided to Contractor. Contractor shall maintain such evidence on file for inspection by the FMFADA at its discretion.

E. Construction Insurance

In connection with any item of Improvement Work which is not covered by existing insurance coverages, FMFADA reserves the right to require Contractor to obtain Construction Insurance satisfying the requirements of this section. The costs of such Construction Insurance will be included in the Task Order for such Improvement Work and Contractor will be reimbursed for such expense pursuant to the procedures set forth in Section I. In the absence of a requirement by the FMFADA in its Task Order for Construction Insurance, Contractor will not be required to obtain such Construction Insurance. Construction Insurance, when required by the FMFADA, may include but not be limited to:

1. Builder's Risk Insurance

Scope of Requirement. Contractor shall obtain and keep in force builder's risk insurance for the construction of the entire Improvement Work. Such insurance shall be written on a completed value form and in an amount not less than the limit of insurance to be valued at replacement cost as defined herein. All such insurance shall name as insured the FMFADA, Contractor, and all Contractors' Agents performing Improvement Work in Fort Monroe. Such builder's risk insurance shall be no less broad than that provided by the ISO Special Causes of Loss Form and shall include "collapse" covered as a "cause of loss." Such insurance shall provide coverage for physical damage or destruction of all improvements, including Improvement Work and all materials and equipment used therewith.

Replacement Cost Coverage. Contractor's Builder's Risk policy shall include replacement cost endorsements. In the case of Builder's Risk insurance, replacement cost shall also include materials and equipment while in transit or on site, so long as such will become integral parts of the construction.

Deductibles/Self-Insured Retentions. Any deductible applicable to such insurance shall be identified in Contractor's certificate of insurance and in all construction contracts.

Termination of Coverage. The insurance as required in this section shall be maintained in effect until the earliest of the following dates: (a) when all insured under the policy

agree it shall be terminated; (b) when final payment under the construction contract has been made; or (c) the date on which the insurable interests in the Fort Monroe areas managed by the FMFADA of all insured other than the FMFADA have ceased.

Copies of Policy; Notice of Cancellation. Before the commencement of any construction activities in Fort Monroe, Contractor shall provide to the FMFADA a copy of the insurance policy obtained in compliance with the requirement to purchase builder's risk insurance. The insurance shall contain a provision that the insurance will not be canceled, materially changed, non-renewed, or in any way allowed to expire unless approved in advance in writing by the FMFADA.

Waiver of Subrogation. The FMFADA and Contractor waive all rights against each other and each of their officers, directors, partners, members, employees, visitors, contractors and agents, invitees, for recovery for damages caused by ISO Perils to the extent covered by builder's risk insurance purchased as required herein or any other property insurance applicable to the construction activities in Fort Monroe. However, insurance as required in this section **Error! Reference source not found.** is not to be deemed a limit on Contractor's liability to the FMFADA.

2. Contractors Pollution Legal Liability Insurance.

Scope of Requirement. In addition to the insurance requirements set forth elsewhere in this section, upon request of the FMFADA, Contractor shall obtain and keep in force and cause those among Contractor's subcontractors, service providers, or vendors who handle Hazardous Materials to obtain and keep in force Environmental Professional Liability Insurance during the prosecution of Improvement Work. Such insurance shall cover professional errors, acts or omissions that arise from or are related to in any way the operations during the construction of the entire work authorized as Improvement Work. Such insurance shall apply to and may not exclude any of the following: bodily injury; property damage, including loss of use of damaged property or of property that has not been physically injured or destroyed; environmental damages arising out of environmental work; lead based paint and/or asbestos related claims; testing, monitoring, measuring operations or laboratory analyses, liability arising out of the operation of treatment facilities; clean-up costs; and defense, including costs and expenses incurred in the investigation, defense or settlement of claims. The policy of insurance affording these required coverages shall be written in an amount of at least Two Million Dollars (\$2,000,000) per loss, with an annual aggregate of at least Four Million Dollars (\$4,000,000), except as otherwise approved in writing by the FMFADA.

3. Hazardous Materials Disposal

Contractor shall provide the FMFADA with evidence of Pollution Legal Liability Insurance maintained by the off-site disposal operator for losses arising from the insured facility's accepting Hazardous Materials the following insurance if, during the prosecution of Improvement Work, Contractor or its subcontractors, service providers, or vendors transport Hazardous Materials off-site from the Fort Monroe areas managed by the FMFADA for disposal:

F. Additional Insured.

The policy(ies) of insurance as required in this section shall be endorsed to include as additional insured the FMFADA and the FMFADA' officers, directors, and employees and, to the extent required by the Master Lease, the United States Government.

