



Office of Central Procurement
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**MODIFICATION #6
TO
CONTRACT DGS-131031-DIV
BETWEEN
THE COMMONWEALTH OF VIRGINIA
AND
DIVARIS REAL ESTATE, INC.**

This Modification #6 is an agreement between the Commonwealth of Virginia, hereinafter referred to as "State" or "Commonwealth" or "DGS" (Department of General Services) and DIVARIS REAL ESTATE, INC, hereinafter referred to as "Contractor," relating to the modification of Contract DGS-131031-DIV dated December 3, 2013 as amended, hereinafter referred to as the "Contract" or "Agreement." This Modification #6 is hereby incorporated into and made an integral part of Contract DGS-131031-DIV.

The purpose of Modification #6 is to renew the Contract.

Reference: Contract DGS-131031-DIV, Paragraph 35, entitled "Renewal of Contract." Effective upon the completion of this modification #6 (Six), and in accordance with the above mentioned referenced, both parties hereby agree to renew the Contract term for a period of one year (1), commencing December 3, 2019 and continuing through December 2, 2020. This is the fourth (4th) of seven (7) successive one (1) year renewal periods under the terms and conditions of the original Contract and any Modification(s) executed to date.

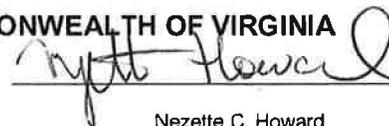
ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

DIVARIS REAL ESTATE, INC.

BY: 
NAME: Michael B. Divaris
Printed
TITLE: President / COO
Date: 9/9/2019.

COMMONWEALTH OF VIRGINIA

BY: 
NAME: Nezzette C. Howard
Printed
TITLE: Senior Contract Officer
Date: 9/9/19

**ATTACHMENT A
TO
AGREEMENT DGS-131031-DIV
BETWEEN
THE COMMONWEALTH OF VIRGINIA
AND
DIVARIS REAL ESTATE, INC.**

SERVICES AND PRICING SCHEDULE

Attachment "A" is hereby incorporated into and made an integral part of Contract Number DGS-131031-DIV between the Commonwealth of Virginia, Department of General Services, ("Commonwealth" or "State" or "DGS" or "DREFM") and Divaris Real Estate, Inc. ("Contractor" or "Divaris").

In the event of any discrepancy between this Attachment "A" and Contract Number DGS-131031-DIV, the provisions of Contract DGS-131031-DIV shall control.

1. LISTING OF SERVICES AND PRICING

Contractor shall provide Services in accordance with all requirements stated in the Commonwealth's RFP #NCH-2013-0322, dated March 22, 2013 Section III, entitled "Statement of Needs," including all General Requirements items; the Contractor's proposal, dated May 6, 2013 and Contractor's supplemental submission dated August 27, 2013, submitted in response thereto, and as amended herein between the parties, for the provision of all real estate brokerage, transaction management and strategic real estate planning services ("Services"), to be managed through DGS, in accordance with the following pricing schedule, or as otherwise stipulated in any modification to this Agreement.

This is a "No Cost" pricing schedule to the Commonwealth for lease and purchase acquisition services, lease and purchase negotiations, strategic real estate planning and ongoing examination of existing leases, property or interests whereby the Contractor will not charge any direct fee to the Commonwealth for such services. For disposition of property, the fees shall be as stated below.

Contractor shall look solely to the landlord/property owner for the payment of lease or purchase transaction commissions. When acting as the Commonwealth's transaction representative, Contractor will share commission payments with the Commonwealth from commissions received from landlords/property owners.

A. Services and Commission Rate Schedules:

1. Acquisitions

a. Lease Acquisition – New and Renewal Leases

At the Commonwealth's request, Contractor will provide lease acquisition services on a commission basis, at a rate to be established at time of engagement as mutually agreed to by the parties pursuant to a Letter of Representation in the form of Sample A of Attachment B and

approved by the DREFM Director or designee. The commission charged to landlords/property owners shall not be more than a full fair market commission for services rendered by the Contractor relative to the market in which the transaction is to occur and depending on the type of lease (new or renewal). In the event that the commission rate to Contractor is expected to exceed 4%, or the total commission is expected to exceed \$300,000, the commission must be approved by the DREFM Director or designee prior to negotiation of commissions with owner/landlord.

b. Purchases

At the Commonwealth's request, Contractor will provide property acquisition services, at a rate to be established at time of engagement as mutually agreed to by the parties pursuant to a Letter of Representation in the form of Sample B of Attachment B and approved by the DREFM Director or designee. In the normal course, Contractor shall look solely to the property owner for the payment of the purchase transaction commissions pursuant to any commission split arrangements in the seller's property listing agreement.

In the event of an "investment property" sale whereby the property owner's listing agreement does not provide for any commissions to be paid to the procuring broker, Contractor will be compensated for any such procuring broker services on a commission basis at a rate or fixed dollar amount to be established at time of engagement as mutually agreed to by the parties and approved DREFM Director or designee.

The commission will be earned only if a transaction is consummated. Such commission may be paid directly to Contractor by the Commonwealth or paid by the property owner to the Contractor at closing.

