

File No. 150717

Committee Item No. 7

Board Item No. 15

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance

Date December 9, 2015

Board of Supervisors Meeting

Date DECEMBER 15, 2015

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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Completed by: Victor Young Date December 4, 2015
 Completed by: Victor Young Date 12/10/15

1 [Lease - San Francisco International Airport Replacement Air Traffic Control Tower - Operation
2 and Occupancy by the United States Government - \$20]

3 **Resolution approving Lease No. DTFAWN-15-L-00093 with the U.S. Government for**
4 **occupancy and operation of the replacement Air Traffic Control Tower at the San**
5 **Francisco International Airport by the United States Government, acting by and through**
6 **the Federal Aviation Administration, for the lease amount of \$1 per year totaling \$20**
7 **over the 20-year term to commence following Board approval.**

8
9 WHEREAS, The Federal Aviation Administration ("FAA"), is an agency of the United
10 States government and provides essential services to the San Francisco International
11 Airport ("Airport"), including operation of the Air Traffic Control Tower ("ATCT") and the
12 installation, operation and maintenance of air navigational instruments and aids on the
13 airfield necessary to ensure air safety; and

14 WHEREAS, The FAA has operated the existing ATCT at Terminal 2 since 1984,
15 pursuant to Federal Lease DOT-FA76WE-2703-A; and

16 WHEREAS, Due to seismic and structural deficiencies at the existing ATCT, the
17 Airport Commission, pursuant to Airport Commission Resolution No. 10-0267, adopted on
18 October 10, 2010, approved an Other Transaction Agreement ("OTA") between the Airport
19 and the FAA which defined the responsibilities for the development and funding of a
20 replacement ATCT and FAA offices (collectively, the "Integrated Facilities") located adjacent
21 to Terminal 2; and

22 WHEREAS, In accordance with the OTA, the Airport and the FAA have negotiated
23 Lease No. DTFAWN-15-L-00093 for approximately 41,960 square feet of space for the
24 Integrated Facilities with a term of twenty (20) years (the "Lease"); and
25

1 WHEREAS, In consideration for the FAA funding the Integrated Facilities, in the
2 amount of approximately \$77,000,000, the FAA will pay a nominal rent of \$1.00 per year;
3 and

4 WHEREAS, The Airport Commission approved Lease No. DTFAWN-15-L-00093 on
5 February 17, 2015, pursuant to Airport Commission Resolution No. 15-0049; and

6 WHEREAS, A copy of the Lease is on file with the Clerk of the Board of Supervisors
7 in File No. 150717, which is hereby declared to be a part of this resolution, as if set forth
8 fully herein; now, therefore, be it

9 RESOLVED, That this Board of Supervisors hereby approves and authorizes the
10 execution of Lease No. DTFAWN-15-L-00093 with the U.S. Government, acting by and
11 through the Federal Aviation Administration, and the City and County of San Francisco, acting
12 by and through its Airport Commission, with a term of 20 years for occupancy and operation of
13 the Integrated Facilities consisting of approximately 41,960 square feet of operational and
14 administrative space, and at a nominal rent of \$1.00 per year; and, be it

15 FURTHER RESOLVED, That within 30 days of this Lease being fully executed by all
16 parties, the Airport Commission shall provide the final Lease to the Clerk of the Board for
17 inclusion into the official file.

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<p>Item 7 File 15-0717</p>	<p>Department: San Francisco International Airport (Airport)</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution would approve a new lease between the San Francisco International Airport (Airport) and the Federal Aviation Administration (FAA) for the FAA to have operational and administrative space in the Replacement Air Traffic Control Tower at the Airport. The lease is for a twenty year term, expiring in 2035. Annual rent for the Air Traffic Control Tower is \$1, totaling \$20 for the 20-year lease term. In addition to \$1 annual rent, the FAA will pay the Airport for services, utilities, and maintenance in an amount of \$201,645 in the first year. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • Since 1984, the Airport has leased the Tower to the FAA to perform air traffic control and FAA related activities. The annual rent paid by FAA to the Airport is \$1. The lease expired on September 30, 2013 and has since been on holdover status; all lease provisions remained in place during the holdover period. • The Airport began construction of the Replacement Air Traffic Control Tower in 2012, which is scheduled to open in July 2016. The FAA reimbursed the Airport \$76,877,500 for the construction of the Replacement Air Traffic Control Tower. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The FAA will pay the Airport \$1 per year in rent for the leased space in the Replacement Air Traffic Control Tower. Rent of \$1 per year is in consideration of FAA’s reimbursement to the Airport of \$76,877,500 for construction of the Tower. • The total estimated annual payment to be made by FAA to the Airport is \$201,646, consisting of \$1 in rent and \$201,645 in services, utilities, and maintenance costs. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT

City Charter Section 9.118(c) states that any lease of real property for a period of ten years or more or that has revenue to the City of \$1 million or more is subject to Board of Supervisors approval.