- G. Claims-Made Policy Requirements. If coverage under this section is approved in writing in advance by the FMFADA to be written on a "claims-made-basis," Contractor and its subcontractors, service providers, and vendors must warrant that any retroactive date applicable to coverage under the policy precedes the Commencement Date; and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of five (5) years beginning from the time the Improvement Work is completed.
- H. Review of Insurance Coverage

The FMFADA and Contractor will review the adequacy of insurance coverages pursuant to the Contract during each Annual Review. The FMFADA reserves the right in its sole discretion to revise the coverages required pursuant to the Contract to address changes in its risk exposure.

#### **4. LEGAL SERVICES**

At the FMFADA's written request, which the FMFADA may make at its sole discretion, Contractor shall be responsible for arranging competent legal counsel for any matters relating to its Property Management (except for matters related to the enforcement of the terms and conditions of Leases), Insurance, or Additional services. The specific details of the prosecution or defense of any cases arising pursuant to this Subsection 0 shall at all times be subject to the prior written approval of the FMFADA. The costs of counsel and related expenses of prosecution or defense of cases will be considered an Operating Expense which Contractor shall pay and the FMFADA will reimburse pursuant Section I.

Contractor shall be responsible for providing at its own expense legal counsel for all matters related to its own business operations which do not directly involve the Facilities or Fort Monroe, or are in satisfaction of its indemnification responsibilities pursuant to the Contract and shall not be eligible for reimbursement.

#### **5. INITIAL INSPECTION AND REPAIR OF FACILITIES**

- A. Immediately after the Commencement Date, Contractor shall retain a qualified and experienced residential property inspector approved in advance by the FMFADA to inspect and prepare within two (2) weeks a written report regarding the condition of unoccupied Facilities, identifying any deficiencies in maintenance, building code requirements as set forth in Section G, or other items which in his or her opinion require correction prior to occupancy by Tenants. The cost of such inspection will be reimbursed to Contractor as an Operating Expense by the FMFADA pursuant to the provisions set forth in Section I.
- B. Contractor shall provide the FMFADA with a cost estimate for the cost of repairs identified in the report from the residential property inspector as well as the inspection reports previously prepared by the FMFADA.

- C. The FMFADA in its sole discretion may, subsequent to receipt of the reports and estimates required pursuant to this section, issue a Task Order for the performance of necessary repairs and improvements.
- D. If the funds currently available to the FMFADA to reimburse Contractor are less than the estimated cost of such work, and if Contractor does not elect to advance funds for such work to the FMFADA (with repayment by the FMFADA from future rental receipts), then the FMFADA will consult with the Contractor on a phasing plan using rental receipts from the first residences to be leased which will complete the repairs and improvements in the vacant buildings necessary to allow their Leasing at the earliest possible date.

## **6. INITIAL SUBMITTALS AND MEETINGS**

- A. Within two (2) weeks of the Commencement Date, in addition to the requirements specified elsewhere, Contractor shall satisfy the following:
  - 1. Provide sample budget and report formats for the FMFADA review;
  - 2. Provide account information as necessary for the FMFADA Budget Office to establish mechanisms for reimbursement of Contractor expenses authorized pursuant to the Contract;
  - 3. To the extent practical, establish Facilities utilities and service accounts in its own name pursuant to Section F.
  - 4. Obtain and provide evidence to the FMFADA of the Insurance required pursuant to Section C.3.
  - 5. Provide the FMFADA with a copy of the Contractor's proposed Tenant Move-In and Tenant Move-Out forms.
- B. Within four (4) weeks of the Commencement Date, Contractor will prepare for review by the FMFADA an initial Facilities budget, based on the FMFADA's decision about which Facilities will be initially leased and Contractor's projection as to when any remaining vacant Facilities can be repaired and released.

