

# **United States Department of the Air Force**

**Air Combat Command (ACC), Air Force Global Strike Command (AFGSC), Air Force Space Command (AFSPC) and Air Force Center for Engineering and the Environment (AFCEE)**



**Privatization of Military Family Housing  
Beale, FE Warren, Malmstrom, and Whiteman Air  
Force Bases (“Western Group”)**

Solicitation No. AFCEE-09-0002

## **APPENDIX A Glossary**

**PROPOSALS ARE DUE NO LATER THAN  
5:00 P.M. EST 21 SEPTEMBER 2010 AT:**

ALVAREZ & MARSAL REAL ESTATE ADVISORY SERVICES  
C/O EMAX FINANCIAL & REAL ESTATE ADVISORY SERVICES, LLC  
60 Broad Street, Suite 3501  
New York, NY 10004  
Voice: 212.813.3510 Fax: 212.813.3505  
Email: [western@emaxllc.com](mailto:western@emaxllc.com)  
Web site: [www.amafpress.com/projects/western](http://www.amafpress.com/projects/western)

## APPENDIX A. GLOSSARY

### Preamble

This Glossary contains those terms commonly used throughout the Project Documents. Since it is the Government's intent that each Project Document stands on its own, should there be a conflict between a definition as set forth in this Glossary and a definition as set forth in the Project Document, it is the Project Document definition that controls for that particular document.

<b>Acquisition Support Team</b>	This committee (also referred to as the "AST") is chosen by the Selection Authority (SA) to evaluate proposals in the solicitation process and make recommendations to the SA.
<b>Additional Rent</b>	All sums payable by the Lessee to the Government under the Lease of Property, including any and all charges or other amounts which Lessee is obligated to pay the Government under the Lease of Property, other than Base Rent. All items of reimbursement, such as reimbursement for police and fire protections services provided by the Government, not otherwise payable as Base Rent shall be deemed Additional Rent. For the purposes of the Lease of Property, Base Rent and Additional Rent shall sometimes be collectively referred to as "Rent."
<b>All-in Cost of Financing</b>	A total interest rate expressed as a percentage including the underlying benchmark rate, all credit spreads, premiums and expenses associated with providing the principal amount of the loan. The calculation shall account for the timing of all applicable expenses including, but not limited to, any underwriting fees, debt service reserve amounts or surety policy costs, registration costs, trustee fees and commitment fees.
<b>Applicable Laws</b>	All federal, state, and local laws, rules, regulations, orders, ordinances, and other governmental standards and requirements which are applicable to the Lessee or the Project during the Lease Term.
<b>Base Rent</b>	The consideration the Lessee is required to pay to the Government for the entire Lease term, the receipt and sufficiency of which is acknowledged by the Government. The consideration shall include a nominal cash rent in the amount of ONE DOLLAR (\$1.00), and other good and valuable consideration as provided in the Lease of Property. For the purposes of the Lease of Property, Additional Rent and Base Rent shall sometimes be collectively referred to as "Rent."
<b>Basic Allowance for Housing (BAH)</b>	The sum allotted to each service member to cover the cost of housing, including utilities and personal property insurance. The respective amount corresponds with the service member's rank and dependent status. Refer to Internet Web site <a href="http://www.military.com/Resources/ResourcesContent/0,13964,30825,00.html">http://www.military.com/Resources/ResourcesContent/0,13964,30825,00.html</a> for additional information.
<b>Borrower</b>	The Project Owner or any of its successors or assigns which are approved as the owner of the Project by the Secretary and which is the borrower under a guaranteed loan, a direct loan or any other financing secured by a mortgage on the Project.