BACKGROUND

The San Francisco International Airport (Airport) owns the Air Traffic Control Tower (Tower) located at Terminal 2 at the Airport. Since 1984, the Airport has leased the Tower to the Federal Aviation Administration (FAA) to perform air traffic control and FAA related activities. The annual rent paid by FAA to the Airport is \$1. The lease expired on September 30, 2013 and has since been on holdover status because the Replacement Air Traffic Control Tower had not yet been completed; all lease provisions remained in place during the holdover period.

Studies were conducted in 2005 and 2006 that concluded that the Tower was structurally deficient and that it was impractical and cost prohibitive to upgrade the tower. In 2010, the Airport and the FAA entered into an Other Transaction Agreement, in which the FAA agreed to reimburse the Airport for the costs to construct a Replacement Air Traffic Control Tower, in an amount not-to-exceed \$79,982,500¹. The Other Transaction Agreement was approved by the Board of Supervisors in September 2010 (File 10-1110).

The Replacement Air Traffic Control Tower began construction in 2012 and is scheduled to open in July 2016. The FAA reimbursed the Airport \$76,877,500 for the construction of the Replacement Air Traffic Control Tower. The new Tower will be owned by the Airport during the life of the Tower.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve a new lease between the Airport and the FAA for the FAA to have operational and administrative space in the Replacement Air Traffic Control Tower at the Airport. The lease is for a 20-year term, expiring in 2035. Annual rent for the Air Traffic Control Tower is \$1, totaling \$20 for the 20-year lease term. In addition to the \$1 annual rent, the FAA will pay the Airport for services, utilities, and maintenance in an amount of \$201,645. Table 1 below shows the key provisions of the proposed lease between the Airport and the FAA.

¹ The amount of reimbursement was reduced to \$76,877,500 pursuant to a supplemental agreement on October 29, 2013 to reflect purchase of certain equipment directly by the FAA.

Table 1: Key Lease Provisions for Lease between Airport and FAA

Permitted Use	Operational and administrative space for FAA.
Term	20 years
Annual Rent	\$1
Area	41,960 square feet
Annual services, utilities & maintenance paid by FAA to the Airport ²	\$201,645

The Airport reconciles services, utilities and maintenance costs annually. FAA will pay to the Airport any costs that exceed \$201,645 and will be reimbursed by the Airport if costs are less than \$201,645.

FISCAL IMPACT

The total estimated payment in the first year of the lease to be made by FAA to the Airport is \$201,646, consisting of \$1 in rent and \$201,645 in services, utilities, and maintenance costs.

The FAA will pay rent, services, utilities and maintenance to the Airport of an estimated \$4,032,920 over the 20 year lease term, based on first year payments. Actual rent, services, utilities and maintenance payments by the FAA to the Airport will be more or less than \$4,032,920 based on the Airport’s annual reconciliation of these costs, as noted above.

RECOMMENDATION

Approve the proposed resolution.

² Services, utilities, and maintenance include electricity, water and sewer, trash removal, ground maintenance, carpet replacement, and other such services.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0267

AUTHORIZATION FOR THE AIRPORT TO ENTER INTO AN OTHER TRANSACTION AGREEMENT WITH THE FEDERAL AVIATION ADMINISTRATION FOR THE REPLACEMENT AIRPORT TRAFFIC CONTROL TOWER AND FAA OFFICES, SUBJECT TO BOARD OF SUPERVISORS APPROVAL