## **7. PROPERTY MANAGEMENT PLAN**

- A. The Property Management Plan shall consist of three copies of a tabbed three-ring binder with a table of contents which includes but is not limited to the following items:
  - 1. Contractor's contacts, including Property Manager, Accountant (for matters related to Lease payments and reimbursements to Contractor), emergency contacts, and the person authorized by Contractor to negotiate all matters with regards to the Contract;
  - 2. The FMFADA's contacts, including but not limited to Contracting Officer's Representative, emergency contacts;
  - 3. A list of all accounts, contracts, or other agreements for providing services to the Facilities, including contacts and mailing addresses;

4. A copy of the format approved by the FMFADA for Contractor submittals for reimbursement pursuant to Section I.
5. An abstract of the Scope of Work in the Contract delineating Contractor and the FMFADA requirements and deadlines for and frequency of Contract requirements;
6. A complete list of procedures established by the FMFADA and/or Contractor with respect to the satisfaction of Contractor's obligations under the Contract;
7. A copy of the current Facilities budget and the reports required pursuant to Section C.11 for the prior June (which includes the cumulative results for that Fiscal Year);
8. A summary of the current year's Improvement Work and the current Fort Monroe Project Plan;
9. A summary of the most current residential and non-residential rent survey used by Contractor to determine leasing rates of the Facilities;
10. A copy of the current standard form Residential Lease and Fort Monroe Tenant Rules;
11. A copy of the current standard form Non-residential Lease and Fort Monroe Tenant Rules;
12. A copy of the current standard form Inventory and Condition Report, Tenant Move-In Report, Tenant Move-Out Report, and any other standard forms used in Lease administration or Property Management.
13. A copy of current rates for utilities and other services, including reimbursements and fees pursuant to Leases;
14. A copy of the certificates of Insurance required pursuant to Section C.2;
15. Accident report procedures for both Contractor and the FMFADA;
16. Other applicable FMFADA guidance for Contractor;
17. A copy of the Fort Monroe Tenant Handbook to be developed by Contractor pursuant to Section C.8;

Should any of the items in the Property Management Plan change during the Fiscal Year, Contractor shall provide three copies of such items on three-hole punched paper to the Contracting Officer's Representative at the time of change to replace the previous item(s) in the Property Management Plan

**B. Submission of Property Management Plan**

1. Within thirty (30) days of the Commencement Date, Contractor shall submit to the FMFADA a draft Property Management Plan. The FMFADA will provide written notice to Contractor of the FMFADA's approval or disapproval of the Property Management Plan, specifying reasons for its disapproval and/or any required changes. Contractor shall then have ten (10) business days to respond to and correct any errors, omissions or deficiencies identified by FMFADA in the Property Management Plan and submit a final Property Management Plan.

2. Annually thereafter as part of the Annual Review, Contractor shall submit to the FMFADA a revised Property Management Plan for the new Fiscal Year incorporating those changes proposed by Contractor and approved by the FMFADA.

## **8. TENANT HANDBOOK**

Within eight (8) weeks of the Commencement Date, Contractor shall prepare and submit to the FMFADA for its review and approval a Tenant Handbook that incorporates the Fort Monroe Tenant Rules, as well as other rules and policies determined by Contractor, with written approval by the FMFADA, to be necessary to protect the Facilities and to provide the services required under the Contract. The Tenant Handbook shall be provided to all Tenants, and Contractor will require Tenants to provide, upon receipt, a signed acknowledgment of receipt of the Tenant Handbook. The Tenant Handbook shall be a tabbed three-ring binder with a table of contents which includes but is not limited to the following items:

- A. general introduction explaining the roles of Contractor and the FMFADA;
- B. contacts regarding items related to tenancy at Fort Monroe;
- C. summary of Lease requirements;
- D. compliance with Army requirements, as applicable;
- E. Fort Monroe Tenant Rules;
- F. rent collection and late fee policies;
- G. Tenant Move-in and Move-out procedures;
- H. services offered by Contractor;
- I. appliance and other FF&E care and maintenance for which Tenant is responsible;
- J. environmental stewardship, recycling, and energy conservation information;
- K. use of Fort Monroe site; and
- L. emergency preparedness.

## **9. PRESERVATION MAINTENANCE**

- A. Contractor shall during the Term, with due diligence, perform Preservation Maintenance in compliance with all of the terms, agreements, covenants, conditions and provisions of the Contract.
- B. All work conducted by Contractor pursuant to the Property Management Plan will be considered an item of Operating Expense and will be reimbursed by the FMFADA pursuant to the provisions of Section I.