2. Disposition Services

a. Space Disposition

BUY-OUT AND TERMINATION – In the event that Contractor negotiates a buy-out or termination of a remaining lease term, the Commonwealth will pay a fee based on the difference between the value of the remaining lease and the negotiated buy-out price (Buy-Out Savings). The fee will be calculated on the total Buy-Out Savings based on the following Lease Buy-Out Fee schedule:

Minimum fee of \$5,000.00 plus:

10% of Buy-Out Savings from	\$50,000	to	\$100,000 plus
7% of Buy-Out Savings from	\$100,001	to	\$150,000 plus
4% of Buy-Out Savings from	\$150,001	to	\$400,000 plus
2% of Buy-Out Savings from	\$400,001	to	\$900,000 plus
1% of Buy-Out Savings in excess of	\$900,001		

b. Subleases

At the Commonwealth's request, Contractor will provide subleasing services on a commission basis, at a rate to be established at time of engagement as mutually agreed to by the parties

pursuant to a Letter of Representation in the form of Sample A of Attachment B and approved by the DREFM Director or designee. The commission is based on the rental rate, the term of the lease and quantity of space that is sublet. The Commonwealth will pay the commission only if a transaction is consummated.

c. Sales and Leases

At the Commonwealth's request, Contractor will assist with negotiations for the sale or for lease of properties owned by the Commonwealth and /or an Authorized User. Contractor will be compensated for any such sale or lease on a commission basis at a rate to be established at time of engagement as mutually agreed to by the parties pursuant to a Listing Agreement in the form of Sample C or D of Attachment B and approved by the DREFM Director or designee. The commission will be paid to the Contractor by the Commonwealth, and will be earned only if a transaction is consummated.

3. Commission Sharing Payment Schedule

The following commission schedule will apply to each real estate for which Contractor represents Commonwealth and/or an Authorized User, regardless of transaction type including but not limited to, lease, purchase, sublease and renewal.

Transaction Commission Amount	Contractor's Share	Commonwealth's Share
<\$50,000	85%	15%
\$50,001-\$100,000	80%	20%
\$100,001-\$250,000	70%	30%
\$250,001-\$1,000,000	60%	40%
\$1,000,001>	50%	50%

The above commissions are payable on a cumulative basis. For example, if a specific transaction generates a total commission of \$80,000 the Contractor's Share would be \$66,500, calculated as \$50,000 times 85% plus \$30,000 (\$80,000-\$50,000) times 80%. The Commonwealth's Share would be \$13,500 (\$80,000 - \$66,500).

Commission sharing payments will be payable to the Commonwealth on a monthly basis no later than the 15th day of the following month for the share of all commission collected by the Contractor during the previous month.

Contractor will invoice landlords/property owners for commissions due Contractor pursuant to Contractor's commission agreement within 15 days of "commission earning event" (i.e. lease execution, occupancy, etc.). Contractor will use best efforts to collect all commissions due from

landlords/property owners within 45 days of when commission is due.

TRANSACTION ACCOUNTING STATEMENT: Contractor will provide DREFM Director or designee a "transaction commission accounting statement" and if not explicitly stated in the lease agreement, Contractor will provide a copy of commission agreement with landlord within 10 days of completion of a transaction. The "transaction commission accounting statement" will detail the total commission calculation, the Commonwealth's anticipated sharing payment and the payment schedule for the commission.

MONTHLY REPORT OF ALL TRANSACTIONS: Contractor will provide DREFM Director or designee a monthly report summarizing total commissions earned under contract, total sharing payments made to and due in the future to the Commonwealth based on completed transactions and a statement of commissions billed landlords/property owners but not yet collected by Contractor and the anticipated share thereof once collected.

4. Additional Fee Sharing

Should Contractor's total commissions received for any calendar year within the three-year initial term exceed \$2 million, Contractor will provide the Commonwealth with an additional 20% refund of the actual gross commissions received by Contractor, after payment of the Commonwealth's Share, that exceed that amount. Contractor shall maintain a reserve account and provide the Commonwealth an accounting of the fees collected at a frequency determined by DREFM.

B. Other Services

1. Project & Construction Management and Construction Administration

Contractor will provide project and construction management by a subcontractor for large agency projects, as determined by the Commonwealth. These services will be charged at \$150.00 per hour plus normal reimbursable expenses. Annually the Contractor will provide 100 hours of construction management services at no charge. Contractor may bill for typical reimbursable expenses as applicable.

Contractor may, with prior written approval of the Commonwealth, designate a local agent or representative of the Contractor, in order to fulfill any Construction Administration Services requirements that the Commonwealth may require. Additional hours of Construction Administration Services, beyond 150 hours, will be charged at \$150 per hour.

In all cases, Contractor will partner with DREFM on major projects in order to provide the full array of Project Management Services. These services will include coordination of architectural and engineering, cabling, technology, and construction services, and provided at no charge to the Commonwealth.

