

File No. 171242

Committee Item No. 8
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date January 25, 2018

Board of Supervisors Meeting

Date _____

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Completed by: Linda Wong Date January 19, 2018
Completed by: Linda Wong Date _____

1 [Lease Modification - United States of America - United States Transportation Security
2 Administration Administrative Offices - International Terminal and Terminal 2 - Not to Exceed
3 \$5,988,335.04]

4 **Resolution retroactively approving Modification No. 1 to Lease No. GS-09B-03014 with**
5 **the United States of America for offices occupied by the United States Transportation**
6 **Security Administration at the International Terminal and Terminal 2 at the San**
7 **Francisco International Airport, to extend the lease term by three years through**
8 **October 31, 2020, and adjust the annual rent to \$1,996,111.68 for a total amount not**
9 **exceed \$5,988,335.04.**

10
11 WHEREAS, The U.S. Transportation Security Administration ("TSA"), an agency of the
12 U.S. Department of Homeland Security, provides aviation security at all U.S. airports,
13 including the San Francisco International Airport ("Airport"); and

14 WHEREAS, On August 7, 2012, by Resolution No. 12-0185, the Airport Commission
15 approved General Services Administration Lease No. GS-09B-03014 (the "Lease"), which
16 provides administrative offices for the TSA in the International Terminal and Terminal 2 of the
17 Airport; and

18 WHEREAS, The Board of Supervisors subsequently approved the Lease by Resolution
19 No. 399-12 on October 30, 2012; and

20 WHEREAS, The TSA currently occupies 8,304 square feet of terminal space under the
21 Lease, which expires on October 31, 2017; and

22 WHEREAS, The TSA desires to continue occupancy of the premises for an additional
23 period of three years; and
24
25

1 WHEREAS, Airport staff has negotiated Modification No. 1 to the Lease with the
2 General Services Administration that provides for an extension term of three years and
3 increases the annual rent to \$1,996,111.68 (the "Modification"); and

4 WHEREAS, On September 5, 2017, by Resolution No. 17-0221, the Airport
5 Commission approved the Modification, a copy of which is on file with the Clerk of the Board
6 in File No. 171242, which is hereby declared to be a part of this resolution as if set forth fully
7 herein; now, therefore, be it

8 RESOLVED, That this Board of Supervisors hereby approves Modification No. 1 to
9 General Services Administration Lease No. GS-09B-03014 between the United States of
10 America and the City and County of San Francisco, acting by and through its Airport
11 Commission, which extends the term by three years and increases the annual rent to
12 \$1,996,111.68; and, be it

13 FURTHER RESOLVED, That within 30 days of the Modification being fully executed by
14 all parties, the Airport Commission shall provide a copy of the Modification to the Clerk of the
15 Board for inclusion into the official file.

Item 8 File 17-1242	Department: San Francisco International Airport (Airport)
EXECUTIVE SUMMARY	
<p>Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution retroactively approves Modification No. 1 to the 2012 lease agreement between San Francisco International Airport (Airport) as landlord and the Transportation Security Administration (TSA) as tenant, extending the term for an additional three years, beginning November 1, 2017 and expiring October 31, 2020, for an annual rental rate of \$1,996,112. <p>Key Points</p> <ul style="list-style-type: none"> • On November 20, 2007, the Board of Supervisors approved a five-year lease with TSA to occupy 7,200 square feet of office space in the International Terminal for a five-year term and annual rent of \$990,804. On October 30, 2012, the Board of Supervisors approved a new five-year lease with TSA, adding 1,104 square feet of office space in Terminal 2, for a total area of 8,304 square feet and annual rent of \$1,692,038. The 2012 lease expired October 31, 2017, and the Airport and TSA wish to extend the lease. • The proposed resolution would extend the 2012 lease for an additional three years, with a term beginning retroactive to November 1, 2017 and expiring October 31, 2020, and annual rent of \$1,996,112. The total rent includes a Surcharge Fee of \$23,714 annually to recover the Airport's costs of improvements during the Terminal 2 Renovation Project. It also includes an annual Operating Cost of \$89,185 to provide for maintenance, janitorial service, and utilities. The lease also provides 52 parking permits to TSA free of charge. <p>Fiscal Impact</p> <ul style="list-style-type: none"> • Over the three-year term of the lease extension, the Airport would receive \$5,988,335 in rent from TSA. The annual rent of \$1,996,112 is an increase of \$304,074 over the 2012 lease annual rent of \$1,692,038. <p>Policy Consideration</p> <ul style="list-style-type: none"> • The proposed resolution continues the practice of providing 52 parking permits to TSA free of charge, as is typical for other Federal agencies that provide critical services at the Airport. By providing the 52 free permits, the Airport forgoes \$69,888 annually in potential revenue it could receive if it were to charge for permits. By providing 1,023 total free permits to various Federal agencies, the Airport forgoes \$1,374,912 in potential revenue per year. <p>Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT

City Charter Section 9.118(c) states that any modification, amendment or termination of a lease that had an initial term of ten years or more, including options to extend, or that had anticipated revenues of \$1 million or more is subject to Board of Supervisors approval.

BACKGROUND

The Transportation Security Administration (TSA) is required, pursuant to the Federal Aviation and Transportation Security Act, to oversee security measures at the San Francisco International Airport (Airport), including airline passenger and baggage screening services.

On November 20, 2007, the Board of Supervisors approved a five-year lease for TSA to occupy 7,200 square feet of Category II¹ office space on the fifth floor of the International Terminal (Parcel A) for administrative offices, including 52 parking permits in the Airport parking garage (File 07-1461, Resolution No. 647-07). TSA paid annual rent of \$990,804, or \$137.61 per square foot annually. On October 30, 2012, the Board of Supervisors approved a new lease with TSA, for an additional five-year term through October 31, 2017 (File 12-0986, Resolution No. 399-12). The lease included an additional 1,104 square feet of Category III office space on the first floor of Terminal 2 (Parcel B), for a total of 8,304 square feet, along with the existing 52 parking permits. TSA paid annual rent of \$1,692,038, or \$203.76 per square foot. The lease expired on October 31, 2017, and the Airport and TSA wish to extend the lease for another three years. The Airport Commission approved the lease extension on September 5, 2017.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would retroactively approve the first modification to the existing lease between the Airport and TSA to extend the term of the existing 2012 lease for an additional three years, with a term starting November 1, 2017 and expiring October 31, 2020. Under the proposed modification, TSA would pay the Airport annual rent of \$1,996,112, or \$240.38 per square foot. This total rental rate includes (1) a Surcharge Fee of \$21.48 per square foot annually for the Parcel B space to pay for construction of basic finishes, and (2) an Operating Cost of \$10.74 per square foot annually for the full premises to provide janitorial services, maintenance, and utilities. No other provisions of the 2012 lease would change.

The resolution to approve the lease modification was introduced at the Board of Supervisors on December 5, 2017, or more than one month after the start date of the lease modification. According to Ms. Diane Artz, Airport Senior Property Manager, the delay in introducing the proposed lease modification to the Board of Supervisors, was due to administrative delays. TSA will pay the updated rent amount retroactively to November 1, 2017. The key provisions of the lease are shown in Table 1 below.

¹ Categories are defined by the Airport's Rates and Charges. Category II includes enclosed space departure level and above, and Category III includes enclosed space arrivals level and below.

Table 1: Key Provisions of Lease Extension

Term	Three years, retroactive to November 1, 2017 and expiring October 31, 2020
Premises	8,304 total square feet, including 7,200 square feet of Category II space in Parcel A and 1,104 square feet of Category III space in Parcel B
Total Annual Rent	\$1,996,112 per year, or \$240.38 per square foot
Surcharge Fee	\$23,714 per year, or \$21.48 per square foot per year for Parcel B (included in total rent)
Operating Cost	\$89,185 per year, or \$10.74 per square foot per year (included in total rent)
Janitorial Service, Maintenance, and Utilities	Provided by Airport (paid by tenant through Operating Cost)
Parking Permits	52
Early Termination	TSA may terminate with 60 days written notice if defunded

FISCAL IMPACT

Under the proposed resolution, TSA would pay the Airport \$1,996,112 in rent per year, which equates to \$5,988,335 over the three-year term of the lease extension. The annual rent is an increase of \$304,074, or approximately 18 percent, over the previous annual rent of \$1,692,038 in the 2012 lease. The rental rate was calculated using the Airport’s FY 2017-18 Rates and Charges for Category II and III space (\$222.43 and \$148.29 per square foot, respectively) and escalating annually² based on the Airport’s three-year projected operating budget to arrive on an average rate fixed over the three-year term. According to Mr. Brian Kramer, Airport Property Manager, the Surcharge Fee was added to the Parcel B space in 2012 for ten years to recover the costs of improvements provided by the Airport in its Terminal 2 Renovation Project. The Operating Cost provides reimbursement for maintenance, janitorial services, and utilities, which will be provided by the Airport. According to Mr. Kramer, decreases in janitorial and maintenance costs reduced the Operating Cost from \$11.45 per square foot in the 2012 lease to \$10.74 per square foot in the proposed extension. The breakdown of the rent is shown in Table 2 below.

² The Airport’s finance department projects rental rate increases of 6 percent in FY 2018-19 and 7.6 percent in FY 2019-20. The janitorial and maintenance costs are projected to increase 3.9 percent in FY 2018-19 and 4.2 percent in FY 2019-20. Electricity costs are projected to increase 5 percent each year, and water and sewer costs are projected to increase 7 percent each year.

Table 2: Breakdown of Annual Rent

Rate Category	Square Footage	Annual Rate per Square Foot	Total Annual Rent
Parcel A (Category II)	7200	\$237.30	\$1,708,561
Parcel B (Category III)	1104	158.20	174,653
Parcel B Surcharge Fee	1104	21.48	23,714
Operating Cost	8304	10.74	89,185
Total	8304	\$240.38	\$1,996,112

**Totals may not add due to rounding.*

POLICY CONSIDERATION

The proposed resolution continues the practice of providing 52 parking permits to TSA free of charge, which is typical for Federal agencies which provide critical service at the Airport. The Airport's FY 2017-18 Rates and Charges state that employee parking permits in the Domestic and International Terminal Garages cost \$112 per month. If the Airport were to charge TSA the full rate for each permit, it would receive an additional \$69,888 per year, or \$209,664 over the course of the three-year term of the lease extension. According to Ms. Artz, the Airport provides a total of 1,023 free parking permits to Federal agencies, including 52 allocated to TSA. This practice of providing parking permits to Federal agencies free of charge represents an opportunity cost of \$114,576 per month, or \$1,374,912 per year to the Airport.