C. Standard of Preservation Maintenance

1. The Facilities and grounds will be kept in good condition and repair comparable with other similar properties in the Hampton Roads metropolitan area.
2. Contractor's maintenance of Facilities will be in compliance with Applicable Laws, including but not limited to the Programmatic Agreement and Design Standards.
3. Contractor will conduct its maintenance of Facilities informed by and consistent with the U.S. Army's Fort Monroe Historic Architecture Repair and Maintenance ("HARAM") Plan and the FMFADA's Historic Preservation Management Plan. The HARAM Plan describes a work flow process for service orders, identifies the historic significance of each Fort Monroe building and its historic features, and provides specific guidance and detailed methods for repair and maintenance solutions as recommended by experts and based on previous experience at Fort Monroe
4. As part of its Annual Budget and other reports required under Section C.11, Contractor shall prepare an annual maintenance and repair budget, including a priority list of recommended capital improvements in the Facilities.

**10. ACCOUNTS AND COLLECTIONS**

Contractor shall establish a trust account at a national or state FDIC-insured institution qualified to engage in the banking business in the Commonwealth of Virginia. Contractor shall deposit all funds received on behalf of the FMFADA into the trust account.

A. Funds Collection and Disbursement by Contractor

1. All rents, reimbursements, or other charges owed by Tenants pursuant to Leases will be paid to Contractor as agent of the FMFADA. Contractor will be responsible for maintaining such accounts as it deems necessary for holding such moneys pursuant to Applicable Laws. Any Tenant payments received by the FMFADA shall be immediately turned over to the Contractor.
2. Contractor shall be responsible for providing to each Tenant at the notice address set forth in their Lease no later than one week prior to the end of each month a statement of rents, reimbursements, or other charges outstanding and to be paid for the next month by that Tenant as appropriate in the circumstances.
3. All Tenant payments shall be by check or money order only and shall be made payable to "Contractor" at the address listed in the contract.

B. Security Deposits

All Security Deposits paid pursuant to Leases shall be paid by Tenants to the FMFADA in connection with the execution of Leases and maintained by Contractor in separate interest-bearing accounts to the extent required by the Code of Virginia.

1. Security Deposits, including any interest earned thereon, will be used by Contractor only to comply with all Applicable Laws and the terms and conditions of Leases and for no other purpose.
2. Refund of Security Deposits - Subsequent to a Tenant's move-out at the expiration or termination of Tenant's Lease, and Contractor's submittal to the FMFADA of the Tenant Move-Out Report and any other information required pursuant to the Property Management Plan, the FMFADA will authorize the Contractor to pay to Tenant the amount owed to Tenant pursuant to the Lease.
3. Leases will contain a clause stating that the refunding of Security Deposits may take up to 30 days from the date that the Tenant Move-Out Report is received by the FMFADA from Contractor, or such other date as may be established in the Code of Virginia if less than 30 days.

## 11. FINANCIAL AND OTHER REPORTS

Contractor shall keep, or cause to be kept, true, accurate and complete records and double-entry books in accordance with generally accepted accounting practices, consistently applied, from which the FMFADA at all times can determine the nature and amounts of Tenant payments and reimbursements, Operating Expenses, Contractor's Compensation, and Improvement Work, and which will generate the financial statements and other information required to be provided to the FMFADA hereunder. Without limitation of the foregoing, such records shall show all transactions relative to the management and operation of the Facilities, and such transactions shall be supported by documents of original entry. If at any time during the Term said books, records and accounts prove inadequate to provide information in the detail herein required, Contractor shall, upon the request of the FMFADA, procure and maintain such books, records and accounts as shall be of a character and form adequate for said purpose. Contractor shall prepare all financial reports on a cash basis in a format acceptable to the FMFADA, on a Fiscal Year basis.

### A. Annual Budget

Except for contract year one, Contractor shall prepare and submit a budget for the FMFADA review and approval by October 1<sup>st</sup> of each year during the Term. The annual budget shall include all revenue, expense, and capital costs anticipated in the next state fiscal year (e.g., the fiscal year commencing July 1<sup>st</sup> in the following calendar year).

### B. Monthly Reports

By the tenth (10th) business day of each month, Contractor shall furnish the FMFADA with three copies of financial and related reports, current as of the last day of the prior calendar month, which financial and related reports shall provide but not be limited to the following information:

1. Narrative Report. A brief narrative report of the results of operation of the Facilities and status of Improvement Work, and any recommendations for the FMFADA consideration or action, including items of Preservation Maintenance.
2. Operating Statement with Variance Report. Income and expenses, both in summary form and in detail, for the previous calendar month in comparison with the Facilities Budget for the previous calendar month, and for the year-to-date in comparison with the Facilities Budget for the

year-to-date. Variances greater than ten percent (10%) between the Facilities Budget and operating statement shall be explained in detail in the Narrative Report.