- WHEREAS, in 2008, it was concluded that the existing Airport Traffic Control Tower (ATCT) at SFO required replacement due to significant seismic structural deficiencies; and
- WHEREAS, the Federal Aviation Administration (FAA), with the support of SFO, performed a siting study and determined that the preferred site for the Replacement ATCT was Courtyard 2; and
- WHEREAS, the Airport proposed to the FAA that the agencies should develop a partnership which provides for FAA oversight of the project, and assigns project management, design and construction responsibilities of the Replacement ATCT and integrated FAA Offices (FAA Facilities) to the Airport; and
- WHEREAS, in April, Staff was informed that the FAA was in agreement with SFO's proposal, and that they would like to begin immediately on forming this partnership and proceeding with implementation; and
- WHEREAS, FAA and SFO Staffs negotiated an Other Transaction Agreement (OTA), to define roles and responsibilities for the implementation, and develop a budget and funding plan for proceeding with the work; and
- WHEREAS, the FAA is committing to funding 100% of the costs for the FAA Facilities, either in advance with the existing appropriations, or as reimbursement from future appropriations; and
- WHEREAS, the FAA and SFO Staffs agreed to a total estimated cost of \$69,550,000 for the FAA Facilities, and the FAA limitation of funds provides for a total amount not to exceed \$79,982,500, which includes a budget for cost growth and changes; and
- WHEREAS, the FAA currently has \$21,970,000 in federal appropriations for the FAA Facilities, and will be submitting for future appropriations, as additional funding is required to continue with the project; and
- WHEREAS, the Airport will fund the Airport improvements and an allocation of the shared infrastructure and systems costs that reside within the footprint of, or are directly adjacent to, the FAA Facilities (Integrated Facility), and demolition of the old tower once the new tower is up and operating; and
- WHEREAS, on November 3, 1992 by Resolution No. 92-0284, the Commission approved the San Francisco International Airport Master Plan ("Master Plan"); and

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0267

- WHEREAS, the Master Plan was the subject of a Program Environmental Impact Report ("EIR") prepared by the City and County of San Francisco Office of Environmental Review ("OER") and certified by the San Francisco Planning Commission on May 28, 1992, all in accordance with the requirements of the California Environmental Quality Act, Cal. Public Resources Code Sec. 21000 et seq ("CEQA"); Title 14, Section 15000 et seq. of the Code of California Regulations ("CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code; and
- WHEREAS, the Terminal 2 /Boarding Area D Renovation and Terminal 1 Redevelopment Projects are included in the Master Plan, and are described generally in the Master Plan and analyzed in the EIR; and
- WHEREAS, the Courtyard 2 ATCT Relocation and Phase 1 of the Terminal 1 Redevelopment Project (also referred to as Integrated Facility) are modifications to the Terminal 2/Boarding Area D Renovation and Terminal 1 Redevelopment Projects; and
- WHEREAS, Section 15168 of the CEQA Guidelines requires subsequent activities in a program that are covered by a program EIR be examined in light of the program EIR to determine whether additional environmental documentation must be prepared; and
- WHEREAS, after reviewing the information regarding the Project, the Office of Major Environmental Analysis prepared an addendum to the Master Plan Program EIR, dated July 30, 2010, to address the changes to the Project to specifically evaluate the impacts of the modifications; and
- WHEREAS, the Office of Environmental Review has concluded that the Project, as modified from its description in the EIR, is within the scope of the Master Plan Program, that the environmental impacts of the Project have been adequately analyzed in the EIR, that the modifications to the Project would not cause new significant impacts not identified in the EIR, nor require new mitigation measures, and that no supplemental EIR or negative declaration is required; and
- WHEREAS, the Commission has reviewed and considered the information in the San Francisco International Airport Master Plan Final Environmental Impact Report (EIR) and the Master Plan Program EIR Addendum for the Courtyard 2 ATCT Relocation and Phase 1 of the Terminal 1 Redevelopment Project, dated July 30, 2010; and
- WHEREAS, the Airport will prepare an Environmental Assessment (EA) on FAA's behalf to ensure compliance with requirements set forth in the Council on Environmental Quality regulation for implementing the National Environmental Policy Act (NEPA); and
- WHEREAS, it is anticipated that EA will result in a Finding of No Significant Impact (FONSI), and the EA will be approved by the FAA; and

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0267

- WHEREAS, the OTA will remain in effect for five years or when the Airport's design-build contractor has completed the design and construction of the FAA Facilities, and the FAA has approved the facility; and
- WHEREAS, the Airport will allow in the schedule an additional one-year period for FAA engineering, installation, and other cut-over activities after the FAA has approved the facility; and
- WHEREAS, the Airport will remove the existing ATCT structure, as identified within the SFO Airport Traffic Control Tower Site Survey Final Report, within 60 days after the FAA removes it's equipment; and
- WHEREAS, the ATCT and Integrated Facility will be solely owned by the Airport and will be responsible for the maintenance, repair, and upkeep for the life of the building; and
- WHEREAS, the OTA requires the Airport and the FAA at the conclusion of this Agreement to have a separate lease agreement which will contain the FAA and Airport specific operational responsibilities; now, therefore be it:
- RESOLVED, that the Commission authorizes the Director to execute an Other Transaction Agreement with the Federal Aviation Administration for 100% reimbursement of the environmental assessment, design and construction of the Replacement Airport Traffic Control Tower and FAA Offices, not to exceed \$79,982,500, subject to Board of Supervisors approval.