RECOMMENDATION

Approve the proposed resolution.

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. 1
	TO LEASE NO. GS-09B-03014
ADDRESS OF PREMISES: San Francisco International Airport SAN FRANCISCO, CA 94128	

THIS AMENDMENT is made and entered into between **City and County of San Francisco, acting by and through its Airport Commission, c/o the Airport Director, San Francisco International Airport, organized and existing under the laws of the State of California**

whose address is: AIRPORT COMMISSION -SAN FRANCISCO INTERNATIONAL AIRPORT
ADMINISTRATIVE OFFICES
BUILDING 100 - INTERNATIONAL TERMINAL
P.O. BOX 8097
SAN FRANCISCO, CA 94128

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease for the purpose of extending said Lease for a period of 3 years firm and modifying the rent and termination rights.

NOW THEREFORE, these parties for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, covenant and agree that the said Lease is amended, effective upon execution as follows:

Paragraph 1.03A is amended:

To extend the term of the lease 3 years firm. The extension shall be from November 1, 2017 to October 31, 2020.

This Lease Amendment contains {2} pages.

All other terms and conditions of the lease shall remain in force and effect.
IN WITNESS WHEREOF, the parties subscribed their names as of the below date.

FOR THE LESSOR:

Signature: _____
Name: _____
Title: _____
Entity Name: _____
Date: _____

FOR THE GOVERNMENT:

Signature: _____
Name: _____
Title: Lease Contracting Officer
GSA, Public Buildings Service,
Date: _____

WITNESSED FOR THE LESSOR BY:

Signature: _____
Name: _____
Title: _____
Date: _____

Approved as to form:
DENNIS J. HERRERA
City Attorney

[Handwritten Signature]
Deputy City Attorney

Room 1.5.116 Parcel A	Years 6-8	
	Annual Rent	Annual Rate / RSF
Shell Rental Rate	\$1,708,560.00	\$237.30
Operating Costs	\$77,328.00	\$10.74
Full Service Rate	\$1,785,888.00	\$248.04

Room T2.1.011/11D Parcel B	Years 6-8	
	Annual Rent	Annual Rate / RSF
Shell Rental Rate	\$198,366.72	\$179.68
Operating Costs	\$11,856.96	\$10.74
Full Service Rate	\$210,223.68	\$190.42

The total amount of annual rent is \$1,996,111.68.

Paragraph 1.04B is hereby added:

The Government reserves the right to terminate the lease with sixty (60) days written notice to the lessor at any point during the term of the lease, including the firm term, should the airport become de-federalized or Congress ceases to appropriate funds for the TSA Program. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

All other terms and conditions of the Lease shall remain in force and effect.

INITIALS: _____ & _____
 LESSOR LESSOR GOV'T

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 17-0221

APPROVAL OF MODIFICATION NO. 1 TO LEASE NO. GS-09B-03014 WITH THE U.S. GOVERNMENT TO EXTEND THE TERM OF THE LEASE BY THREE YEARS AND ADJUST THE ANNUAL RENT, AND DIRECTING THE COMMISSION SECRETARY TO FORWARD LEASE MODIFICATION NO. 1 TO THE BOARD OF SUPERVISORS FOR APPROVAL

WHEREAS, on August 7, 2012, pursuant to Commission Resolution No. 12-0185, the Airport Commission approved General Services Administration ("GSA") Lease No. GS-09B-03014 (the "Lease"), which provided for administrative office space for the U.S. Transportation Security Administration ("TSA") in the International Terminal and Terminal 2; and

WHEREAS, the Board of Supervisors subsequently approved the Lease pursuant to Resolution No. 399-12, on October 30, 2012; and

WHEREAS, the TSA is responsible for ensuring aviation security at all US airports, including the San Francisco International Airport; and

WHEREAS, the Lease provides for approximately 7,200 square feet of Category II space in the International Terminal ("Parcel A"), and approximately 1,104 square feet of Category III space in Terminal 2 ("Parcel B"), collectively the premises, and a five-year term, which will expire on October 31, 2017; and

WHEREAS, the TSA wishes to continue occupancy of the premises for an additional three-year period, with a commensurate modification of rent, pursuant to a Modification No. 1 to the Lease; and

WHEREAS, Airport staff has negotiated a Lease modification with the GSA to extend the term of the Lease by three years, effective November 1, 2017, and modify the annual rent to \$1,996,111.68, which is fixed for the term (the "Modification"); now, therefore, be it

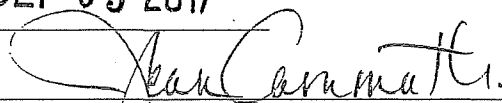
RESOLVED, that the Airport Commission hereby approves Modification No. 1 to Lease No. GS-09B-03014 with the U.S. Government to extend the term of the Lease by three years and modifies the annual rent to \$1,996,111.68, on the terms and conditions set forth in the Director's Memorandum; and be it further

RESOLVED, that the Airport Commission hereby directs the Commission Secretary to forward the Modification to the Board of Supervisors for approval.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

SEP 05 2017



Secretary

The Lease has a term of five years, terminating on October 31, 2017, and provides for approximately 7,200 square feet of Category II space on the fifth floor of the South Shoulder Building in the IT ("Parcel A"), and approximately 1,104 square feet of Category III space on the first floor of T2 (Parcel "B"). It also provides for 52 employee parking spaces. The annual rent is fixed for the term of the Lease at \$1,692,038.40 and is comprised of: 1) terminal rent, 2) a tenant improvement surcharge for the Cat III space, and 3) an Operating Cost for services provided by the Airport.

The TSA wishes to continue occupancy of the terminal space pursuant to Lease Modification No. 1, which extends the term by three years commencing November 1, 2017, and adjusts the rent to \$1,996,111.68 per year (the "Modification"), which is fixed for the term.

In addition to terminal rental, the Lease requires the Airport to provide maintenance of the premises, tenant improvements, infrastructure and building systems, and to provide janitorial services and utilities, including electricity and water. The Airport is reimbursed for the cost of these services by incorporation of an Operating Cost component into the rental rate, as more fully described below.

Proposal

Airport staff has negotiated and is seeking approval of the proposed Modification for terminal space to accommodate the TSA's continued need for administrative offices, which provides for the following business terms:

1. **Extension Term.** Three years, firm.
2. **Effective Date.** November 1, 2017.
3. **Early Termination.** The TSA may terminate the Lease with 60 days written notice should the Airport become de-federalized or Congress ceases to appropriate funds for the TSA program.
4. **Annual Rent.** \$1,996,111.68 per year is fixed for the Extension Term. This represents an increase of \$912,219.84 over the Extension Term.

A rental rate is comprised of: 1) terminal rent for Category II and III spaces, the latter being inclusive of a Surcharge Fee for construction of basic finishes to the Category III space, and 2) an operating cost component which reimburses the Airport for providing janitorial services, maintenance of the premises, and utilities (the "Operating Cost").

The rental rate was derived by determining initial costs for the various categories specified below, with the exception of the Surcharge Fee, which is fixed per the Airport's Rates and Charges. The initial rates were escalated annually by a specified percentage, based on the Airport's three-year projected operating budget and were then averaged over three years to arrive at an average for both the rent for the respective space categories and the Operating Cost. The initial rates and average rates are summarized below.

Rate Category	Initial Rate/SF/YR	Average Rate/SF/YR	Annual Rent
Parcel A Rent – Cat II	\$222.43*	\$237.30	\$1,708,561.00
Parcel B Rent – Cat III	\$148.29**	\$158.20	\$174,652.80
Parcel B Surcharge Fee	\$21.48	\$21.48	\$23,713.92
Operating Cost	\$10.28	\$10.74	\$89,184.96
Total			\$1,996,111.68

*CAT II for FY 17/18

**CAT III for FY 17/18

5. **Operating Cost.** Provides reimbursement for the maintenance of the premises, tenant improvements constructed by the TSA, terminal infrastructure and building systems, provision of janitorial services and utilities, including electricity and water.
6. **Surcharge Fee.** Assessed to recover the cost of alterations and improvements installed by Airport to convert shell space into basic finished office space, which were constructed during the Airport's Terminal 2 Renovation Project.

Recommendation

I recommend adoption of the accompanying Resolution that approves Modification No. 1 to the Lease which: 1) extends the term of Lease No. GS-09B-03014 with the U.S. Government by three years effective November 1, 2017, and 2) modifies the annual rent to \$1,996,111.68.