3. Accounts Receivable Report. The previous month's accounts receivable balances, including an aging report on a 30, 60, 90 day, and more than 90 day basis.
4. Tenant Billing Report. Summary of the previous month's and next month's Tenant billings, and past due amounts by unit.
5. Occupancy Report/Leasing Activity Report. The status of occupancy, vacancy, renewals, and lease expirations as of the last day of the previous calendar month and a rent roll of all current tenants.
6. Cash Receipts Report. The previous calendar month's cash collections of Gross Receipts and Security Deposits. Gross Receipts will be displayed by type of charge (e.g., rent, late fee, lost key charge etc.) by unit.
7. Cash Disbursements Report. A detailed list of payments made to subcontractors, service providers, vendors, or others, including the amount, date, and description.
8. Cash-Flow Projections and Retained Revenues Report. Detailed projection of the current calendar month's cash collections and disbursements, and a summary of current Fiscal Year's cash collections and disbursements and net retained revenues, showing actual results to date and projections for the balance of the Fiscal Year, on a month-by-month basis. The beginning retained revenues balance for each October shall include the net retained revenues at the end of the prior Fiscal Year.
9. Detailed Current Capital Expenditures. Improvement Work identified on a line-item basis pursuant to approved the FMFADA Task Orders for each item of Improvement Work (including any related Construction Management fees), showing the previous month's expenditures and expenditures to date vs. the budgeted amount for the Task Order, on both a dollar and percentage basis.
10. Balance Sheet. Balance Sheet, including a Capital Expenditures detail showing each item of completed and pending Improvement Work on a cumulative basis from the Commencement Date.
11. Miscellaneous. Contractor shall prepare and submit to the FMFADA such other reports as are requested by the FMFADA from time to time and are relevant to the obligations of the Contractor set forth in the Contract.

Contractor and the FMFADA will review the format of the reports provided by Contractor during the Annual Review, or at such times as may otherwise be necessary, to determine what changes are desirable for reasons of accuracy, completeness, and/or efficiency.

C. Approval of Budget and Financial Report Formats

Within fourteen (14) days of the Commencement Date, the FMFADA will meet with Contractor to review the specific budget and report formats Contractor proposes. The FMFADA reserves the right in its sole discretion to approve or disapprove Contractor's proposed budget and report

formats. The approved budget and report formats shall be incorporated by Contractor into the Property Management Plan.

D. The FMFADA Right to Inspect Records

Contractor shall keep and make available to the FMFADA at all reasonable times, upon advance notice and during normal business hours, said books of account and records, and all other records related to the Contract, at its office closest to the City of Hampton, Virginia, for a period of five (5) years after the Fiscal Year to which they relate and thereafter in the event of litigation concerning the same until such litigation terminates in final judgment. Any such inspection shall be scheduled by Contractor as soon as possible upon the request of the FMFADA at an agreed upon time and shall be undertaken so as to minimize, to the extent reasonably possible, any interference with the conduct of Contractor's business.

E. The FMFADA Right to Audit

The FMFADA will have the right to conduct an audit of Contractor's accounting records at the FMFADA expense no more than once per year. In the event that such an FMFADA audit identifies a discrepancy of more than five percent (5%) between actual cash disbursements or expenditures and those reported by Contractor, Contractor shall reimburse the audit expenses of the FMFADA. Any over-payment to Contractor identified by such FMFADA audit shall be immediately reimbursed by Contractor to the FMFADA. Any under-payment to Contractor identified by such FMFADA audit shall be reimbursed to Contractor pursuant to the reimbursement procedures set forth in Section I.

**D. THE FMFADA'S RESPONSIBILITIES**

**1. CONTRACTING OFFICER'S REPRESENTATIVE**

- A. The FMFADA will appoint a Contracting Officer's Representative who will serve as the primary point of contact for Contractor. All reports or other submittals required pursuant to the Contract shall be submitted by Contractor to the Contracting Officer's Representative. The Contracting Officer's Representative will be responsible for ensuring the prompt review of such materials, and where approval is requested from the FMFADA, communicating as expeditiously as possible approval or disapproval and the basis for it.
- B. During such time as when the Contracting Officer's Representative will be on vacation, out of town, or otherwise unavailable, the FMFADA will identify for Contractor an Acting Contracting Officer's Representative to serve as the primary point of contact for Contractor.
- C. In situations where Contractor is required to or has been directed to communicate or provide information to anyone other than the Contracting Officer's Representative, Contractor shall immediately provide a copy of that communication and/or information to the Contracting Officer's Representative.

