

**CLARIFICATION No. 3
SFO # VA101-15-R-0222
TRAVERSE CITY, MI**

1. Should we include electrical outlets in the tenant shell (i.e. Perimeter walls) area or are they all allocated in Tenant Improvements? How Many?
Tenant Improvements
2. Are doors in the common corridors Common Area and part of the building shell or a Tenant Improvement item?
They are part of the shell rent.
3. Interior Signage: Is signage in the common area part of the building shell or Tenant improvement item?
Tenant Improvement
4. Is entire concrete floor part of the building shell cost or is it segmented between tenant area and building shell?
The concrete floor is part of the shell cost.
5. Proposed Mechanical System change:
 - a. As a cost savings and energy efficient measure to the Government, we would like to propose a mechanical system that consists of a closed loop water source heat pump system. It will consist of heat pumps above the ceiling in lieu of VAV boxes and a single cooling tower on the roof, rather than roof top units. The heat pumps will be a 2-stage with a mute package to help eliminate the running noise. The controls will be programmable and web based interface and monitoring.
 - b. Would this system be acceptable, as the mechanical suggestions submitted in Addendum 3 did not apply to the design we originally submitted.
This proposal is not acceptable.
6. Please confirm all categories that should be included in Lump Sum Payments?
Schedule B; Total Physical Security Costs; Total Sustainability Costs; Independent Technical Review; Resident Engineer's Office Space; Canopies & Covered Walkways; Exterior Yards; Exterior Signage.
7. Which line items in Schedule C should be allocated to Building Shell?
Schedule C is part of the shell cost.
8. Which line items in Schedule C should be allocated to Tenant Improvements?
 - a. IE – Line # 14 on Schedule C – 2 sets of Vestibule doors (4 total) are clearly in the common area building shell, but are delineated on Schedule C (Tenant Improvements)
 - b. IE – Line # 66 & 67 on Schedule C – Feature walls in Common area building shell (mechanical room & lobby)
Schedule C is part of the shell cost.
9. SFO calls out 147 total parking spaces, but does not delineate visitor from employee, what is the total number of employee spaces needed?
To be determined in final design.

10. We count a total of 14 Toilet rooms. Some appear to be in lobby (common area) via color coding on floor plan, some appear to be in the tenant area.
a. Should construction costs of all white box restroom space be a common area cost or a tenant improvement cost?
All restrooms are in common area.
11. Do restrooms in tenant space count towards tenant improved space or common space?
a. Are the fixtures in toilet rooms a tenant improvement item?
b. Are the fixtures a lump sum reimbursable as identified on Schedule B?
See answer to question #10. Any item found in Schedule B is to paid lump sum.
12. IF Schedule C is for Tenant Improvements, would it be amortized over the term, or is it going to be a lump sum?
a. If we amortized it over the term, that is allowable under Form 1367, are there preferable terms for the gov't?
All costs associated with Schedule C are to be calculated into shell rent. Most favorable terms are preferable.
13. Clarify – per our conference call on Friday 15 September, we believe that we were told that in Form 1364 # 8d5 (that number) should be zero dollar amount, is this correct?
Yes, see answer #12.
14. Please confirm Form 1364 – 9d is Tenant Improvement cost, which does not include lump sum reimbursement.
Correct.
15. Do lump sum payments calculate into the total Building Cost on Form # 1364, if so, where do they figure in, if not, how do we account for them?
Yes. They are included in the total project costs in Schedule D.
16. Is the schedule of commissions fixed, or can it be adjusted to lower the rental rate and can payment schedule be amended to 25% at signing, 75% at occupancy?
Yes. It is fixed.
17. Clarify that the current Janitorial requirement listed in SFO (cf. 8.2.3B(2) & (3)) is no longer in force, but that Janitorial services are preferred at 5x per week, in the evenings, with no supervisor on staff, and no staff required during business hours?
A full-time supervisor is not required. How requirements are met is a business decision.
18. Clarify that the current Maintenance requirement list in SFO (cf. Sch A 1.1B) is no longer in force, but that Maintenance services are requested to be provided on a need/response basis, with no maintenance personnel required on site?
A full-time supervisor is not required. Requirements remain, how requirements are met is a business decision.
19. Clarify the normal working hours and days of the facility, as there is ambiguity between sections of the SFO.
Normal working hours are 6:30 AM to 5:00 PM, except Sundays and Federal holidays.
20. In Operating Expenses:
a. Current Schedule states: Recarpet every 8 years; Repaint every 3 years
b. Our suggestions: Recarpet & Repaint every 10 years, with touch ups as necessary. This will reduce the overall consideration for Operating Expenses, and would bring more in line with true OPEX's.
c. Is this change possible and acceptable?

Proposed changes to SFO are not accepted.

21. There is still some confusion as to what SPECS we can change and which ones are fixed. For instance, the building canopy might cost \$xxx,xxx.xx. Might we propose removing the canopy.
No. The canopy is to be paid lump-sum.
22. The HVAC unit is 70 ton. If our engineer determine that 60 ton is adequate for our climate and building design, can we reduce size?
No.
23. Can we change interior door package?
No.
24. The lobby has high ceilings, can we lower ceiling.
Yes, in accordance with Amendment #3.
25. The lobby has large windows and a blast rating. Can we reduce number of windows?
Yes.
26. Exterior siding, can it be wood siding?
Yes, if it meets the local code requirements. Increased maintenance will be landlord's responsibility.
27. Floor covering, can linoleum substitute for VCT tile?
No.
28. Landscaping changes
Yes. Simplified landscaping design is encouraged.
29. One item for clarification. We are required to submit a VETS 4212 at this time. However we and our team do not have any on-going Federal project. Are we required to submit the VETS 4212 during this submission or are we to submit this for next year's filing cycle?
Yes. Submittal of VETS-4212 is required at this time.