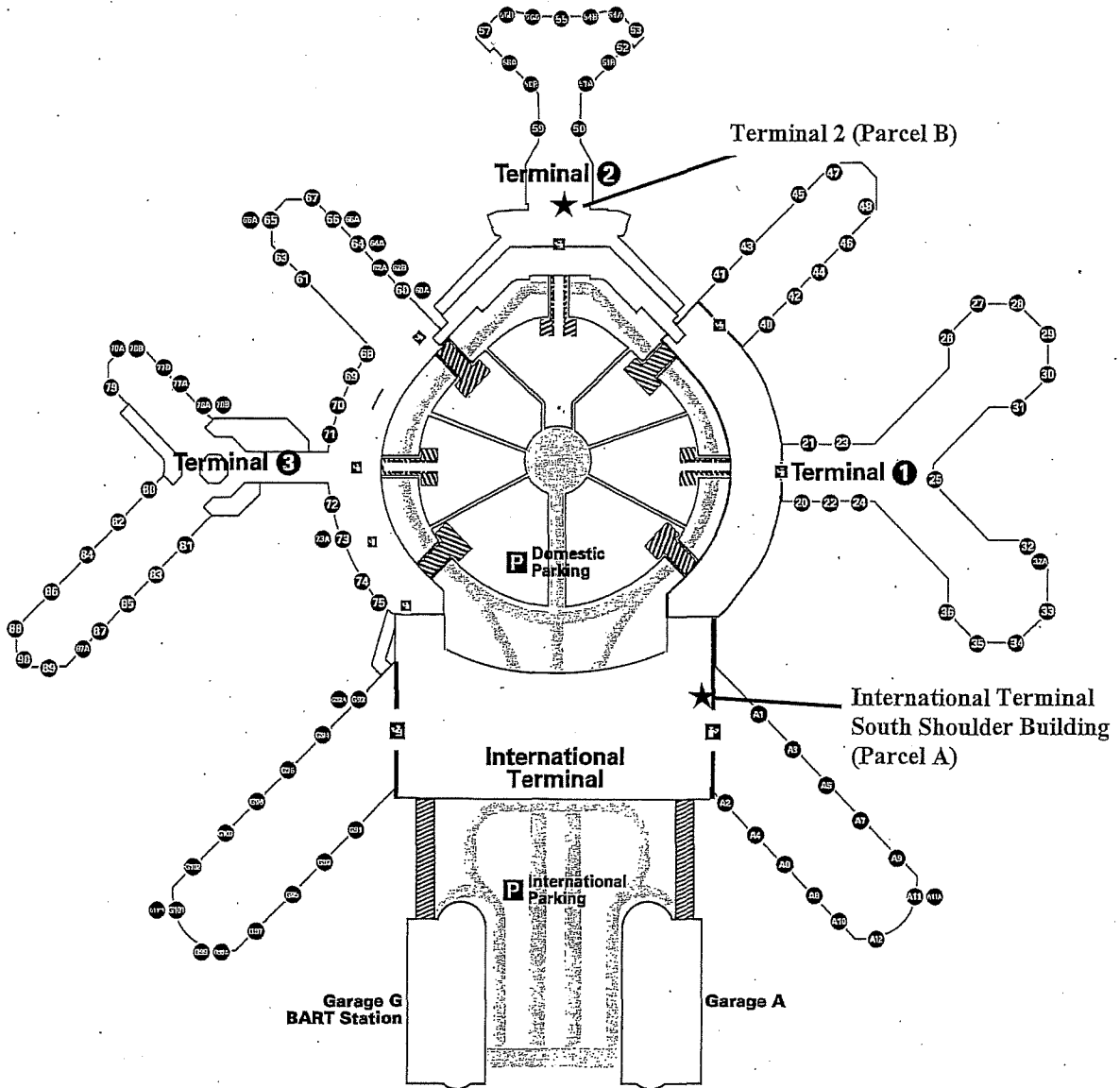
Ivar C. Satero
Airport Director

Prepared by: Leo Fermin
Chief Business and Finance Officer

Attachments

Attachment A

U.S. TRANSPORTATION SECURITY ADMINISTRATION OFFICES



This Lease is made and entered into between

City and County of San Francisco, acting by and through its Airport Commission, c/o the Airport Director, San Francisco International Airport, organized and existing under the laws of the State of California

("the Lessor"), whose principal place of business is:

AIRPORT COMMISSION – SAN FRANCISCO INTERNATIONAL AIRPORT
ADMINISTRATIVE OFFICES
BUILDING 100 – INTERNATIONAL TERMINAL
P.O. BOX 8097
SAN FRANCISCO, CA 94128

and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(the "Government"), acting by and through the designated representative of the General Services Administration ("GSA"), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

The Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at San Francisco International Airport, 8,304 sq. ft. of terminal space comprised of 7,200 sq. ft. of Category II space (Parcel A), located on the 5th floor of the International Terminal, South Shoulder Building (Room 1.5.116) and 1,104 sq. ft. of Category III space (Parcel B) on the 1st floor of Terminal 2 (Room T2.1.011/11D) and more fully described in Section 1 and Exhibit s A-1 and A-2, together with rights to the use of parking and other areas as set forth herein.

To Have and To Hold the said Premises with their appurtenances for the term beginning upon acceptance of the Premises as required by this Lease and continuing for a period of

Five (5) years Firm, commencing November 1, 2012 and terminating October 31, 2017.

subject to termination and renewal rights as may be hereinafter set forth, to be used for such purposes as determined by GSA, as set forth in Section 2.06 (C) of the Lease. The commencement date of this Lease, along with any applicable termination and renewal rights, shall more specifically be set forth in a Lease Amendment upon substantial completion and acceptance of the space by the Government and without further formal approval required the Airport Commission or City's Board of Supervisors.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR THE LESSOR:

FOR THE GOVERNMENT:

John L. Martin
Name: John L. Martin
Title: Airport Director
Date: _____

Peter Shteyn
Name: Peter Shteyn
Title: Lease Contracting Officer (LCO)
Date: _____

WITNESSED BY:

Diane Artz
Name: Diane Artz
Title: Senior Property Manager
Date: 11.29.12

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SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES

The Premises are described as follows:

Office and Related Space: 8,304 rentable square feet (RSF), yielding 8,304 ANSI/BOMA office area (ABOA) square feet (sq. ft.) of office and related space (based upon a common area factor (CAF) of 1.00, 7,200 sq. ft. of which is located on the 5th floor of the International Terminal, South Shoulder Building (Room 1.5.116) and 1,104 sq. ft. of which is located on the 1st floor of Terminal 2 (Room T2.1.011/11D), as depicted on the floor plan(s) attached hereto as Exhibit A-1 and A-2.

1.02 EXPRESS APPURTENANT RIGHTS

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Government rules and regulations within such areas. The Government will coordinate with the Lessor to ensure signage is consistent with the Lessor's standards. Appurtenant to the Premises and included with the Lease are rights to use the following:

- A. Parking: Fifty two (52) parking spaces which shall be structured inside spaces for use of the Government for employee parking. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.
- B. Antennae, Satellite Dishes and Related Transmission Devices: With prior written approval of Lessor, which shall not be unreasonably withheld, Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof and use of, all building areas (e.g., chases, plenums) necessary for the use, operation, and maintenance of such equipment at all times during the term of this Lease.

1.03 RENT AND OTHER CONSIDERATION

A. The Government shall pay the Lessor fixed annual rent for the entire five (5) year term, payable monthly in arrears, of \$1,692,038.40 consisting of shell rent and Operating Costs, at the rates specified below. The Operating Costs include provision of maintenance, janitorial and utilities (electricity and water sewage costs). Use of the employee parking spaces, as specified in Section 1.02 A above, are included in the rent.

Room 1.5.116 Parcel A	Years 1 - 5	
	Annual Rent	Annual Rate / RSF
Shell Rental Rate	\$1,427,328.00	\$198.24
Operating Costs	\$82,440.00	\$11.45
Full Service Rate	\$1,509,768.00	\$209.69

Room T2.1.011/11D Parcel B	Years 1 - 5	
	Annual Rent	Annual Rate / RSF
Shell Rental Rate	\$169,629.60	\$153.65
Operating Costs	\$12,640.80	\$11.45
Full Service Rate	\$182,270.40	\$165.10

- B. Rent for Parcel A will commence on November 1, 2012. Rent for Parcel B will commence the earlier of the date that the Government completes its tenant improvements or March 1, 2013. Rent is subject to adjustment based upon a physical mutual measurement of the space upon acceptance, not to exceed 8,304 ABOA sq. ft. based upon the methodology outlined under the "Payment" clause of GSA Form 3517
- C. If the Government occupies the Premises for less than a full calendar month, then rent shall be pro-rated based on the actual number of days of occupancy for that month.
- D. Rent shall be paid to the Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration.
- E. The Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:
 - 1. The leasehold interest in the Property described in "Clause 1.01, THE PREMISES," created herein;

2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses;

3. Performance or satisfaction of all other obligations set forth in this Lease; and

4. All services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

1.04 TERMINATION RIGHTS (ON-AIRPORT APR 2011)

The Government reserves the right to terminate this Lease, in whole or in part, at anytime during the term of this Lease with 60 calendar days' written notice to the Lessor if (i) regularly scheduled commercial air services ceases, (ii) the checkpoint supported by the leased space is closed, or (iv) Government reduces its presence at airport due to a reduction in deplanements. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.05 RESERVED

1.06 DOCUMENTS INCORPORATED BY REFERENCE (ON-AIRPORT SEPTEMBER 2011)

The following documents are incorporated by reference, as though fully set forth herein:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
Floor Plan(s)	2	A-1 and A-2
GSA Form 3517G, General Clauses	16	B
GSA Form 3518G, Representations and Certifications	6	C

1.07 OPERATING COST BASE

The parties agree that operating costs will remain fixed for the term of the Lease.

SECTION 2 GENERAL TERMS, CONDITIONS, AND STANDARDS

2.01 DEFINITIONS AND GENERAL TERMS (SEPT 2011)

Unless otherwise specifically noted, all terms and conditions set forth in this Lease shall be interpreted by reference to the following definitions, standards, and formulas:

Unless otherwise specifically noted, all terms and conditions set forth in this Lease shall be interpreted by reference to the following definitions, standards, and formulas:

- A. Appurtenant areas. Appurtenant areas are defined as those areas and facilities on the Property that are not located within the Premises, but for which rights are expressly granted under this Lease, or for which rights to use are reasonably necessary or reasonably anticipated with respect to the Government's enjoyment of the Premises and express appurtenant rights.
- B. Broker. If GSA awarded this Lease using a contract real estate broker, "the Broker" shall refer to GSA's broker.
- C. Commission credit. If GSA awarded this Lease using a Broker, and the Broker agreed to forego a percentage of its commission to which it is entitled in connection with the award of this Lease, the amount of this credit is referred to as the commission credit.
- D. Common area factor. The CAF is a conversion factor determined by the building owner and applied by the owner to the ANSI/BOMA office area sq. ft. to determine the RSF for the offered space.
- E. Contract. "Contract" and "Contractor" mean "Lease" and "Lessor," respectively.
- F. Days. All references to "day" or "days" in this Lease shall mean calendar days, unless specified otherwise.
- G. FAR/GSAR. All references to the FAR shall be understood to mean the Federal Acquisition Regulation, codified at 48 CFR Chapter 1. All references to the GSAR shall be understood to mean the GSA supplement to the FAR, codified at 48 CFR Chapter 5.
- H. Firm Term/Non-Firm Term. The Firm Term is that part of the Lease term that is not subject to termination rights. The Non-Firm Term is that part of the Lease term following the end of the Firm Term.
- I. Lease term commencement date. The Lease term commencement date means the date on which the lease term commences.
- J. Lease award date. The Lease award date means the date that the Lease is executed by the LCO.
- K. The Premises. The Premises are defined as the total office area or other type of space, described in Section I of this Lease, and delineated by plan in the attached Exhibit. Parking and other areas to which the Government has rights under this Lease are not included in the Premises.
- L. The Property and the Building. The Property is defined as the land and buildings in which the Premises are located, including all appurtenant areas (e.g., parking areas to which the Government is granted rights). The building(s) situated on the Property in which the Premises are located shall be referred to herein as "the Building(s)."
- M. Rentable square feet (RSF). Rentable space is the area for which a tenant is charged rent. It is determined by the building owner and may vary by city or by building within the same city. The rentable space may include a share of building support/common areas such as elevator lobbies, building corridors, and floor service areas. Floor service areas typically include restrooms, janitor rooms, telephone closets, electrical closets, and mechanical rooms. The rentable space does not include vertical building penetrations and their enclosing walls, such as stairs, elevator shafts, and vertical ducts.
- N. Space. The Space shall refer to that part of the Premises to which the Government has exclusive use, such as office area, or other type of Space. Parking areas and approved antenna sites to which the Government has rights under this Lease are not included in the Space.
- O. Standard for Measuring Office Area and Other Space. For the purposes of this Lease, Space shall be measured in accordance with the standard provided by American National Standards Institute/Building Owners and Managers Association (ANSI/BOMA) for office area. ANSI/BOMA Z65.1-1996 shall be used. References to ABOA mean ANSI/BOMA office area.
- P. Standard for Determining Common Area Factor. The Common Area Factor ("CAF") is the conversion factor expressed as the percentage of space in the Premises that constitutes Common Area. For the purposes of this Lease, the CAF shall be determined in accordance with the applicable ANSI/BOMA standard for the type of space to which the CAF shall apply.
- Q. Formula for Calculation of Rentable Area. Rentable Area is calculated using the following formula for each type of Space (e.g., Office, Warehouse, etc.) included in the Premises: $\text{ANSI/sq. ft. of Space} \times (1 + \text{CAF}) = \text{RSF}$.
- R. Working days. Working days shall mean weekdays, excluding Saturdays and Sundays and Federal holidays.

2.02 AUTHORIZED REPRESENTATIVES (APR 2011)

The signatories to this Lease shall have full authority to bind their respective principles with regard to all matters relating to this Lease. No other persons shall be understood to have any authority to bind their respective principles, except to the extent that such authority may be explicitly delegated by notice to the other party, or to the extent that such authority is transferred by succession of interest. The Government shall have the right to substitute its Lease Contracting Officer (LCO) without notice or an express delegation by the prior LCO. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the terms of the Lease agreement or authorized in writing by the LCO.

2.03 WAIVER OF RESTORATION (APR 2011) (DELETED)

2.04 RESERVED

2.05 RELOCATION RIGHTS (ON-AIRPORT APR 2011)

A. If it becomes necessary in the orderly development of the Airport, Lessor, in its sole discretion, may require the relocation of Premises to other space at the Airport, which, in the reasonable judgment of Lessor, is similar and suitable for the purposes for which this Lease is entered as such purposes are set forth herein. Should such relocation be necessary, the Government agrees to move its personal property and equipment, at Government's sole cost and expense, to the new location prepared by Lessor upon 120 days prior written notice. Lessor shall be responsible for all other costs for such relocation. The Airport shall provide such relocated Premises at the same rental rate as the original Premises, unless the new Premises are located in an area that the Airport charges tenants a lower rate, in which event the parties shall negotiate a reduction in the rental rate.

B. The Lessor shall give GSA the name of the person and agency to be providing the relocation assistance to site tenants. In addition, the Lessor must provide background information about the relocation agency and references for which the relocation agent has performed relocation assistance in the past.

2.06 RECITALS FOR TRANSPORTATION SECURITY ADMINISTRATION (ON-AIRPORT APR 2011)

A. The Transportation Security Administration (TSA) is required, pursuant to 49 U.S.C. 40101--The Aviation and Transportation Security Act (ATSA), to oversee security measures at the San Francisco International Airport.

B. TSA is responsible for airline passenger and baggage screening services at the Airport.

C. The U.S. General Services Administration (GSA), on behalf of TSA, desires to lease certain facilities on the Airport premises for administrative offices in support of airport passenger and baggage screening services by the TSA.

D. Space for TSA to screen passengers and baggage is expressly excluded from this Lease.

2.07 ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY SEPT 2011)

A. The Lessor shall provide floor plans for the offered space and a valid Certificate of Occupancy (C of O), issued by the local jurisdiction, for the intended use of the Government. If the local jurisdiction does not issue Certificates of Occupancy or if the C of O is not available, the Lessor may satisfy this condition by providing a report prepared by a licensed fire protection engineer who verifies that the offered space complies with all applicable local fire protection and life safety codes and ordinances.

B. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this Lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

2.08 ALTERATIONS (APR 2011)

The Government shall have the right during the existence of this Lease to make alterations, attach fixtures, and erect structures or signs in or upon the Premises hereby leased, which fixtures, additions or structures so placed in, on, upon, or attached to the said Premises shall be and remain the property of the Government and may be removed or otherwise disposed of by the Government. The Government shall have the right to tie into or make any physical connection with any structure located on the Property as is reasonably necessary for appropriate utilization of the leased space.

2.09 CENTRAL CONTRACTOR REGISTRATION (APR 2011)

The Offeror must have an active registration in the Central Contractor Registration (CCR) system (via the Internet at <http://www.ccr.gov>) prior to the Lease award and throughout the life of the Lease. To remain active, the Offeror/Lessor is required to update or renew its registration annually. The Government will not process rent payments to Lessors without an active CCR. No change of ownership of the leased premises will be recognized by the Government until the new owner registers in the CCR system.

2.10 SECURITY UPGRADES DUE TO IMMEDIATE THREAT (APR 2011)

The Government reserves the right, at its own expense and with its own personnel, to heighten security in the building under Lease during heightened security conditions due to emergencies such as terrorist attacks, natural disaster, and civil unrest.

SECTION 3 CONSTRUCTION STANDARDS AND SHELL COMPONENTS

3.01 BUILDING SHELL REQUIREMENTS (APR 2011)

- A. The building shell shall be designed, constructed, and maintained in accordance with the standards set forth herein. For pricing, fulfillment of all requirements not specifically designated as operating costs or other rent components as indicated shall be deemed included in the Shell Rent.
- B. Base structure and building enclosure components shall be complete. All common areas accessible by the Government, such as lobbies, fire egress corridors and stairwells, elevators, garages, and service areas, shall be complete. Restrooms shall be complete and operational. All newly installed building shell components, including but not limited to, heating, ventilation, and air conditioning (HVAC), electrical, ceilings, sprinklers, etc., shall be furnished, installed, and coordinated with Tenant Improvements. Circulation corridors are provided as part of the base building only on multi-tenanted floors where the corridor is common to more than one tenant. On single-tenant floors, only the fire egress corridor necessary to meet code is provided as part of the shell.

3.02 FIRE PROTECTION AND LIFE SAFETY (SEPT 2011)

As a condition of this Lease, Lessor agrees the Space meets Fire Protection and Life Safety requirements for Means of Egress, Automatic Fire Sprinkler System, and Fire Alarm System, or, prior to the Government's acceptance of the Space under this Lease, will make the improvements necessary to bring the building into compliance with the requirements, such improvements being described in an attachment to, and part of this Lease.

3.03 MEANS OF EGRESS (SEPT 2011)

- A. Space shall meet the applicable egress requirements in the National Fire Protection Association, *Life Safety Code* (NFPA 101) or the International Code Council, *International Building Code* (IBC), (both current as of the award date of this Lease); or an alternative approach or method for achieving a level of safety deemed equivalent and acceptable by the Government.
- B. Space has unrestricted access to a minimum of two remote exits on each floor of Government occupancy.
- C. Interlocking or scissor stairs located on the floor(s) where Space is located shall only count as one exit stair.
- D. A fire escape located on the floor(s) where Space is located shall not be counted as an approved exit stair.
- E. Doors shall not be locked in the direction of egress unless equipped with special locking hardware in accordance with requirements of NFPA 101 or the IBC.

3.04 AUTOMATIC FIRE SPRINKLER SYSTEM (SEPT 2011)

- A. Space located below-grade, including parking garage areas, and all areas in a building referred to as "hazardous areas" (defined in NFPA 101) that are located within the entire building (including non-Government areas) shall be protected by an automatic fire sprinkler system or an equivalent level of safety.
- A. For buildings in which any portion of the space is on or above the sixth floor, then, at a minimum, the building up to and including the highest floor of Government occupancy shall be protected by an automatic fire sprinkler system or an equivalent level of safety.
- B. For buildings in which any portion of the space is on or above the sixth floor, and lease of the space will result, either individually or in combination with other Government leases in the offered building, in the Government leasing 35,000 sq. ft. or more ANSI/BOMA office area sq. ft. of space in the offered building, then the entire building shall be protected throughout by an automatic fire sprinkler system or an equivalent level of safety.
- C. Automatic fire sprinkler system(s) shall be installed in accordance with either National Fire Protection Association (NFPA) 13, Standard for the Installation of Sprinkler Systems; NFPA 13D, Standard for the Installation of Sprinkler Systems in One and Two Family Dwellings and Manufactured Homes, NFPA 13R, Standard for the Installation of Sprinkler Systems in Residential Occupancies up to and Including Four Stories in Height (current as of the award date of this Lease), whichever is appropriate for the type of building and occupancy being protected; or the applicable local codes and ordinances adopted by the jurisdiction.
- D. Automatic fire sprinkler system(s) shall be maintained in accordance with the requirements in NFPA 25, Standard for the Inspection, Testing, and Maintenance of Water-based Fire Protection Systems (current as of the award date of this Lease), or the applicable local codes and ordinances adopted by the jurisdiction.
- E. "Equivalent level of safety" means an alternative design or system (which may include automatic fire sprinkler systems), based upon fire protection engineering analysis, which achieves a level of safety equal to or greater than that provided by automatic fire sprinkler systems.

3.05 FIRE ALARM SYSTEM (SEPT 2011)

- A. A building-wide fire alarm system shall be installed in the entire building in which any portion of the space is located on the third floor or higher in the building.