## **2. RESPONSE TO CONTRACTOR REQUESTS**

The Contracting Officer's Representative will provide any necessary coordination with the FMFADA Executive Director or other FMFADA staff regarding Contractor requests for approval, review, or other actions pursuant to the Contract. The Contracting Officer's Representative will provide a response to Contractor within five written days of receipt of the request from Contractor, or in the event more time is needed, an estimate of when the response will be provided.

## **3. PROVIDE ACCOUNT INFORMATION TO CONTRACTOR**

Contractor shall maintain complete and accurate accounting records. The FMFADA will provide Contractor with any accounting or other information necessary for entry into Contractor's accounting records so that Contractor can generate the reports required pursuant to Section C.11.

Contractor shall meet with the FMFADA as necessary from time to time to establish or revise to the mutual satisfaction of both parties' procedures for Contractor to communicate to the FMFADA information on amounts collected and disbursed.

## **4. REIMBURSEMENT OF CONTRACTOR EXPENSES**

FMFADA will be responsible for reimbursement to Contractor pursuant to the provisions of Section I for Contractor's advance payment of Operating Expenses, Improvement Work, Construction Management, or other expenses authorized by the FMFADA pursuant to a Task Order for the Facilities or Fort Monroe, with the exception of those items set forth as exclusions to Operating Expenses.

Contractor shall not incur Operating Expenses or Construction Management or Improvement Work expenses in excess of limits previously approved by the FMFADA in the Preservation Management Plan or applicable Task Orders.

### **A. Legal Services for Facilities and Fort Monroe**

When assistance from counsel is needed for the enforcement of Lease terms and conditions, including evictions or the performance of any other legal actions required pursuant to Applicable Laws, except as provided for in Section C.4, such actions will be handed by the Commonwealth of Virginia Office of the Attorney General, and Contractor shall fully cooperate with and assist those offices in their work.

### **B. Contractor Compensation**

The FMFADA will pay Contractor monthly Contractor's Compensation pursuant to the provisions of this Section as full compensation for all services hereunder rendered to the satisfaction of the FMFADA.

The FMFADA will pay Contractor's costs to secure insurance as may be required pursuant to Section C.3.

The amounts of Contractor's Compensation shall be as set forth in Appendix B "Bid Schedule".

Contractor Compensation shall be calculated and paid pursuant to the same procedures and timetables set forth for other Contractor reimbursements and as follows:

1. On the last business day of each month, Contractor shall calculate the Property Management Fee pursuant to Appendix B, based on Gross Receipts for that calendar month and present an invoice for that amount to FMFADA for review and processing for payment.
2. Leasing Fees shall be calculated by Contractor pursuant to Appendix B. Contractor shall present an invoice for leasing fees to the FMFADA for review and processing for payment with monthly invoice.
3. Construction Management Fees shall be calculated by Contractor on the last business day of each month pursuant Appendix B, and an invoice presented to the FMFADA for review and processing for payment to Contractor.
4. Additional Services Fees or any other fees shall be calculated by Contractor on the last business day of each month, pursuant to Appendix B and the specific Task Order for the service provided, and an invoice presented to the FMFADA for review and processing for payment to Contractor.

**E. ANNUAL REVIEW**

During the period each year from May 15<sup>th</sup> to each June 15<sup>th</sup> Contractor and the FMFADA will conduct an Annual Review of Property Management, Leasing, Insurance, Legal, Additional Services, Construction Management, and Improvement Work Services. The purpose of the Annual Review will be to identify areas for improvement to further the programmatic and financial objectives of NHPA or the FMFADA, and items requiring revision as a result of changes in Applicable Laws, the FMFADA policies, or plans.

1. In conjunction with the Annual Review, Contractor shall prepare a proposed Facilities budget for the following fiscal year and present it to the FMFADA for its review and approval as part of the annual budget.
2. In conjunction with the Annual Review, the FMFADA will review and revise as it deems necessary its Fort Monroe Project Plan for the following year.
3. In conjunction with the Annual Review, Contractor shall present recommendations for consideration by the FMFADA regarding changes in the following:
  - a. Property Management Preservation Manual;
  - b. Lease;
  - c. Leasing Procedures;
  - d. Insurance;
  - e. Contracts, services, and accounts with respect to the Facilities or Fort Monroe;

- f. Changes in the Fort Monroe Project Plan; and
  - g. Any other changes to the Contract which Contractor believes will further NHPA or the FMFADA objectives.
4. The submittals required pursuant to this Section shall be made by Contractor to the FMFADA no later than June 30<sup>th</sup> of each year for consideration. Within fifteen (15) days of its receipt thereof, the FMFADA will provide written notice to Contractor of the FMFADA's approval or disapproval of the submittals, and specifying reasons for any disapprovals and/or required changes. Contractor shall then have ten (10) business days to respond to and correct any errors, omissions or deficiencies identified by the FMFADA in Contractor's submittals.