2. Space Planning

When Space Planning is requested, Contractor will coordinate with the architect designated by the

Commonwealth for completion of a test fit plan and one revision. Test fit plans will commence with an approved Office Space Questionnaire (OSQ). Any revisions past the first one will have to be paid for by the agency.

Accurate as-built drawings from the landlord are to be provided the architect in an AutoCAD format and submitted electronically. If accurate as-built drawings are not available, then the landlord shall also bear the expense of having such plans developed and made available.

Contractor shall make every attempt possible to have the landlord pay for the test fit plan with revisions for prospective tenants. In the event that a specific landlord will not agree to do so and the Commonwealth requires such plans, Contractor will procure these services independently in partnership with Odell Associates Inc or other similarly qualified provider. The cost will be as below for one test-fit and one revision based upon receipt of electronically delivered "as-built" drawings using

Square Feet	Cost
3,000 SF OR LESS	\$450
3,001 SF to 10,000 SF	\$0.15 PSF
> 10,000 SF	\$0.12 PSF

Expenses for reproduction of drawings, couriers, or express mail, may be invoiced to the Commonwealth at the Contractor's cost. Travel expenses incurred may be reimbursed by the Commonwealth, with prior written consent, and provided that such expenses are submitted in accordance with the Commonwealth's requirements as stipulated in the section herein entitled Reimbursable Expenses.

3. Lease Drafting

The Contractor's Lease Administrator or any other individual designated by the Contractor, upon request by the Commonwealth, may provide the initial draft of lease for individual agency leases to the extent permitted by the real estate brokerage laws of the Commonwealth. Any collocation leases are to be completed by DREFM staff. This service will be provided at no cost to the Commonwealth or an Authorized User.

4. Rates

Upon the request of the Commonwealth, Contractor may provide services at the following hourly rates ("Rates") for any Services outlined in Section III of the RFP Statement of Needs that are not provided for elsewhere herein, in such event that Commonwealth or an Authorized User requires such services, and DREFM concludes in its sole discretion that an hourly compensation structure is appropriate:

Position	Rates
Senior Managing Director/Corporate Services Leader	\$325
Managing Director/Executive Vice President/Team Leader	\$325
Senior Account Managers/Senior Vice Presidents	\$275
Alliance Director/Senior Transaction Managers/Affiliate Manager	\$275
Brokers/Assistant Affiliate Manager	\$200
Consultants	\$150
Construction Administration	\$150
Manager of Information Services	\$120
Analysts	\$100
Architect	\$95
Senior Interior Designer/Project Director	\$95
Administrative Support & Research	\$65
Space Planner/Interior Designer	\$85

5. Reimbursable Expenses

When feasible, Contractor shall use project management professionals who are local to the specific project site. From time to time, Contractor staff/subcontractors may be required to travel to locations other than their primary work location, or as otherwise delineated in any Statement of Work (SOW) accompanying a duly-authorized eVA Order. In such cases, Contractor staff may be reimbursed for meals, transportation and lodging in accordance with the Commonwealth's State Travel Regulations as posted on the Department of Accounts' internet website: http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Main.cfm

2. ACCOUNT MANAGEMENT, STAFFING AND REPORTING

Contractor will conduct semi-annual Account Reviews with the Commonwealth (DREFM Director and designee(s)) in July and December of each contract year to review items such as overall contractor performance, total commissions earned and sharing payments made to Commonwealth, process improvement opportunities, required contractor staffing level adjustments and other contract related matters as the parties may agree to review from time to time.

Contractor as project team member on assigned transactions will utilize DREFM' data base records management system to report progress related to Contractor's assigned tasks.

The Contractor is responsible for providing services in a timely and professional manner. Contractor will provide the requisite level of staffing that is necessary to successfully complete assigned tasks within required delivery dates.

Contractor will provide weekly progress reports of assigned tasks in the format as agreed to by the parties from time to time. Contractor will provide a report of cost avoidance and savings for each transaction completed during the previous month by the 15th day of the following month. Contractor will provide other reports from time to time as may be determined necessary by the Commonwealth.

Within 60 days of signing this agreement, Contractor agrees that any services provided under this agreement shall be provided, and supported, from a Contractor's office location within Virginia.

3. SHIP TO / BILL TO ADDRESSES

Ordering Officers shall include shipping and billing addresses on individual orders referencing this Contract.

4. DGS POINTS OF CONTACT

Contract Administration/Compliance

Contract Administrator – Holly Law Eve, CCIM
Director
Division of Real Estate and Facilities Management
Department of General Services
1100 Bank St., 5th Floor
Richmond, VA 23219
Telephone: (804) 371-4327
Holly.Eve@dgs.virginia.gov

Contract Information

Contract Officer – Nezette Howard, CPPB, VCO
Procurement Services, DGS
1100 Banks Street
Richmond, VA 23219-2010
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procurement@dgs.virginia.gov
<http://www.dgs.virginia.gov>

5. CONTRACTOR POINTS-OF-CONTACT

Contract Information

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4525 Main Street, Suite 900
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Billing/Administration

Divaris Real Estate, Inc.
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757-497-2113
757-497-1338

Primary Contact – Account Manager

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804-977-2098