Page 3 of 3

I hereby certify that the foregoing resolution was adopted by the Airport Commission
at its meeting of _____

AUG 03 2010

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Secretary



San Francisco International Airport

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

June 24, 2015

2015 JUN 30 PM 1:58

JB

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 Lease No. DTFAWN-15-L-00093 between the U.S. Government and the City and County of San Francisco for occupancy and operation of the replacement Air Traffic Control Tower by U.S. Government, acting by and through the Federal Aviation Administration, at the San Francisco International Airport

Dear Ms. Calvillo:

Pursuant to Section 9.118 of the City Charter, I am forwarding for the Board of Supervisors' approval, Lease No. DTFAWN-15-L-00093 (the "Lease") between the City and County of San Francisco, acting by and through its Airport Commission ("Airport"), and the U.S. Government, acting by and through the Federal Aviation Administration ("FAA"), for occupancy and operation of approximately 41,960 square feet of operational and administrative space in the replacement air traffic control tower ("ATCT") located adjacent to Terminal 2. The Lease was approved by Airport Commission Resolution No. 15-0049, adopted February 17, 2015.

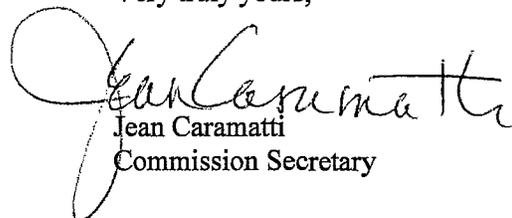
The Lease provides for a 20-year term at a nominal rent of \$1.00 per year, in consideration for the FAA's funding of the ATCT, in the amount of approximately \$77 million, pursuant to the Other Transaction Agreement, dated October 24, 2014.

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

- Board of Supervisors Resolution;
- Approved Airport Commission Resolution No. 15-0049;
- Commission Memorandum; and
- Lease No. DTFAWN-15-L-00093.

You may contact Cathy Widener, Governmental Affairs Manager, at (650) 821-5023 regarding this matter.

Very truly yours,


 Jean Caramatti
 Commission Secretary

Enclosures

cc: Cathy Widener

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

JOHN L. MARTIN
AIRPORT DIRECTOR

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AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO: 15-0049

APPROVAL OF LEASE NO. DTFAWN-15-L-00093 WITH THE U.S. GOVERNMENT FOR OCCUPANCY OF THE REPLACEMENT AIR TRAFFIC CONTROL TOWER AND ACCOMPANYING OFFICES BY THE FEDERAL AVIATION ADMINISTRATION, AND DIRECTING THE COMMISSION SECRETARY TO FORWARD THE LEASE TO THE BOARD OF SUPERVISORS FOR APPROVAL

WHEREAS, the Federal Aviation Administration (the "FAA"), an agency of the United States government, provides essential services to the San Francisco International Airport (the "Airport"), including operation of the air traffic control tower ("ATCT") and the installation, operation and maintenance of air navigational instruments and aids on the airfield necessary to ensure air safety; and

WHEREAS, the FAA has operated the current ATCT at Terminal 2 since 1984, pursuant to Federal Lease DOT-FA76WE-3702-A, which expired on September 30, 2013 and, thereafter, converted to hold over status; and

WHEREAS, the current ATCT has seismic, structural deficiencies and, therefore, on October 10, 2010, the Airport and the FAA entered into an Other Transaction Agreement ("OTA") pursuant to Resolution No. 10-0267, which defined the responsibilities for the development and funding of a replacement ATCT and FAA offices (the "Integrated Facilities") located adjacent to Terminal 2; and

WHEREAS, the FAA wishes to enter into a new lease for the Integrated Facilities located on Levels 1-12 of the replacement ATCT, including an agreement for the operation of the ATCT; and

WHEREAS, Airport and FAA staff have negotiated Lease No. DTFAWN-15-L-00093 for approximately 41,960 square feet of operational and administrative space in the Integrated Facilities (the "Lease"), with a term of twenty (20) years and a rent of \$1.00 per year, in consideration for the FAA's funding of the Integrated Facilities, in the amount of approximately \$77 million, in accordance with the OTA; now therefore, be it

RESOLVED, that the Airport Commission hereby approves Lease No. DTFAWN-15-L-00093 with the U.S. Government for approximately 41,960 square feet of operational and administrative space in the replacement air traffic control tower with a term of twenty (20) years and an annual rental of \$1.00, 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 Lease to the Board of Supervisors for approval.