## **F. UTILITIES AND SERVICES**

### **1. PROVIDERS AND ACCOUNTS**

- A. Electricity: Contractor shall be responsible for metering and/or billing electrical service to individual Premises for reimbursement to the FMFADA.
- B. Natural Gas: Contractor shall be responsible for maintaining natural gas lines from points of connection with the main into and throughout the buildings. Contractor shall be responsible for maintaining open accounts in vacant Facilities to ensure minimum heat for Preservation Maintenance purposes, with accounts transferred to Tenants subsequent to Lease execution. To the extent its cost is born by the Contractor, gas service for vacant buildings will constitute an Operating Expense to be paid by Contractor which will be reimbursed by the FMFADA.
- C. Water and Sewerage: Contractor shall be responsible for maintaining water and waste water lines from points of connection with their main into and throughout the buildings. Contractor shall be responsible for metering and/or billing water and sewerage service to individual buildings for reimbursement to the FMFADA. To the extent their cost is born by the Contractor, water and sewerage service for vacant Facilities constitutes an Operating Expense to be paid by Contractor which will be reimbursed by the FMFADA.
- D. Refuse and Recycling: Prior to transfer, Contractor shall coordinate with the U.S. Army to provide and pay for refuse services to the buildings; post-transfer, Contractor will work with the FMFADA to establish a separate account for refuse and recycling services.
- E. Telecommunications: Tenants will directly arrange service with providers established by the U.S. Army or the FMFADA to provide telecommunications services, including dial tone, to buildings within Fort Monroe. Prior to transfer, the Contractor shall coordinate with the U.S. Army for the purposes of making repairs to lines to or within buildings. Post- transfer, the FMFADA will be responsible for any necessary repairs to the telecommunications cable plant between a designated point of entry into the Fort Monroe areas managed by the FMFADA and individual buildings. Contractor will be responsible for maintenance of interior lines.
- F. Cable TV: Tenants will directly arrange service with providers established by the U.S. Army or the FMFADA to provide cable TV service to Tenant Premises. Tenants are not permitted to install satellite dishes without the prior written approval of the FMFADA, and Contractor shall immediately notify the FMFADA of the existence of unauthorized satellite dishes.

## **2. METERING AND BILLING FOR UTILITIES AND SERVICES**

- A. As part of Contractor's Property Management Plan, Contractor in conjunction with the FMFADA will establish a metering and billing policy for each utility service delivered to Tenants, reflecting current practices in the local market.
- B. With regards to electricity, gas, telephone, and cable TV services, where possible those services shall be billed directly to Tenants by service providers, based upon established service charges and metered usage.
- C. As part of its Annual Budget, Contractor shall propose, to extent feasible, additional metering of utilities to allow direct provision of service and billing by service providers.
- D. For unmetered Premises, Contractor shall calculate each Tenant's share for those services for which Tenants are responsible but which the FMFADA pays because direct billing is not possible. Contractor shall bill each Tenant for their share of such services on each monthly rent statement.

## **G. BUILDING CODE AND STATUTORY COMPLIANCE**

### **1. THE FMFADA ADMINISTRATION**

The FMFADA is solely responsible for the administration and interpretation of building code requirements at Fort Monroe.

The FMFADA will be responsible for the review of all plans for work in the Fort Monroe areas managed by the FMFADA.

### **2. CONTRACTOR NOTIFICATION TO FMFADA**

Contractor shall immediately notify FMFADA in writing whenever it learns of or identifies a condition in the Facilities which represents a violation of Applicable Laws or presents a life-safety hazard to Facility occupants, their visitors, or others in the vicinity of the Facilities.

### **3. CONTRACTOR COMPLIANCE**

In its performance of the Contract, Contractor shall comply at all times with all Applicable Laws, the Secretary's Standards, Programmatic Agreement, Design Standards, applicable FMFADA policies and procedures, and such other direction as Contractor may receive from the FMFADA in writing.