<b>Certificate of Compliance</b>	A certificate issued by the Government indicating that the Project has been approved for occupancy by military tenants in accordance with the Final Plans. A Certificate of Compliance may be issued with respect to each phase and the “Final Certificate of Compliance” shall refer to the certificate issued with respect to the last phase of the Project.
<b>Certificate of Occupancy</b>	A certificate issued by the Installation civil engineer or contracting officer that a housing unit has been inspected and meets all the requirements identified in the approved plans, meets the local building codes, and is ready for occupancy.
<b>Commitment Letter</b>	A formal offer by an investor making explicit the events leading up to and terms under which it agrees to lend money to a specific borrower over a certain period of time.
<b>Construction Lender</b>	The lender, including any of its successors, assigns, or agents as designated in the Construction Loan Documents, in its capacity as a lender providing financing for the rehabilitation and/or construction of the Project.
<b>Construction Loan</b>	The mortgage loan made by the Construction Lender to the Project Owner in the original principal amount of \$134,375,406 which loan is secured by the liens, security interests and rights affecting the Property, and Improvements located thereon, evidenced by the Construction Loan Documents, and all indebtedness arising under the Construction Loan Documents and secured thereby.
<b>Construction Loan Documents</b>	The Construction Mortgage, Construction Note, and any related documents, evidencing or securing the obligations of the Borrower and Construction Lender with respect to the Construction Loan.
<b>Day</b>	The term “Day” shall mean a calendar day unless otherwise specified in writing.
<b>Deficiency</b>	A material failure of a proposal to meet a Government requirement, or a combination of significant proposal Weaknesses that increase the risk of unsuccessful performance to an unacceptable level. Examples of deficiencies include: a statement by an Offeror that it cannot or will not meet a Government requirement; an approach that clearly does not meet a Government requirement; or an omission of data required to assess compliance with the requirement.
<b>Direct Loan</b>	The permanent loan in the maximum original principal amount of \$152,274,671 made to the Project Owner by the Government.
<b>Direct Loan Documents</b>	The mortgage, the note and any related documents, as they may be amended or modified in accordance with their terms, evidencing or securing the obligations of the Borrower and Secretary with respect to the Direct Loan.
<b>Final Plans</b>	Any or all of the Housing Design Plans and Site Design Plans that are 100% complete. The Final Plans must satisfy the Design Criteria. The Design Criteria shall control any inconsistencies between the Final Plans and the Design Criteria unless the Government otherwise expressly agrees in writing.
<b>Government Paid Short Distance Moves</b>	Includes packing, crating, hauling, uncrating, unpacking (ref. JFTR, Appendix A, Definitions, Short Distance Move). There is not a household goods weight limit for short distance local moves.
<b>Housing Allowance</b>	See the definition for Basic Allowance for Housing (BAH).

<b>Improvements</b>	The housing units and the other buildings, structures, appurtenances, utility distribution systems and other improvements now or to be located on the Project Site, which are to be constructed, demolished and/or renovated and to be maintained in accordance with the Final Plans and the transaction documents.
<b>Installation</b>	Beale AFB, F.E. Warren AFB, Malmstrom AFB and Whiteman AFB.
<b>Key and Essential Personnel</b>	Those Air Force personnel required to reside on the Installation because of military necessity or operational considerations.
<b>Leased Premises</b>	The real estate located on the Installation which the Project Owner is developing as part of the Project.
<b>Leased Premises Improvements</b>	Collectively, those improvements conveyed to the Project Owner as the Lessee, or constructed or erected thereon by the Project Owner.
<b>Loan Documents</b>	The note, the security instrument, and any related documents, as they may be amended or modified in accordance with their terms, evidencing or securing the obligations of the borrower and lender with respect to the loan.
<b>Offeror</b>	A party that submits a proposal in response to the solicitation.
<b>Other Eligible Tenant</b>	Any tenant other than a Target Tenant.
<b>Prime Rate</b>	The base rate on corporate loans which is posted by at least 75% of the Nation's 30 largest banks and published in the Wall Street Journal, from time to time.
<b>Private Lender</b>	The lender, including any of its successors, assigns, or agents as designated in the Private Loan Documents of a mortgage loan for the Project and which loan is the subject of a Private Loan.
<b>Private Loan</b>	A first lien mortgage loan in the original principal amount approved by the Government, from the Private Lender to the Borrower.
<b>Private Loan Documents</b>	The note, the security instrument, and any related documents, evidencing or securing the obligations of the Borrower and Private Lender with respect to the Private Loan.
<b>Prohibited Participant</b>	Firms that are precluded from proposing on any Air Force military housing privatization projects and from being team members, consultants, subcontractors or contractors on such projects (as provided in their contracts with the Government) due to the firms having provided assistance to the Government in its privatization program and have conflict-of-interest (COI) clauses in their contracts. For purposes of this solicitation, Prohibited Participants include: Ernst & Young; Federal Privatization Services Advisory Group, LLC; The Concourse Group, LLC; Kormendi\Gardner Partners; Jones Lang LaSalle; MWH Americas, Inc.; AGEISS Environmental, Inc.; Booz Allen Hamilton; Portage Environmental Inc.; System Research and Applications Corporations; TEAM Integrated Engineering Inc.; and Northrop Grumman.
<b>Project</b>	Collectively, the Project Site and the Improvements thereon.
<b>Project Development Demographics</b>	Refers to the anticipated demand for housing for the development arranged by military pay grade and bedroom type from the Housing Management Requirements Analysis (HRMA) that the PO must provide in order to satisfy the minimum housing end-state requirement.

