

PROJECT PROPOSAL FORM

Scenario A: Lease

Scenario B: Purchase

The UC Davis Health System (UCDHS) has a need for approximately 45,000 rentable square feet of medical office and clinic space and requests a proposal for **EACH** of the following options:

Scenario A: Lease: UCDHS proposes a phased approach to occupancy. Phase I shall consist of approximately 35,000 rentable square feet to be ready for occupancy by July 2017. Phase II shall consist of approximately 10,000 rentable square feet to be ready for occupancy at a mutually agreed upon future date. In addition, UCDHS may have future interest in an 8,000 to 10,000 rentable square foot expansion to establish an ambulatory surgery center.

1. Premises (incl. Suite #, if applicable):
2. Size of Premises:
3. Parties: Landlord:

Tenant: The Regents of the University of California (referred herein as “Tenant” or “University”), on behalf of its Davis campus

4. Term of Lease: Approximately fifteen (15) years plus rent abatement, commencing upon substantial completion of the Phase I Tenant Improvements (hereinafter defined) as evidenced by a certificate of occupancy and approval of the State Fire Marshal. The lease term for the Phase II space shall be coterminous with the lease term for the Phase I space.
5. Base Rental Rate/Type of Lease: The University desires a modified gross lease structure. Tenant’s monthly base rent shall be net of real property taxes (an exemption for which the University is eligible pursuant to Article XIII, Section 3(d) of the California constitution), but inclusive of all costs, including, but not limited to: Landlord’s cost for insurance, tenant improvements, property management, and maintenance and repair of the Premises, including parking areas. There shall be no expense pass-throughs throughout the initial and extended lease terms for any such costs. Tenant shall be billed and pay directly all separately metered utility charges, janitorial, security and bio-hazardous medical waste disposal. Specify the proposed monthly base rental rate for a modified gross lease and indicate monthly base rental rate increases during the term, if applicable.

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6. Concessions: Please propose your approach to any concessions in the form of rental abatement, moving allowance or other.

7. Method of Measurement: For the purposes of determining the square footage of the building, the rentable area shall be determined in accordance with ANSI/BOMA Z65.1-2010 standards, as applicable, and confirmed by Tenant within thirty (30) days after lease commencement.

8. Parking Ratio @ not less than 6.7 spaces per 1,000 rsf or per municipal code, whichever is higher: Please state the total number of parking spaces and general location of parking (e.g. on-site or remote). Tenant may designate up to twenty-five percent (25%) of its parking allocation as reserved for its exclusive use. Depending upon the location of parking, Tenant may require that Landlord provide or contract for parking management services at a reasonable cost as part of the lease.

9. Option Terms: Tenant shall have two 5-year options to extend the term of the lease. Please specify the monthly base rental rate for the option terms.

10. Right of First Refusal for Additional Premises: Provided Tenant is not in default of any of the terms or conditions of the lease, if Landlord desires to enter into a lease (excluding the renewal of an existing lease) with a prospective tenant in a multi-tenant building, Tenant

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shall have the right of first refusal to enter into a lease for the same premises. Additional terms related to this right will be defined in the lease.

11. Use: Tenant will use the Premises for medical, clinical office use and any other lawful purposes in keeping with the class and character of the building. For multi-tenant properties, Landlord shall provide Tenant with an exclusive medical use for the lease term, to the full extent currently allowable under Landlord's existing leases, if any.
12. Exclusion: Tenant shall have the right to exclude Dignity Health, Kaiser and Sutter Health from having building signage.
13. Tenant Improvements: Landlord shall hold all contracts and provide Tenant Improvements and make installations in the Premises for both Phase I and Phase II of the project as per a mutually approved space plan in accordance with Tenant's programmatic needs, which Tenant is in the process of determining. The Premises will not be designed or constructed to OSHPD III standards.
14. Tenant Improvement Allowance: Landlord shall provide Tenant a Tenant Improvement Allowance in an amount equal to seventy-five dollars (\$75.00) per useable square foot. This allowance shall be for Tenant Improvement work within the Premises only, including the cost of space planning (beyond the Initial Space Program referenced below which shall be at Landlord's cost), construction documents, permits, and complete construction based upon a mutually agreeable space plan. Landlord shall provide up to an additional forty dollars (\$40.00) per useable square foot for excess Tenant Improvement costs ("Additional Allowance"). Tenant may elect to pay any improvement cost that exceeds the Tenant Improvement Allowance or elect to have the Landlord fully amortize the Additional Allowance over the initial lease term as additional rent. Please indicate the interest rate at which Landlord would amortize the Additional Allowance.