- B. The fire alarm system shall be installed and maintained in accordance with NFPA 72, National Fire Alarm and Signaling Code (current as the award of the Lease), or the applicable local codes and ordinances adopted by the jurisdiction.
- C. The fire alarm system shall automatically notify the local fire department, remote station, or UL listed central station.
- D. If a building's fire alarm control unit is over 25 years old, the Offeror shall install a new fire alarm system in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code (current as of the award of the Lease), or the applicable local codes and ordinances adopted by the jurisdiction, prior to Government acceptance and occupancy of the Space.

3.06 ENERGY INDEPENDENCE AND SECURITY ACT (AUG 2011)

- A. The Energy Independence and Security Act (EISA) establishes requirements for Government leases relating to energy efficiency standards and potential cost effective energy efficiency and conservation improvements.
- B. Unless one of the statutory exceptions listed in paragraph C, below, applies, GSA may award a lease for Space only if the Building has earned the ENERGY STAR® Label conferred by the Environmental Protection Agency (EPA) within the most recent 12 months prior to the due date for final proposal revisions. For example, an ENERGY STAR® Label awarded by EPA on October 1, 2010, is valid for all lease procurements where final proposal revisions are due on or before September 30, 2011. All new buildings being specifically constructed for GSA must achieve an ENERGY STAR® Label within 18 months after occupancy by the Government.
- C. EISA allows a Federal agency to lease space in a building that does not have an ENERGY STAR® Label if:
1. No space is offered in a building with an ENERGY STAR® Label that meets Request for Lease Proposals (RLP) requirements, including locational needs;
 2. The agency will remain in a building it currently occupies;
 3. The Lease will be in a building of historical, architectural, or cultural significance listed or eligible to be listed on the National Register of Historic Places; or
 4. The Lease is for 10,000 RSF or less.
- D. All new buildings being specifically constructed for the Government must achieve the ENERGY STAR® Label within 18 months after occupancy by the Government.

3.07 ACCESSIBILITY

The Building, leased space, and areas serving the leased space shall be accessible to persons with disabilities in accordance with the Architectural Barriers Act Accessibility Standard (ABAAS), Appendices C and D to 36 CFR Part 1191 (ABA Chapters 1 and 2, and Chapters 3 through 10). To the extent the standard referenced in the preceding sentence conflicts with local accessibility requirements, the more stringent shall apply.

3.08 TOILET ROOMS (ON-AIRPORT APR 2011)

Government employees shall have access to all public toilet facilities for men and women in the Airport terminal at all times without additional payment.

3.09 HEATING VENTILATION AND AIR CONDITIONING (ON-AIRPORT APR 2011)

- A. Temperatures shall conform to local commercial equivalent temperature levels and operating practices to maximize tenant satisfaction. These temperatures shall be maintained throughout the leased premises and service areas, regardless of outside temperatures, during the hours of operation specified in this Lease. The Lessor shall perform any necessary systems start-up required to meet the commercially equivalent temperature levels prior to the first hour of each day's operation. At all times, humidity shall be maintained below 60 percent relative humidity.
- B. The Lessor shall conduct HVAC system balancing after all HVAC system alterations during the term of the Lease and shall make a reasonable attempt to schedule major construction outside of office hours.
- C. Normal HVAC systems maintenance shall not disrupt tenant operations.

3.10 MECHANICAL, ELECTRICAL AND PLUMBING (APR 2011)

The Lessor shall provide and operate all building equipment and systems in accordance with applicable technical publications, manuals, and standard procedures. Mains, lines, and meters for utilities shall be provided by the Lessor. Exposed ducts, piping, and conduits are not permitted in office space.

3.11 TELECOMMUNICATIONS (ON-AIRPORT APR 2011)

- A. The Government reserves the right to contract its own telecommunications (voice, data, video, Internet, or other emerging technologies) service in the Space to be leased. The Government may contract with one or more parties to have inside wiring (or other transmission medium) and telecommunications equipment installed.
- B. The Lessor shall allow the Government's designated telecommunications providers access to utilize existing building wiring to connect its services to the Government's space. If the existing building wiring is insufficient to handle the transmission requirements of the Government's designated telecommunications providers, the Lessor shall provide access from the point of entry into the building to the Government's floor space, subject to any inherent limitations in the pathway involved.
- C. Subject to Lessor prior written approvals, the Lessor shall allow the Government's designated telecommunications providers to affix telecommunications antennae (high frequency, mobile, microwave, satellite, or other emerging technologies), subject to weight and wind load conditions, to roof, parapet, or building envelope as required

SECTION 4 UTILITIES, SERVICES, AND OBLIGATIONS DURING THE LEASE TERM

4.01 SERVICES, UTILITIES, AND MAINTENANCE (ON-AIRPORT APR 2011)

The Lessor is responsible for providing all utilities necessary for base building and tenant operations and all associated costs are included as a part of the established rental rates. The following services, utilities, and maintenance shall be provided by the Lessor as part of the rental consideration (check all that apply):

- | | | | | |
|--|--|---|---|--|
| <input checked="" type="checkbox"/> HEAT | <input checked="" type="checkbox"/> TRASH REMOVAL | <input type="checkbox"/> ELEVATOR SERVICE | <input checked="" type="checkbox"/> INITIAL & REPLACEMENT LAMPS, TUBES & BALLASTS | <input type="checkbox"/> OTHER (Specify below) |
| <input checked="" type="checkbox"/> ELECTRICITY | <input type="checkbox"/> CHILLED DRINKING WATER | <input type="checkbox"/> WINDOW WASHING | <input checked="" type="checkbox"/> PAINTING FREQUENCY | |
| <input checked="" type="checkbox"/> POWER (Special Equip.) | <input checked="" type="checkbox"/> AIR CONDITIONING | Frequency _____ | Space <u>5 years</u> | |
| <input checked="" type="checkbox"/> WATER (Hot & Cold) | <input checked="" type="checkbox"/> TOILET SUPPLIES | <input checked="" type="checkbox"/> CARPET CLEANING | Public Areas _____ | |
| <input type="checkbox"/> SNOW REMOVAL | <input checked="" type="checkbox"/> JANITORIAL SERV. & SUPP. | Frequency <u>5 years</u> | | |

The Lessor shall have an onsite building superintendent or a locally designated representative available to promptly respond to deficiencies, and immediately address all emergency situations.

4.02 PROVISION OF SERVICES, ACCESS, AND ROUTINE HOURS (APR 2011)

The Government shall have access to the Premises and its Appurtenant Areas at all times without additional payment, including the use, during other than routine hours, of necessary services and utilities such as elevators, toilets, lights, and electric power. Cleaning shall be performed after tenant working hours unless daytime cleaning is specified as a special requirement elsewhere in this Lease. Janitorial Services shall not be required on weekends or federal holidays. Services, maintenance, and utilities shall be provided from 12:00 AM to 11:59 PM,

4.03 MAINTENANCE AND TESTING OF SYSTEMS (APR 2011)

A. The Lessor is responsible for the total maintenance and repair of the leased premises. Such maintenance and repairs include the site and private access roads. All equipment and systems shall be maintained to provide reliable, energy efficient service without unusual interruption, disturbing noises, exposure to fire or safety hazards, uncomfortable drafts, excessive air velocities, or unusual emissions of dirt. The Lessor's maintenance responsibility includes initial supply and replacement of all supplies, materials, and equipment necessary for such maintenance. Maintenance, testing, and inspection of appropriate equipment and systems shall be done in accordance with current applicable codes, and inspection certificates shall be displayed as appropriate. Copies of all records in this regard shall be forwarded to the GSA Field Office Manager or a designated representative.

B. Without any additional charge, the Government reserves the right to require documentation of proper operations or testing prior to occupancy of such systems as fire alarm, sprinkler, standpipes, fire pumps, emergency lighting, illuminated exit signs, emergency generator, etc., to ensure proper operation. These tests shall be witnessed by a designated representative of the contracting officer.

4.04 HAZARDOUS MATERIALS (APR 2011)

The leased space shall be free of hazardous materials in compliance with all applicable Federal, state, and local environmental laws and regulations including, but not limited to, the following:

A. The leased space shall be free of all asbestos containing materials, except undamaged asbestos flooring in the space or undamaged boiler or pipe insulation outside the space, in which case an asbestos management program conforming to EPA guidance shall be implemented.

B. The Lessor shall provide Space to the Government that is free from actionable mold and free from any conditions that reasonably can be anticipated to permit the growth of actionable mold or are indicative of the possibility that actionable mold will be present ("Indicators").

1. Actionable mold is mold of types and concentrations in excess of that found in the local outdoor air.
2. The Lessor shall be responsible for conducting the remediation in accordance with the relevant provisions of the document entitled "Mold Remediation in Schools and Commercial Buildings" (EPA 402-K-01-001, March 2001), published by EPA, as same may be amended or revised from time to time, and any other applicable Federal, state, or local laws, regulatory standards, and guidelines.
3. The Lessor acknowledges and agrees that the Government shall have a reasonable opportunity to inspect the leased space after conclusion of the remediation. If the results of the Government's inspection indicate that the remediation does not comply with the plan or any other applicable Federal, state, or local laws, regulatory standards, or guidelines, the Lessor, at its sole cost, expense, and risk, shall immediately take all further actions necessary to bring the remediation into compliance.
4. If the Lessor fails to exercise due diligence, or is otherwise unable to remediate an actionable-mold problem, the Government may implement a corrective action program and deduct its costs from the rent.