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

at its meeting of _____

FEB 17 2015

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Jan Cammatti
Secretary



San Francisco International Airport

MEMORANDUM

February 17, 2015

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenlime
Hon. Peter A. Stern

FROM: Airport Director

SUBJECT: Approval of a Lease with the U.S. Government

DIRECTOR'S RECOMMENDATION: APPROVE LEASE NO. DTFAWN-15-L-00093 WITH THE U.S. GOVERNMENT FOR OCCUPANCY OF THE REPLACEMENT AIR TRAFFIC CONTROL TOWER AND ACCOMPANYING OFFICES BY THE FEDERAL AVIATION ADMINISTRATION, AND DIRECT THE COMMISSION SECRETARY TO FORWARD THE LEASE TO THE BOARD OF SUPERVISORS FOR APPROVAL.

Executive Summary

Pursuant to the proposed lease between the San Francisco International Airport (the "Airport") and the U.S. Government, the Federal Aviation Administration (the "FAA") wishes to continue to operate the air traffic control tower at the Airport from the newly constructed Air Traffic Control Tower (the "ATCT") and FAA offices (collectively, the "Integrated Facilities") located adjacent to Terminal 2. On or about April 28, 2015, the Airport will give possession of the Integrated Facilities to the FAA, pursuant to a proposed Federal Lease No. DTFAWN-15-L-00093 (the "Lease"), for commencement of a fit out period wherein the FAA will install its proprietary equipment and technology systems. The FAA will occupy approximately 41,960 square feet of operations and administrative space for a term of twenty (20) years and, in consideration for FAA funding of the Integrated Facilities, will pay a nominal rent of \$1.00 per year, with the FAA to reimburse the Airport for utility expenses.

Background

The FAA, an agency of the United States government, provides essential services to the Airport, including operation of the air traffic control tower, and the installation, operation and maintenance of air navigational instruments and aids on the airfield necessary to ensure air safety. The FAA has managed air traffic control operations from the existing Terminal 2 location since 1984, pursuant to Federal Lease DOT-FA76WE-2703-A, which lease is comprised of the facility lease and an operational agreement. The lease expired on September 30, 2013 and the FAA has continued to operate the ATCT, adhering to all the terms and conditions of the lease, on a hold over basis.

THIS PRINT COVERS CALENDAR ITEM NO. 13

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

JOHN L. MARTIN
AIRPORT DIRECTOR

The existing ATCT has significant seismic, structural deficiencies, and requires an upgrade, which was determined to be impracticable and cost prohibitive. Replacement of the tower was deemed necessary, and consequently, on October 10, 2010, pursuant to Resolution No. 10-0267, the Airport and the FAA entered into an Other Transaction Agreement ("OTA"), which defined the roles and responsibilities for the development of the replacement ATCT and FAA offices, including funding obligations. In consideration for the FAA funding of the Integrated Facilities, in the amount of approximately \$77 million, the OTA provided for an annual rent of \$1.00 and Airport maintenance of the Integrated Facilities. Ownership of the ATCT will vest in the Airport.

Upon completion of the Integrated Facilities, which is projected for April 28, 2015, the FAA will take possession of the Integrated Facilities to engineer, install and test standard FAA ATCT technology and systems, at no cost to the Airport, which is expected to take approximately eighteen (18) months.

Proposal

Airport staff has negotiated a Lease to accommodate the FAA's operational needs relating to the replacement ATCT under the following business terms:

1. **Lease Components.** A Facility Lease for the Integrated Facilities and an Operation Agreement for the ATCT operations.
2. **Approved Use.** Operation of the ATCT and ancillary functions.
3. **Premises.** Approximately 41,960 square feet of operational and administrative space situated on Levels 1-12 of the ATCT.
4. **Term.** Twenty (20) years.
5. **Cancellation.** The Government may terminate the Lease, in whole or in part, with ninety (90) days' written notice.
6. **Commencement Date.** On or about April 28, 2015.
7. **Annual Rent.** \$1.00 per year paid in arrears.
8. **Utilities Expenses.** The FAA shall reimburse the Airport for electricity and water/sewer services, at an estimated cost of \$201,645 per year, to be paid monthly in arrears. The Utilities Expenses shall be reconciled annually to determine the actual cost. If the actual cost exceeds, or falls below, \$150.00 of the projected cost for any given year, the FAA shall pay, or be repaid, for the variance over or under the \$150.00. The Utilities Expenses will then be reset for the ensuing year to be equal to the actual costs incurred during the prior year.
9. **Parking.** One hundred twelve (112) employee parking spaces in the Domestic Garage, Level 4.
10. **Maintenance Obligations.**
 - a) The Airport will maintain the Integrated Facilities at no cost to the FAA.
 - b) The FAA will maintain, refurbish and replace all standard FAA technical equipment and systems at no cost to the Airport.

As the FAA is a Federal agency, staff has requested exemptions from Chapters 12B and 12C (EBO) of the San Francisco Administrative Code by the Contract Monitoring Division, and Sections 12Q and 12P (HCAO and MCO, respectively) of the San Francisco Administrative Code by the Office of Labor Standards Enforcement.

Recommendation

I recommend adoption of the accompanying Resolution that approves Lease No. DTFAWN-15-L-00093 with the U. S. Government for the replacement air traffic control tower to be occupied by the Federal Aviation Administration, and directs the Commission Secretary to forward the Lease to the Board of Supervisors for approval.



John L. Martin
Airport Director

Prepared by: Leo Fermin
Chief Business and Finance Officer

Attachment

**LEASE FOR REAL PROPERTY
OF
A PORTION OF THE AIR TRAFFIC CONTROL TOWER
AT
SAN FRANCISCO INTERNATIONAL AIRPORT**

by and between

**CITY AND COUNTY OF SAN FRANCISCO
ACTING BY AND THROUGH ITS AIRPORT COMMISSION,
as Lessor**

and

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION,
as Government**

_____, 2015

Lease No. DTFAWN - 15 - L - 00093

Section 1	Space Lease
1	This Lease
2	Description
3	Term
4	Cancellation
5A	Base Rental
5B	Utilities Expenses
5B.i	Annual Reconciliation and Resetting of Utilities Expenses
5B.ii	Increases in Utilities Expenses
5B.iii	Decreases in Utilities Expenses
5C	Base Year Utilities Expenses
5D	Reconciliation Methodology
5E	Processing Major Replacements or Improvements
6	Services, Utilities and Maintenance
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7	Inspection
8	Damage by Fire or Other Casualty
9	Failure in Performance
10	Default by Lessor
11	Compliance with Applicable Laws
12	Delivery and Condition
13	Alterations
14	Accessibility
15	Changes
16	Officials Not to Benefit
17	Covenant Against Contingency Fees
18	Anti-Kickback
19	Contract Disputes
20	Examination of Records
21	Payment by Electronic Fund Transfer
22	System for Award Management – Real Property
23	Contractor Identification Number – Data Universal Numbering System (DUNS) Number – Real Property
24	Certification of Registration in System for Award Management (SAM)
25	Subordination, Nondisturbance and Attornment
26	Successors
27	Sublease
28	No Waiver
29	Integrated Agreement
30	Equal Opportunity
31	Affirmative Action for Special Disabled and Vietnam Era Veterans
32	Affirmative Action for Disabled Workers
33	Seismic Safety for Existing Buildings
34	Seismic Safety for New Construction
35	Labor Standards
36	City and Airport Requirements

Section 3	Closing
	Notices
	Exhibits and Attachments
	Exhibit A – Demised Premises
	Exhibit B – FAA Maintenance Obligations
	Attachment A – General Building Requirements
	Attachment B – Operation Agreement for Air Traffic Control Tower
	Attachment C – ABAAS Compliance Report
	Attachment D – Certification of Seismic Compliance
	Signature Block

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION**

LEASE FOR REAL PROPERTY

Lease No.: DTFAWN – 15 – L – 00093

Geographical Location: Air Traffic Control Tower at San Francisco, CA 94128

Section 1 – Space Lease

1. THIS LEASE, entered into by and between City and County of San Francisco, acting by and through its Airport Commission, whose interest in the property hereinafter described is that of OWNER, hereby referred to as LESSOR, and the United States of America, hereinafter referred to as the GOVERNMENT or the FAA.