15. Refurbishment Allowance: Upon commencement of year eight (8) of the lease term, Landlord shall provide Tenant a Refurbishment Allowance in an amount equal to twenty dollars (\$20.00) per useable square foot to be used by Tenant anytime from year eight (8) through year twelve (12) of the initial lease term.
16. Design Services: Landlord, at no cost to Tenant, shall provide design services to Tenant to develop a schematic level space plan that meets Tenant's programmatic needs (the "Initial Space Program"). Further, Landlord and Tenant shall agree on an architect to design the project and prepare related plans. Landlord will hold the contract with the selected architect

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and pay related costs out of the Tenant Improvement Allowance. If available, please provide CAD drawings, or floor plans with dimensions, for a preliminary fit by the University. Landlord's architect (for the Initial Space Program and the development of construction documents) shall be mutually approved by Landlord and Tenant and have demonstrated experience in the design and planning of health care facilities, including outpatient surgery centers, primary care clinics and medical office buildings.

17. Base Building Improvements: Delivery of complete site improvements (including all parking improvements and landscaping) and warm shell to include:
- a) Perimeter walls and columns, furred and insulated per current Title 24
 - b) Electrical system installed, including the main panel, ready for distribution
 - c) Wiring in place ready for main control panels for security and life safety systems
 - d) Fire sprinkler system installed, including main loops on each floor, ready for distribution
 - e) Main sewer trunk lines
 - f) Main domestic water lines
 - g) Roof deck insulation per current Title 24
 - h) HVAC, including main package system on roof, main duct to each floor and supply/return loop on each floor
 - i) Lobby complete with all wall finishes, floor finishes and lighting
 - j) Complete elevator sized for gurney
 - k) Core restrooms complete. Stone or ceramic countertops. Full-height ceramic tile on all wet walls. Plastic laminate, ceiling-hung partitions. Fixture count per current code.

All base building improvements will comply with the Americans with Disabilities Act (ADA), current Title 24 requirements, and the University of California Seismic Policy, <http://ucop.edu/real-estate-services/resources/seismic-safety-policy/index.html>.

18. Competitive Bidding: Landlord and Tenant shall agree on three (3) general contractors who will submit proposals for services, including fees for general conditions, overhead and profit. Landlord shall hold the contract with the selected general contractor ("Contractor") and the Contractor shall obtain competitive bids for all subcontract work. Tenant shall have its own Project Manager who will coordinate bid review with Landlord. Tenant shall retain control, with Landlord's reasonable approval, of the selection of the key trades, including mechanical, electrical and plumbing subcontractors.
19. Signage: Landlord shall make available no less than Tenant's proportionate share of building and/or monument signage in accordance with municipal code.
20. Hazardous Materials Indemnification: Landlord shall indemnify and hold Tenant harmless and Tenant shall have no liability or responsibility for toxic or hazardous materials, substances or contaminants on, under, from or about the Premises and the building (if multi-tenant) prior to Tenant's occupancy.

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21. Early Occupancy: Tenant shall have access to the Premises during the eight (8) week period prior to commencement of the lease term in order to install furniture, telephone equipment, computer cabling and otherwise make the Premises ready for Tenant's occupancy, provided Tenant's access does not interfere with Landlord's construction of the tenant improvements.
22. Building Access: Tenant shall have access to the Premises twenty-four (24) hours per day, seven (7) days per week. Weekend and after-hours access to the building may be provided by a card access system.
23. Right of First Offer/Refusal and Option to Purchase: Throughout the term of the lease, Tenant shall have both a continuing Right of First Offer (ROFO) and a Right of First Refusal (ROFR) to purchase the building at 95% of the then fair market value. The process for determining fair market value and the timing of the offer and counter offers will be set forth with specificity in the lease. In addition to the ROFO and ROFR, Tenant shall have the option to purchase the building at 95% of the then fair market value in year 5, 10 and 15 of the initial lease term.
24. Assignment and Subletting: The Lease shall provide that Tenant may assign the Lease, or may sublet the Premises or any part thereof with Landlord's reasonable consent.
25. Landlord's Obligations: During the term of the Lease, Landlord shall be responsible, at its sole cost and expense, for structural repairs, repairs that can be considered capital in nature, exterior repairs, repairs necessary to correct violations, repairs necessary to comply with all municipal, county, state and federal laws, codes and requirements, and repairs to correct defective equipment installed in the building.
26. Compliance with Laws: Landlord shall be responsible for delivering possession of the Premises to Tenant in compliance with zoning and all municipal, county, state and federal governmental laws, codes and requirements, including without limitation the Americans with Disabilities Act (ADA), the provisions of law governing public works such as Sections 1770, 1771, 1772, 1773, 1773.2, 1773.3, 1773.8, 1774, 1775, 1776, and 1777.5 of the State of California Labor Code, and subject to State Fire Marshal approval.
27. Sustainability: Landlord shall comply with the University of California Sustainable Practices Policy, <http://policy.ucop.edu/doc/3100155/SustainablePractices>.
28. Property Management: Please indicate whether the Landlord intends to manage the property with its own staff or contract for third party property management services. If third party property management services are anticipated, please identify the property management firm, if known at this time.