4.05 INDOOR AIR QUALITY

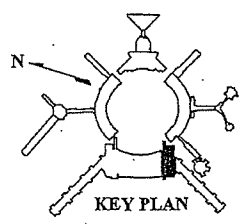
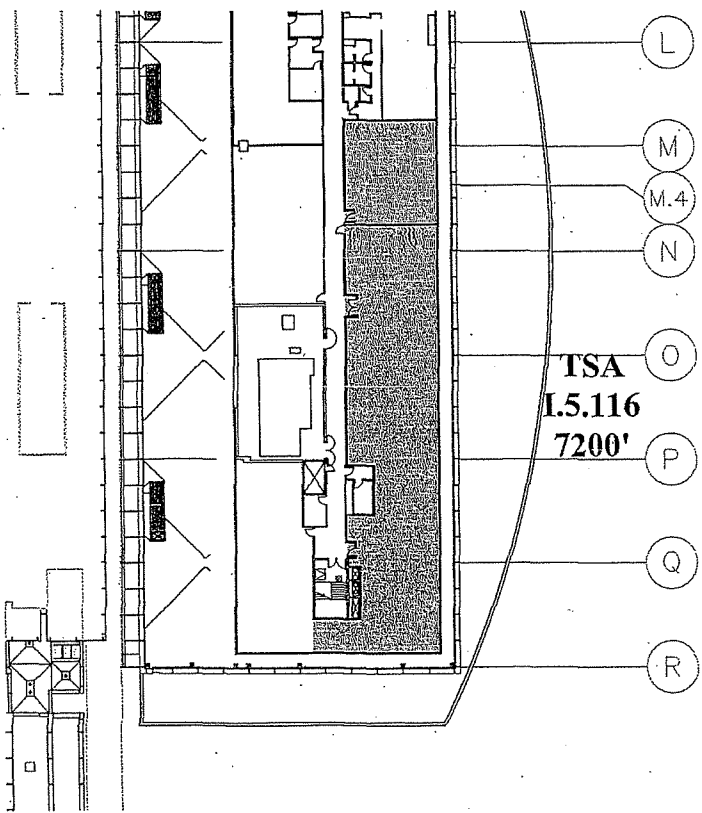
- A. The Lessor shall control contaminants at the source and/or operate the Space in such a manner that the GSA indicator levels for carbon monoxide (CO), carbon dioxide (CO₂), and formaldehyde (HCHO) are not exceeded. The indicator levels for office areas shall be: CO 9 ppm time weighted average (TWA 8 hour sample); CO₂ 1,000 ppm (TWA); HCHO 0.1 ppm (TWA).
- B. The Lessor shall promptly investigate indoor air quality (IAQ) complaints presented by the GSA representative signing this document, and shall develop and implement, in consultation with GSA, the controls deemed necessary to address a given complaint.
- C. The Government reserves the right to conduct independent IAQ assessments and detailed studies in space that it occupies, as well as in space serving the Government demised area (e.g., common use areas, mechanical rooms, HVAC systems, etc.). The Lessor shall assist the Government in its assessments and detailed studies by (1) making available information on building operations and Lessor activities; (2) providing access to space for assessment and testing, if required; and (3) implementing corrective measures required by the Contracting Officer.
- D. The Lessor shall provide to the Government material safety data sheets (MSDS) upon request for the following products prior to their use during the term of the Lease: adhesives, caulking, sealants, insulating materials, fireproofing or firestopping materials, paints, carpets, floor and wall patching or leveling materials, lubricants, clear finish for wood surfaces, janitorial cleaning products, pesticides, rodenticides, and herbicides. The Government reserves the right to review such products used by the Lessor within (1) the Government demised area; (2) common building areas; (3) ventilation systems and zones serving the leased space; and (4) the area above suspended ceilings and engineering space in the same ventilation zone as the leased space.
- E. Where hazardous gasses or chemicals (any products with data in the Health and Safety section of the MSDS sheets) may be present or used, including large-scale copying and printing rooms, segregate areas with deck-to-deck partitions with separate outside exhausting at a rate of at least 0.5 cubic feet per minute per sq. ft., no air recirculation. The mechanical system must operate at a negative pressure compared with the surrounding spaces of at least an average of 5 Pa (pascal) (0.02 inches of water gauge) and with a minimum of 1 Pa (0.004 inches of water gauge) when the doors to the rooms are closed.

4.06 RECYCLING

Where state or local law, code, or ordinance requires recycling programs (including mercury-containing lamps) for the Space to be provided pursuant to this Lease, the Lessor shall comply with such state and local law, code, or ordinance in accordance with GSA Form 3517, General Clauses, 552.270-8, *Compliance with Applicable Law*. During the Lease term, the Lessor agrees, upon request, to provide the Government with additional information concerning recycling programs maintained in the Building and in the leased space.

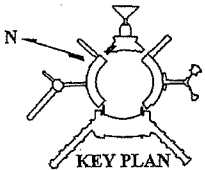
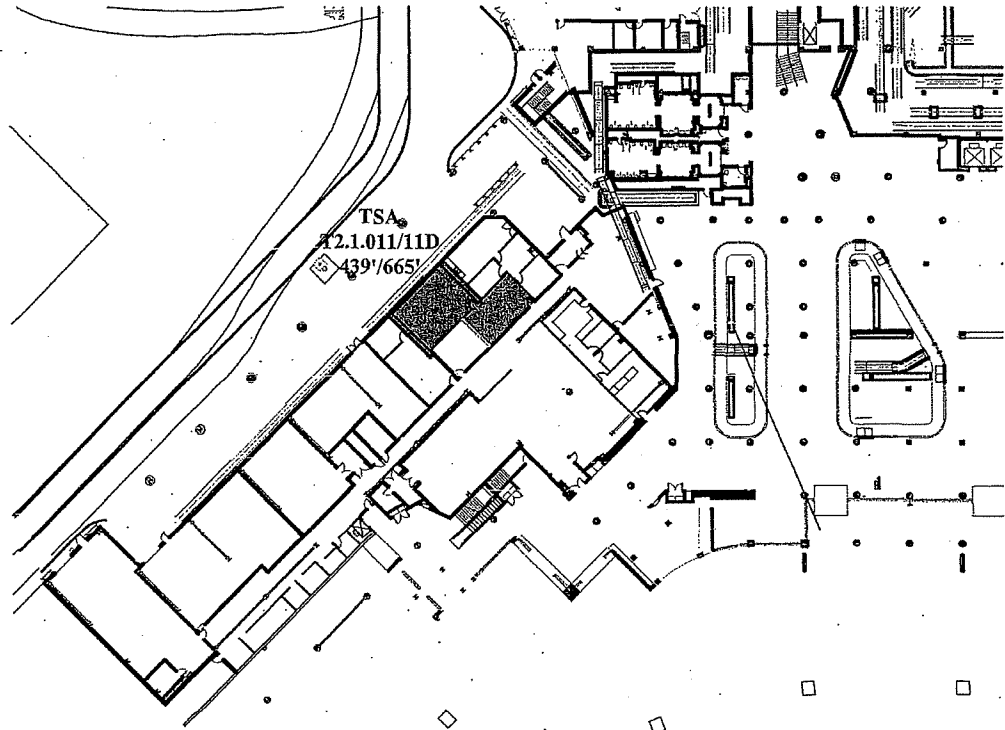
SECTION 5 ADDITIONAL TERMS AND CONDITIONS

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TENANT LOCATION LEASE DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
LOCATION: INTERNATIONAL TERMINAL - LEVEL 5		I.5.116	TSA	2	7200'	GS 09B-03014	11/01/2012
TRANSPORTATION SECURITY ADMINISTRATION							
CITY & COUNTY OF SAN FRANCISCO	DWG: ISBTSa						
AIRPORTS COMMISSION	SCALE: 1/8"=1'-0"						
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 07/19/2012						

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TENANT LOCATION PERMIT DRAWING

		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
LOCATION: TERMINAL 2 - LEVEL 1		T2.1.011	TSA	3	439'	GS09B-03014	11/01/2012
TRANSPORTATION SECURITY ADMINISTRATION		T2.1.011D	TSA	3	665'	GS09B-03014	11/01/2012
CITY & COUNTY OF SAN FRANCISCO	DWG: T2\TSA						
AIRPORTS COMMISSION	SCALE: 1/4"=10'-0"						
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 07/19/2012						

GENERAL CLAUSES
(Acquisition of Leasehold Interests in Real Property)

1. 552.270-4 DEFINITIONS (SEP 1999) (VARIATION)

The following terms and phrases (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this lease shall have the respective meanings hereinafter specified:

- (a) "Commencement Date" means the first day of the term.
- (b) "Contract" and "Contractor" means "Lease" and "Lessor," respectively.
- (c) "Contracting Officer" means a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the Contracting Officer acting within the limits of their authority as delegated by the Contracting Officer.
- (d) "Delivery Date" means the date specified in or determined pursuant to the provisions of this lease for delivery of the premises to the Government, improved in accordance with the provisions of this lease and substantially complete, as such date may be modified in accordance with the provisions of this lease.
- (e) "Delivery Time" means the number of days provided by this lease for delivery of the premises to the Government, as such number may be modified in accordance with the provisions of this lease.
- (f) "Excusable Delays" mean delays arising without the fault or negligence of Lessor and Lessor's subcontractors and suppliers at any tier, and shall include, without limitation:
 - (1) acts of God or of the public enemy,
 - (2) acts of the United States of America in either its sovereign or contractual capacity,
 - (3) acts of another contractor in the performance of a contract with the Government,
 - (4) fires,
 - (5) floods,
 - (6) epidemics,
 - (7) quarantine restrictions,
 - (8) strikes,
 - (9) freight embargoes,
 - (10) unusually severe weather, or
 - (11) delays of subcontractors or suppliers at any tier arising from unforeseeable causes beyond the control and without the fault or negligence of both the Lessor and any such subcontractor or supplier.
- (g) "Lessor" means the sub-lessor if this lease is a sublease.
- (h) "Lessor shall provide" means the Lessor shall furnish and install at Lessor's expense.
- (i) "Notice" means written notice sent by certified or registered mail, Express Mail or Comparable service, or delivered by hand. Notice shall be effective on the date delivery is accepted or refused.
- (j) "Premises" means the space described on the GSA Form L201D, On-Airport Lease, of this Lease.
- (l) "Substantially complete" and "substantial completion" means that the work, the common and other areas of the building, and all other things necessary for the Government's access to the premises and occupancy, possession, use and enjoyment thereof, as provided in this lease, have been completed or obtained, excepting only such minor matters as do not interfere with or materially diminish such access, occupancy, possession, use or enjoyment.
- (m) "Usable square feet" means the ANSI/BOMA Z65.1-1996 definition for BOMA usable office area, which means "The area where a tenant normally houses personnel and/or furniture, for which a measurement is to be computed."
- (n) "Work" means all alterations, improvements, modifications, and other things required for the preparation or continued occupancy of the premises by the Government as specified in this lease.