WITNESSETH: The Parties hereto, and for the consideration hereinafter mentioned, covenant and agree as follows:

2. DESCRIPTION. LESSOR hereby leases to the GOVERNMENT the following described premises: That portion of the Air Traffic Control Tower (the “Tower” or “building”) consisting of approximately 41,190 square feet of space (the “leased premises” or “demised premises” or “premises”) as described in:

EXHIBIT “A” – DEMISED PREMISES

3. TERM. To have and to hold, for the term commencing on _____, 2015 (the “Commencement Date”) and continuing through _____, 2035 inclusive, PROVIDED that adequate appropriations are available from year to year for the payment of rentals. This Lease succeeds Lease Number DOT-FA76WE-3702-A, which expired on September 30, 2013. On the Commencement Date, the FAA will take possession of the Tower for the purpose of completing the fit out of the Tower with FAA equipment and technology to support formal commissioning of the Tower by the FAA (the “FAA Fit Out Period”). Such FAA Fit Out Period shall have a duration of not less than one (1) year. Upon commissioning of the Tower, the FAA shall commence full operation of the Tower.

4. CANCELLATION. The GOVERNMENT may terminate this Lease at any time on or after _____ 2016, in whole or in part, if the Real Estate Contracting Officer (“RECO”) determines that a termination is in the best interest of the GOVERNMENT, by giving at least ninety (90) days’ written notice to LESSOR. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

5A. **BASE RENTAL.** Whereas the FAA provided funds in the amount of approximately to and not to exceed \$76,877,500.00 for the construction of the Tower pursuant to the Other Transactions Agreement (“OTA”), executed by the City and County of San Francisco on October 5, 2010 and the Federal Aviation Administration on October 13, 2010, (and subsequently amended by Supplemental Lease Agreement #1, executed by the City and County of San Francisco on October 11, 2014 and the Federal Aviation Administration on October 29, 2014), and in consideration for the obligations assumed by the GOVERNMENT in its operation of the Tower in the leased premises, LESSOR and GOVERNMENT agree that Base Rent (the “**Rent**”), in the amount of **\$1.00 PER YEAR**, will be payable to LESSOR in arrears and will be due on the first workday of each year, without the submission of invoices or vouchers. Such payment is subject to available appropriations. Rent will be considered paid on the date a check is dated or an electronic funds transfer is made. Rent for a period of less than a year will be prorated. Checks will be made payable to: Airport Commission, San Francisco International Airport, P. O. Box 59753, Los Angeles, CA 90074-9753.

5B. **UTILITIES EXPENSES.** Subject to annual reconciliation and resetting as set forth below, services and utilities costs (the “**Utilities Expenses**”) in the amount of **\$16,803.75 PER MONTH** will be payable to LESSOR in arrears and will be due on the first workday of each month, without the submission of invoices or vouchers and subject to available appropriations. The Utilities Expenses will be considered paid on the date a check is dated or an electronic funds transfer is made. Utilities Expenses for a period of less than a month will be prorated. Checks will be made payable to: Airport Commission, San Francisco International Airport, P. O. Box 59753, Los Angeles, CA 90074-9753.

The Utilities Expenses, as set forth in Section 5C below, are based on LESSOR’S cost of services and utilities only. Except as otherwise provided in Section 6, maintenance costs are solely the responsibility of LESSOR, with such maintenance of the Tower to be provided in a prudent manner for the benefit of the FAA’s occupancy.

i) **ANNUAL RECONCILIATION AND RESETTING OF UTILITIES EXPENSES.** The parties agree that the Utilities Expenses shall be reset annually pursuant to a reconciliation of projected versus actual costs. During the second month following each fiscal year of the Term, LESSOR will notify the FAA of the actual costs of the prior year’s Utilities Expenses. In the event LESSOR’s Utilities Expenses for any one year period are over or under the total Utilities Expenses, all as attributable to the FAA’s occupancy of the subject Tower, the FAA shall pay or be repaid for the variance per the methodology described in Section 5D below. Based on the reconciliation and final determination of actual costs for each prior year, the Utilities Expenses for the forthcoming year will be re-set to equal the actual cost of the prior year.

The parties agree that for the purpose of aligning the reconciliation period of the projected versus actual Utilities Expenses with the GOVERNMENT’S fiscal year, which commences on October of each year, such initial reconciliation will be based on a partial year commencing on the Commencement Date and ending on September 30, 2015.