<b>Project Documents</b>	The documents issued or executed in connection with the Project, including, but not limited to, the Selected Proposal, Lease of Property, Operating Agreement, Lockbox Agreement and other agreements.
<b>Project Owner Paid Short Distance Moves</b>	Includes packing, crating, hauling, uncrating, and unpacking and reconnection and reinstallation charges for telephone, internet, and cable/satellite to restore the level of service in place prior to the move. There shall not be a household goods weight limit for short distance local moves.
<b>Project Site</b>	The Leased Premises on which the Project is developed by the Project Owner.
<b>Qualified Surety</b>	An insurer carrying a rating no less than two (2) ratings lower than the highest rated bond.
<b>Quitclaim Deed</b>	The deed, by which the Government conveys Improvements to the Project Owner, without warranty.
<b>Related Party</b>	The term “Related Party” has the same meaning for the Request for Proposal as it does in Financial Accounting Standards Board (FASB) Statement Number 57, “Related Party Disclosures.” The Offeror shall disclose all parties related to the Offeror or any Joint Venture or contractor for all work to be performed under this solicitation.
<b>Related Party Fees</b>	The Project Owner, its Joint Ventures, and contractors shall disclose all related party transactions in the same manner as is required by Financial Accounting Standards Board (FASB) No. 57, and Statement on Auditing Standards Number 45, “Related Parties.”
<b>Selection Authority (SA)</b>	This individual directs the solicitation process and makes the final selection for the installations and headquarters based upon the recommendations of the AST.
<b>Senior Lender</b>	The maker of a mortgage loan, its successors and/or permitted assigns, that extends DoD guaranteed loans to the private sector for financing of the Project. In this transaction, the Senior Lender is a lender approved or pending approval by the DoD.
<b>Senior Loan</b>	A first lien mortgage loan in the original principal amount approved by the Government, from the Senior Lender to the Borrower, which is guaranteed by the Secretary, under certain specified limited circumstances pursuant to the terms of the Guaranty Agreement.
<b>Senior Loan Documents</b>	The note, the security instrument, and any related documents, as they may be amended or modified in accordance with their terms, evidencing or securing the obligations of the Borrower and Senior Lender with respect to the Senior Loan.
<b>Senior Officer Housing Strength</b>	Those housing units designated specifically for senior ranking officers. A proposal aspect that appreciably decreases the risk of unsuccessful performance, or that represents a significant benefit to the Government.
<b>Target Rent</b>	With respect to a Target Tenant who receives Basic Allowance for Housing at the “with dependent” rate, the amount of the tenant’s monthly Basic Allowance for Housing less an amount sufficient to cover average utility usage.
<b>Target Tenant</b>	Target Tenants are those members of the Uniformed Services and their families authorized to reside in family housing units at Beale AFB, F.E. Warren AFB, Malmstrom AFB and Whiteman AFB.

<b>Term Sheet</b>	A document summarizing the details of a potential financing structure, and anticipated timeline and the terms under which a final business agreement would be executed.
<b>Transition Period</b>	Following the closing of the transaction, the Project will enter into a transition period (up to sixty (60) months) during which units will be demolished or renovated and new units constructed, also known as the Initial Development Period (IDP).
<b>Uniformed Services</b>	In accordance with Title 10, United States Code, Section 101 (10 U.S.C. 101) the Uniformed Services means the Armed Forces (the Army, Navy, Air Force, Marine Corp, and Coast Guard), the commissioned corps of the National Oceanic and Atmospheric Administration (NOAA), and the commissioned cops of the United States Public Health Services.
<b>Unrestricted Rent</b>	With respect to each housing unit, the monthly rent that the Project Owner charges Other Eligible Tenants; but in no event shall the Unrestricted Rent be less than the highest Target Rent applicable to such housing unit.
<b>Utility Allowance</b>	110% of estimated average utility consumption per unit type multiplied by actual utility rates.
<b>Weakness</b>	A proposal element that increases the risk of unsuccessful contract performance. A significant proposal weakness is a flaw that appreciably increases the risk of unsuccessful performance.