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12. 552.270-10 FAILURE IN PERFORMANCE (SEP 1999) MODIFIED

The covenant to pay rent and the covenant to provide any service, utility, maintenance, or repair required under this lease are interdependent. In the event of any failure by the Lessor to provide any service, utility, maintenance, repair or replacement required under this lease the Government may, by contract or otherwise, perform the requirement and deduct from any payment or payments under this lease, then or thereafter due, the resulting cost to the Government, including all administrative costs, provided however, the Government shall give prior written notice to Lessor of Lessor's failures and provide Lessor thirty (30) days to cure such failure or such length as may be reasonably required to cure such failure. If the Government elects to perform any such requirement, the Government and each of its contractors shall be entitled to access to any and all areas of the building, access to which is necessary to perform any such requirement, and the Lessor shall afford and facilitate such access. Alternatively, the Government may deduct from any payment under this lease, then or thereafter due, an amount which reflects the reduced value of the contract requirement not performed. No deduction from rent pursuant to this clause shall constitute a default by the Government under this lease. These remedies are not exclusive and are in addition to any other remedies which may be available under this lease or at law.

13. 552.270-22 DEFAULT BY LESSOR DURING THE TERM (SEP 1999)

(a) Each of the following shall constitute a default by Lessor under this lease:

- (1) Failure to maintain, repair, operate or service the premises as and when specified in this lease, or failure to perform any other requirement of this lease as and when required provided any such failure shall remain uncured for a period of thirty (30) days next following Lessor's receipt of notice thereof from the Contracting Officer or an authorized representative.
- (2) Repeated and unexcused failure by Lessor to comply with one or more requirements of this lease shall constitute a default notwithstanding that one or all such failures shall have been timely cured pursuant to this clause.

14. 552.270-7 FIRE AND CASUALTY DAMAGE (SEP 1999)

If the entire premises are destroyed by fire or other casualty, this lease will immediately terminate. In case of partial destruction or damage, so as to render the premises untenable, as determined by the Government, the Government may terminate the lease by giving written notice to the Lessor within 15 calendar days of the fire or other casualty; if so terminated, no rent will accrue to the Lessor after such partial destruction or damage; and if not so terminated, the rent will be reduced proportionately by supplemental agreement hereto effective from the date of such partial destruction or damage. Nothing in this lease shall be construed as relieving Lessor from liability for damage to or destruction of property of the United States of America caused by the willful or negligent act or omission of Lessor.

15. 552.270-8 COMPLIANCE WITH APPLICABLE LAW (SEP 1999)

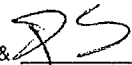
Lessor shall comply with all Federal, state and local laws applicable to the Lessor as owner or Lessor, or both, of the building or premises, including, without limitation, laws applicable to the construction, ownership, alteration or operation of both or either thereof, and will obtain all necessary permits, licenses and similar items at Lessor's expense. The Government will comply with all Federal, State and local laws applicable to and enforceable against it as a tenant under this lease; provided that nothing in this lease shall be construed as a waiver of any sovereign immunity of the Government. This lease shall be governed by Federal law.

16. 552.270-12 ALTERATIONS (SEP 1999) MODIFIED

The Government shall have the right during the existence of this lease to make alterations, attach fixtures, and erect structures or signs in or upon the premises hereby leased, which fixtures, additions or structures so placed in, on, upon, or attached to the said premises shall be and remain the property of the Government and may be removed or otherwise disposed of by the Government. If the lease contemplates that the Government is the sole occupant of the building, for purposes of this clause, the leased premises include the land on which the building is sited and the building itself. Otherwise, the Government shall have the right to tie into or make any physical connection with any structure located on the property as is reasonably necessary for appropriate utilization of the leased space. All such alterations shall be in accordance with the Airport's Tenant Improvement Guide.

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17. 552.270-9 INSPECTION—RIGHT OF ENTRY (SEP 1999)

- (a) At any time and from time to time after receipt of an offer (until the same has been duly withdrawn or rejected), after acceptance thereof and during the term, the agents, employees and contractors of the Government may, upon reasonable prior notice to Offeror or Lessor, enter upon the offered premises or the premises, and all other areas of the building access to which is necessary to accomplish the purposes of entry, to determine the potential or actual compliance by the Offeror or Lessor with the requirements of the solicitation or this lease, which purposes shall include, but not be limited to:
- (1) inspecting, sampling and analyzing of suspected asbestos-containing materials and air monitoring for asbestos fibers;
 - (2) inspecting the heating, ventilation and air conditioning system, maintenance records, and mechanical rooms for the offered premises or the premises;
 - (3) inspecting for any leaks, spills, or other potentially hazardous conditions which may involve tenant exposure to hazardous or toxic substances; and
 - (4) inspecting for any current or past hazardous waste operations, to ensure that appropriate mitigative actions were taken to alleviate any environmentally unsound activities in accordance with Federal, State and local law.
- (b) Nothing in this clause shall be construed to create a Government duty to inspect for toxic materials or to impose a higher standard of care on the Government than on other lessees. The purpose of this clause is to promote the ease with which the Government may inspect the building. Nothing in this clause shall act to relieve the Lessor of any duty to inspect or liability which might arise as a result of Lessor's failure to inspect for or correct a hazardous condition.

18. 52.204-7 CENTRAL CONTRACTOR REGISTRATION (OCT 2003) (VARIATION)

- (a) Definitions. As used in this clause—

"Central Contractor Registration (CCR) database" means the primary Government repository for Contractor information required for the conduct of business with the Government.

"Data Universal Numbering System (DUNS) number" means the 9-digit number assigned by Dun and Bradstreet, Inc. (D&B) to identify unique business entities.

"Data Universal Numbering System +4 (DUNS+4) number" means the DUNS number assigned by D&B plus a 4-character suffix that may be assigned by a business concern. (D&B has no affiliation with this 4-character suffix.) This 4-character suffix may be assigned at the discretion of the business concern to establish additional CCR records for identifying alternative Electronic Funds Transfer (EFT) accounts for the same parent concern.

"Offeror" means the owner of the property offered, not an individual or agent representing the owner.

"Registered in the CCR database" means that—

- (1) The Contractor has entered all mandatory information, including the DUNS number or the DUNS+4 number, into the CCR database; and
 - (2) The Government has validated all mandatory data fields and has marked the record "Active."
- (b)
- (1) By submission of an offer, the Offeror acknowledges the requirement that a prospective awardee must be registered with D&B and in the CCR database prior to award, during performance, and through final payment of any contract resulting from this solicitation.
 - (2) The Offeror shall enter in the appropriate block, on the GSA Form 3518, entitled Representations and Certifications, the legal entity's name and address, followed by the DUNS or DUNS +4 number that identifies the Offeror's name and address exactly as stated in the offer. The DUNS number will be used by the Contracting Officer to verify that the Offeror is registered in the CCR database.
- (c) If the Offeror does not have a DUNS number, it should contact Dun and Bradstreet directly to obtain one.

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- (1) An Offeror may obtain a DUNS number—
- (i) If located within the United States, by calling Dun and Bradstreet at 1-866-705-5711 or via the Internet at <http://www.dnb.com>; or
 - (ii) If located outside the United States, by contacting the local Dun and Bradstreet office.
- (2) The Offeror should be prepared to provide the following information:
- (i) Company legal business.
 - (ii) Tradestyle, doing business, or other name by which your entity is commonly recognized.
 - (iii) Company Physical Street Address, City, State, and ZIP Code.
 - (iv) Company Mailing Address, City, State and ZIP Code (if separate from physical).
 - (v) Company Telephone Number.
 - (vi) Date the company was started.
 - (vii) Number of employees at your location.
 - (viii) Chief executive officer/key manager.
 - (ix) Line of business (industry).
 - (x) Company Headquarters name and address (reporting relationship within your entity).
- (d) If the Offeror does not become registered in the CCR database in the time prescribed by the Contracting Officer, the Contracting Officer will proceed to award to the next otherwise successful registered Offeror.
- (e) Processing time, which normally takes 48 hours, should be taken into consideration when registering. Offerors who are not registered should consider applying for registration immediately upon receipt of this solicitation.
- (f) The Contractor is responsible for the accuracy and completeness of the data within the CCR database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the CCR database after the initial registration, the Contractor is required to review and update on an annual basis from the date of initial registration or subsequent updates its information in the CCR database to ensure it is current, accurate and complete. Updating information in the CCR does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.
- (g) (1) (i) If a Contractor has legally changed its business name, "doing business as" name, or division name (whichever is shown on the contract), or has transferred the assets used in performing the contract, the Contractor shall comply with the requirements of Subpart 42.12 of the Federal Acquisition Regulations (FAR) and provide the responsible Contracting Officer a fully revised and initialed/signed GSA Form 3518, entitled Representations and Certifications, along with written notification of its intention to (A) change the name in the CCR database; and (B) provide the Contracting Officer with sufficient documentation to verify and confirm the legally changed name or change in ownership.
- (ii) If the Contractor fails to comply with the requirements of paragraph (g)(1)(i) of this clause, or fails to perform the agreement at paragraph (g)(1)(i)(C) of this clause, and, in the absence of a properly executed novation or change-of-name agreement, the CCR information that shows the Contractor to be other than the Contractor indicated in the contract will be considered to be incorrect information within the meaning of the "Suspension of Payment" paragraph of the electronic funds transfer (EFT) clause of this contract.
- (2) The Contractor shall not change the name or address for EFT payments or manual payments, as appropriate, in the CCR record to reflect an assignee for the purpose of assignment of claims. Assignees shall be separately registered in the CCR database. Information provided to the Contractor's CCR record that indicates payments, including those made by EFT, to an ultimate recipient other than that Contractor will be considered to be incorrect information.
- (h) Offerors and Contractors may obtain information on registration and annual confirmation requirements via the internet at <http://www.ccr.gov> or by calling 1-888-227-2423, or 269-961-5757.

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- (c) The Contractor shall not furnish or disclose to any assignee under this contract any classified document (including this contract) or information related to work under this contract until the Contracting Officer authorizes such action in writing.

22. 552.270-20 PAYMENT (SEP 1999) (VARIATION)

- (a) When space is offered and accepted, the ANSI/BOMA Office Area square footage delivered will be confirmed by:
- (1) the Government's measurement of plans submitted by the successful Offeror as approved by the Government, and an inspection of the space to verify that the delivered space is in conformance with such plans or
 - (2) a mutual on-site measurement of the space, if the Contracting Officer determines that it is necessary.
- (b) Payment will not be made for space which is in excess of the amount of ANSI/BOMA Office Area square footage stated in the lease.
- (c) If it is determined that the amount of ANSI/BOMA Office Area square footage actually delivered is less than the amount agreed to in the lease, the lease will be modified to reflect the amount of Usable space delivered and the annual rental will be adjusted as follows:

Usable square feet not delivered multiplied by the ANSI/BOMA Office Area square foot (USF) rate equals the reduction in annual rent. The rate per USF is determined by dividing the total annual rental by the Usable square footage set forth in the lease.