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29. Brokerage Fee: University is represented by Christian C. Strain of The Strain Tenant Advisory Group, Cushman & Wakefield of California (“Tenant Representative”). Tenant Representative shall be compensated by Landlord by separate agreement.
30. Lease Document: The University shall prepare the lease document by using its standard form document which will be provided to the successful proposer(s).
31. Non-binding Offer: This proposal sets forth general business terms for negotiation purposes and does not constitute a formal and binding offer. It does not create any legal rights or obligations between the parties or any obligation to proceed with negotiations. The University reserves the right to determine in its sole and absolute discretion the best value among the proposals received, including without limitation the total cost of occupancy, location advantages and the anticipated schedule for delivery, as a basis for moving forward in negotiations with a particular landlord. It is intended that any and all legal rights and obligations between the University and Landlord will come into existence only when a written lease is duly executed and delivered by both parties.

Scenario B: Purchase: Proposer shall deliver a turn-key project of approximately 45,000 rentable square feet of medical office and clinic space and associated on-site improvements for purchase by Tenant twenty-four (24) months after lease commencement.

1. Premises (incl. Suite #, if applicable):
2. Size of Premises:
3. Parties: Landlord:

Tenant: The Regents of the University of California (referred herein as “Tenant” or “University”), on behalf of its Davis campus

4. Term of Lease: Approximately two (2) years plus rent abatement, commencing upon substantial completion of the Phase I and Phase II Tenant Improvements (hereinafter defined) as evidenced by a certificate of occupancy and approval of the State Fire Marshal.
5. Base Rental Rate/Type of Lease: The University desires a modified gross lease structure. Tenant’s monthly base rent shall be net of real property taxes (an exemption for which the University is eligible pursuant to Article XIII, Section 3(d) of the California constitution), but inclusive of all costs, including, but not limited to: Landlord’s cost for insurance, tenant improvements, property management, and maintenance and repair of the Premises, including parking areas. There shall be no expense pass-throughs throughout the initial and extended lease terms for any such costs. Tenant shall be billed and pay directly all separately metered utility charges, janitorial, security and bio-hazardous medical waste disposal. Specify the proposed monthly base rental rate for a modified gross lease and indicate monthly base rental rate increases during the term, if applicable.

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8. Parking Ratio @ not less than 6.7 spaces per 1,000 rsf or per municipal code, whichever is higher: Please state the total number of parking spaces and general location of parking (e.g. on-site or remote). Tenant may designate up to twenty-five percent (25%) of its parking allocation as reserved for its exclusive use. Depending upon the location of parking, Tenant may require that Landlord provide or contract for parking management services at a reasonable cost as part of the lease.

9. Use: Tenant will use the Premises for medical, clinical office use and any other lawful purposes in keeping with the class and character of the building.

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12. Design Services: Landlord, at no cost to Tenant, shall provide design services to Tenant to develop a schematic level space plan that meets Tenant's programmatic needs (the "Initial Space Program"). Further, Landlord and Tenant shall agree on an architect to design the project and prepare all related plans. Landlord will hold the contract with the selected architect and pay related costs out of the Tenant Improvement Allowance. If available, please provide CAD drawings, or floor plans with dimensions, for a preliminary fit by the University. Landlord's architect (for the Initial Space Program and the development of construction documents) shall be mutually approved by Landlord and Tenant and have demonstrated experience in the design and planning of health care facilities, including outpatient surgery centers, primary care clinics and medical office buildings.
13. Base Building Improvements: Delivery of complete site improvements (including all parking improvements and landscaping) and warm shell to include:
 - a) Perimeter walls and columns, furred and insulated per current Title 24
 - b) Electrical system installed, including the main panel, ready for distribution
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 - d) Fire sprinkler system installed, including main loops on each floor, ready for distribution
 - e) Main sewer trunk lines
 - f) Main domestic water lines
 - g) Roof deck insulation per current Title 24
 - h) HVAC, including main package system on roof, main duct to each floor and supply/return loop on each floor

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- i) Lobby complete with all wall finishes, floor finishes and lighting
- j) Complete elevator sized for gurney
- k) Core restrooms complete. Stone or ceramic countertops. Full-height ceramic tile on all wet walls. Plastic laminate, ceiling-hung partitions. Fixture count per current code.

All base building improvements will comply with the Americans with Disabilities Act (ADA), current Title 24 requirements, and the University of California Seismic Policy, <http://ucop.edu/real-estate-services/resources/seismic-safety-policy/index.html>.

- 14. Competitive Bidding: Landlord and Tenant shall agree on three (3) licensed general contractors who will submit proposals for services, including fees for general conditions, overhead and profit. Landlord shall hold the contract with the selected general contractor ("Contractor") and the Contractor shall obtain competitive bids for all subcontract work. Tenant shall have its own Project Manager who will coordinate bid review with Landlord. Tenant shall retain control, with Landlord's reasonable approval, of the selection of key trades, including mechanical, electrical and plumbing subcontractors.
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