## **H. IMPROVEMENT WORK AND CONSTRUCTION MANAGEMENT**

### **1. TASK ORDER INITIATION**

In the event that the FMFADA desires Contractor to perform Improvement Work, the FMFADA will issue a Task Order to Contractor detailing relevant requirements, including any Construction

Management services that may be required. Contractor shall comply with all requirements set forth in a Task Order from the FMFADA unless subsequently modified in writing by the FMFADA. Contractor shall pay all costs of Improvement Work requested by the FMFADA and will be reimbursed by the FMFADA pursuant to the procedures set forth in Section I.

## **2. AUTHORIZATION TO COMMENCE WORK**

Where Improvement Work to be performed pursuant to a Task Order typically requires a permit(s) pursuant to Applicable Laws or the building codes set forth in, Section G. Contractor shall as part of the Task Order prepare drawings, in a number and format acceptable to the FMFADA, so that the FMFADA can review the compliance of such Improvement Work with Applicable Laws, Programmatic Agreement and Design Standards. Contractor shall not commence such Improvement Work until it has received written approval from the FMFADA to commence work per approved plans, including any changes required by the FMFADA (“Authorization to Commence Work”). Contractor shall comply with all requirements set forth in such Authorization to Commence Work.

Where permits are required from agencies other than the FMFADA pursuant to Applicable Laws, Contractor shall obtain such permits after first providing notice to the FMFADA of the requirement to obtain such a permit(s), and Contractor shall provide the FMFADA with a copy of its application and any permit(s) issued to it by the subject agency(ies).

## **I. CONTRACTOR REIMBURSEMENTS**

### **1. OPERATING EXPENSE AND CONTRACTOR COMPENSATION**

Contractor is authorized pay from the FMFADA funds held in accounts by it all Operating Expenses and Contractor Compensation as defined in the Property Management Plan, Insurance or Additional Services authorized by the FMFADA pursuant to Task Orders. The FMFADA will not be responsible for Operating Expenses and Contractor Compensation not authorized pursuant to the Property Management Plan or a Task Order. Contractor’s Compensation will be paid by FMFADA at the rates set forth in Appendix B.

### **2. CONSTRUCTION MANAGEMENT SERVICES**

The FMFADA will pay to Contractor the Construction Management fees for those projects authorized pursuant to Task Order. The FMFADA will not pay for Construction Management services which have not yet been provided. Construction Management services will be reimbursed by the FMFADA based on the amount of work completed and the formula for compensation set forth in Appendix B.

### **3. IMPROVEMENT WORK**

The FMFADA will reimburse Contractor for its payments for Improvement Work for those projects authorized pursuant to Task Order based on the actual work completed as evidenced by Contractor’s actual payments to its employees, subcontractors, service providers, vendors, or others.

#### **4. PROCEDURES**

On the last business day of each month, Contractor shall present to the Contracting Officer's Representative detailed invoices showing, in a format and detail satisfactory to the FMFADA as set forth in the Property Management Plan, all approved expenditures pursuant to the provisions of this Section regarding:

- A. Operating Expenses, with detailed schedules;
- B. Contractor's Compensation, with separate details for Leasing and Construction Management services; and

In the event that the FMFADA requires additional information regarding any invoice, or disagrees with any of the expenditures made or calculations of reimbursement due, the Contracting Officer's Representative will review this matter as soon as possible with Contractor to obtain the necessary additional information or arrive at a mutually satisfactory resolution of any issues.

#### **5. OVERPAYMENTS**

In the event of any overpayment by Contractor to any of its contractors, vendors, or service providers, the amount of such overpayment shall be immediately recovered by Contractor.

#### **J. CONTRACT CLOSE OUT PROCEDURES**

Upon the Termination Date, Contractor shall deliver to the FMFADA within five (5) business days of such Termination, the following:

1. Final Inventory and Condition Report: All original books, records, correspondence, contracts, receipts for deposits, unpaid bills and other documents in the possession of Contractor upon the Termination Date, as the case may be, that pertain to the FMFADA or the Facilities.
2. Contractor's quality control inspection files, copies of all other files, books, records, documents, prospect files, and other matters in Contractor's possession relating to the Facilities.
3. A final accounting pursuant to the reporting requirements set forth in Section C.II with such additional information as is necessary to completely set forth the balance of income and expenses as of the date of the termination of the Contract.
4. Transfer of all remaining balances held in Contractor's trust account(s) to the FMFADA.