USF Not Delivered X Rate per USF = Reduction in Annual Rent.

23. 552.203-5 COVENANT AGAINST CONTINGENT FEES (FEB 1990)

(Applicable to leases over \$100,000.)

- (a) The Contractor warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of the contingent fee.
- (b) "Bona fide agency," as used in this clause, means an established commercial or selling agency (including licensed real estate agents or brokers), maintained by a Contractor for the purpose of securing business, that neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds itself out as being able to obtain any Government contract or contracts through improper influence.

"Bona fide employee," as used in this clause, means a person, employed by a Contractor and subject to the Contractor's supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds out as being able to obtain any Government contract or contracts through improper influence.

"Contingent fee," as used in this clause, means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government contract.

"Improper influence," as used in this clause, means any influence that induces or tends to induce a Government employee or officer to give consideration or to act regarding a Government contract on any basis other than the merits of the matter.

24. 52.203-7 ANTI-KICKBACK PROCEDURES (JUL 1995)

(Applicable to leases over \$100,000 average net annual rental, including option periods.)

- (a) *Definitions.*

"Kickback," as used in this clause, means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime Contractor, prime Contractor employee, subcontractor, or subcontractor employee for

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the Federal Acquisition Regulation (FAR), or for any longer period required by statute or by other clauses of this contract. In addition—

- (1) If this contract is completely or partially terminated, the Contractor shall make available the records relating to the work terminated until 3 years after any resulting final termination settlement; and
 - (2) The Contractor shall make available records relating to appeals under the Disputes clause or to litigation or the settlement of claims arising under or relating to this contract until such appeals, litigation, or claims are finally resolved.
- (g) The Contractor shall insert a clause containing all the terms of this clause, including this paragraph (g), in all subcontracts under this contract that exceed the simplified acquisition threshold, and—
- (1) That are cost-reimbursement, incentive, time-and-materials, labor-hour, or price-redeterminable type or any combination of these;
 - (2) For which cost or pricing data are required; or
 - (3) That require the subcontractor to furnish reports as discussed in paragraph (e) of this clause.

The clause may be altered only as necessary to identify properly the contracting parties and the Contracting Officer under the Government prime contract.

29. 52.233-1 DISPUTES (JUL 2002)

- (a) This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613).
- (b) Except as provided in the Act, all disputes arising under or relating to this contract shall be resolved under this clause.
- (c) "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. However, a written demand or written assertion by the Contractor seeking the payment of money exceeding \$100,000 is not a claim under the Act until certified. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Act. The submission may be converted to a claim under the Act, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.
- (d)
 - (1) A claim by the Contractor shall be made in writing and, unless otherwise stated in this contract, submitted within 6 years after accrual of the claim to the Contracting Officer for a written decision. A claim by the Government against the Contractor shall be subject to a written decision by the Contracting Officer.
 - (2)
 - (i) The Contractor shall provide the certification specified in paragraph (d)(2)(iii) of this clause when submitting any claim exceeding \$100,000.
 - (ii) The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.
 - (iii) The certification shall state as follows: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the Contractor believes the Government is liable; and that I am duly authorized to certify the claim on behalf of the Contractor."
 - (3) The certification may be executed by any person duly authorized to bind the Contractor with respect to the claim.
- (e) For Contractor claims of \$100,000 or less, the Contracting Officer must, if requested in writing by the Contractor, render a decision within 60 days of the request. For Contractor-certified claims over \$100,000, the Contracting Officer must, within 60 days, decide the claim or notify the Contractor of the date by which the decision will be made.

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- (f) The Contracting Officer's decision shall be final unless the Contractor appeals or files a suit as provided in the Act.
- (g) If the claim by the Contractor is submitted to the Contracting Officer or a claim by the Government is presented to the Contractor, the parties, by mutual consent, may agree to use alternative dispute resolution (ADR). If the Contractor refuses an offer for ADR, the Contractor shall inform the Contracting Officer, in writing, of the Contractor's specific reasons for rejecting the offer.
- (h) The Government shall pay interest on the amount found due and unpaid from (1) the date that the Contracting Officer receives the claim (certified, if required); or (2) the date that payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in FAR 33.201, interest shall be paid from the date that the Contracting Officer initially receives the claim. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury as provided in the Act, which is applicable to the period during which the Contracting Officer receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.
- (i) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the Contracting Officer.

30. 52.222-21 PROHIBITION OF SEGREGATED FACILITIES (FEB 1999)

(Applicable to leases over \$10,000.)

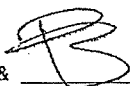
- (a) "Segregated facilities," as used in this clause, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of written or oral policies or employee custom. The term does not include separate or single-user rest rooms or necessary dressing or sleeping areas provided to assure privacy between the sexes.
- (b) The Contractor agrees that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Contractor agrees that a breach of this clause is a violation of the Equal Opportunity clause in this contract.
- (c) The Contractor shall include this clause in every subcontract and purchase order that is subject to the Equal Opportunity clause of this contract.

31. 52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (JAN 2005) (Deleted)

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REPRESENTATIONS AND CERTIFICATIONS (Short Form) (Simplified Acquisition of Leasehold Interests in Real Property for Leases Up to \$100,000 Annual Rent)	Solicitation Number GS-09B-03014	Dated November 1, 2012
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Complete appropriate boxes, sign the form, and attach to offer.

The Offeror makes the following Representations and Certifications. NOTE: The "Offeror," as used on this form, is the owner of the property offered, not an individual or agent representing the owner.

1. SMALL BUSINESS REPRESENTATION (SEP 2001)

- (a) The offeror represents that it [] is, [x] is not a small business concern. "Small" means a concern, including its affiliates, that is independently owned and operated, is not dominant in the field of operation, and has average annual gross revenues of \$15 million or less for the preceding three fiscal years. The North American Industry Classification System (NAICS) code for this acquisition is 531190.
- (b) The offeror represents that it [] is, [x] is not a small disadvantaged business concern as defined in 13 CFR 124.1002.
- (c) The offeror represents that it [] is, [x] is not a women-owned small business concern as defined in 48 CFR 52.219-1.
- (d) The offeror represents that it [] is, [x] is not a veteran-owned small business concern as defined in 48 CFR 52.219-1.
- (e) The offeror represents that it [] is, [x] is not a service-disabled veteran-owned small business concern as defined in 38 U.S.C. 101(2), 38 U.S.C. 101(16), and 48 CFR 52.219-1.

2. 52.222-22 - PREVIOUS CONTRACTS AND COMPLIANCE REPORTS (FEB 1999)

(Applicable to leases which exceed \$10,000.)

The Offeror represents that --

- (a) It [X] has, [] has not participated in a previous contract or subcontract subject either to the Equal Opportunity clause of this solicitation;
- (b) It [X] has, [] has not filed all required compliance reports; and
- (c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards. (Approved by OMB under Control Number 1215-0072.)

3. 52.222-25 - AFFIRMATIVE ACTION COMPLIANCE (APR 1984)

(Applicable to leases which exceed \$10,000 and which include the clause at FAR 52.222-26, Equal Opportunity.)

The Offeror represents that --

- (a) It [X] has developed and has on file, [] has not developed and does not have on file, at each establishment affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or
- (b) It [X] has, [] has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor. (Approved by OMB under Control Number 1215-0072.)

4. 52.203-11 - CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (APR 1991)

(Applicable to leases which exceed \$100,000.)

(a) The definitions and prohibitions contained in the clause, at FAR 52.203-12, Limitation on Payments to Influence Certain Federal Transactions, are hereby incorporated by reference in paragraph (b) of this certification.

(b) The offeror, by signing its offer, hereby certifies to the best of his or her knowledge and belief that on or after December 23, 1989, --

- (1) No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of a contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- (2) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with this solicitation, the offeror shall complete and submit, with its offer, OMB standard form LLL, Disclosure of Lobbying Activities, to the Contracting Officer; and
- (3) He or she will include the language of this certification in all subcontract awards at any tier and require that all recipients of subcontract awards in excess of \$100,000 shall certify and disclose accordingly.

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San Francisco International Airport

October 20, 2017

Ms. Angela Calvillo, Clerk of the Board
Board of Supervisors
City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689

Subject: Approval of Modification No. 1 to Lease No. GS-09B-03014 between the United States of America and the City and County of San Francisco, acting by and through its Airport Commission

Dear Ms. Calvillo:

Pursuant to Section 9.118 of the City Charter, I am forwarding for the Board of Supervisors' approval, Modification No. 1 to Lease No. GS-09B-03014 (the "Modification") between the City and County of San Francisco, acting by and through its Airport Commission, and the United States of America ("Government") for space that is occupied by the U.S. Transportation Administration ("TSA"), a Federal agency. This Modification was approved by Airport Commission Resolution No. 17-0221, adopted September 5, 2017.

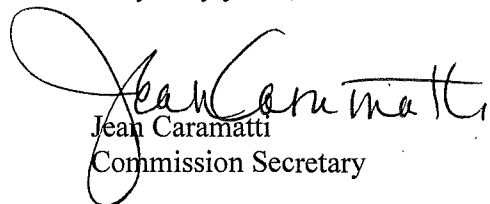
The Modification provides for a term extension of three (3) years, at an adjusted annual rent of \$1,996,111.68.

The following is a list of accompanying documents (three sets):

- Board of Supervisors Resolution;
- Approved Airport Commission Resolution No. 17-0221;
- Commission Memorandum; and
- Modification No. 1 to Lease No. GS-09B-03014.

You may contact Diane Artz of Airport Aviation Management at (650) 821-4525 regarding this matter.

Very truly yours,


Jean Caramatti
Commission Secretary

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2017 OCT 24 PM 1:10

Enclosures

cc: Diane Artz, Aviation Management
Cathy Widener, Governmental Affairs

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE MAYOR	LARRY MAZZOLA PRESIDENT	LINDA S. CRAYTON VICE PRESIDENT	ELEANOR JOHNS	RICHARD J. GUGGENHIME	PETER A. STERN	IVAR C. SATERO AIRPORT DIRECTOR
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