Thereafter, the annual reconciliations will be based on a full year of expenses commencing each October 1st.

ii) **INCREASES IN UTILITIES EXPENSES.** In the event the aggregate amount of LESSOR's Utilities Expenses increases for any given year, the FAA shall pay for the annual Utilities Expenses over the total amount of the costs for each respective year in accordance with Section 5D below.

iii) **DECREASES IN UTILITIES EXPENSES.** In the event the aggregate amount of LESSOR'S Utilities Expenses decreases for any given year, LESSOR shall repay the FAA for the annual Utilities Expenses that fell under the total amount of the costs for each respective year, in accordance with Section 5D below.

5C. **BASE YEAR UTILITIES EXPENSES.** The Utilities Expenses for this Lease are based on the cost of utilities estimated by LESSOR and, accordingly, both LESSOR and the FAA mutually agree that the costs set forth below are accurate estimates for the total Utilities Expenses for the first full year of the Term commencing on the Commencement Date ("Base Year"). The Base Year Utilities Expenses are estimated as follows:

Utilities (Electricity, Water/Sewer)	\$ 201,645.00
TOTAL ANNUAL BASE YEAR UTILITIES EXPENSES	\$ 201,645.00
TOTAL MONTHLY BASE YEAR UTILITIES EXPENSES	\$ 16,803.75

5D. **RECONCILIATION METHODOLOGY.** LESSOR will collect and document all Utilities Expenses incurred annually, to be completed during the second month following the end of each fiscal year as set forth in Section 5B above. LESSOR will deliver to the FAA a copy of the documentation which will show the actual costs of the categories described in Section 5C above. In the event the FAA elects to see copies of charges and payments for the items in each category, the FAA will request those items from LESSOR, and LESSOR will provide the copies within 45 days of the request.

i) In the event the total aggregate cost of all items exceed One Hundred Fifty Dollars (\$150.00) over the projected Utilities Expenses of \$201,645.00, as reset annually, then LESSOR will send the FAA a bill for those excess charges no later than 90 days after the commencement of each succeeding year. Upon receipt of the billing for any excess charges, the FAA will make one lump sum payment within 90 days.

ii) In the event the total aggregate costs of all items falls below the Utilities Expenses of \$201,645.00, as reset annually, in excess of One Hundred Fifty Dollars (\$150.00), then the FAA shall receive a credit for that overcharge no later than 90 days after receipt of the credit advisement from LESSOR. That credit shall be in the form of an EFT or check from LESSOR to the FAA.

5E. PROCESSING MAJOR REPLACEMENTS OR IMPROVEMENTS. It is understood that, separate from any increases in the utilities described in Sections (B) and (C) above, certain major replacements of facility equipment or faulty building components may be required in order for LESSOR to maintain and service the Tower in a prudent and efficient manner that serves the FAA's best interests. In the event major replacement of facility equipment or faulty building components is required, LESSOR, at its sole cost, without reimbursement from the GOVERNMENT, will process the administration and funding of major replacement. LESSOR shall commence the work, coordinate with the FAA, and upon completion, pay the cost thereof. When the installation of the major replacement or improvement is complete, LESSOR will inform the FAA.

An example of an equipment replacement would be if any component of the HVAC System is faulty and needs to be replaced, rather than repaired; and an example of a replacement of a building component would be if the existing roof is faulty to the extent a new roof is required. It is also understood that the cost of any such replacement will be considered a maintenance cost for which LESSOR is solely responsible. All required maintenance shall be coordinated with the FAA. LESSOR will first send written notification to the FAA Tower Manager, JOHN DOE (or his successor), with instructions as to whom the FAA should contact in LESSOR's office.

The determination as to if the equipment or building components need to be replaced will be at LESSOR's discretion; however, LESSOR will make a reasonable determination based on the condition and effectiveness of the equipment or building components that may need replacing, and/or based on future repairs within the next three years costing more than new equipment or new building components of the subject Tower. In the event LESSOR determines new equipment or building components are needed, LESSOR will discuss the matter with the FAA (including the RECO and the Oakland/Golden Gate SSC Manager at (510) 383-9835) and LESSOR will select the best valued installation of the equipment or building components from several bidders, based on a reasonable combination of quality and cost, and the installation will be conditioned upon LESSOR obtaining the RECO's written approval of the selection (such approval shall not be unreasonably withheld).

6. SERVICES, UTILITIES AND MAINTENANCE. LESSOR shall maintain the demised premises, including the building, grounds, and all equipment, fixtures, and appurtenances furnished by LESSOR under this Lease, in good repair and tenantable condition, unless the level of service is prescribed elsewhere in the Lease. LESSOR shall have access to the demised premises for such purposes in accordance with Subsection 6(i) below. Services and maintenance will be provided daily, extending from 6:00 a.m. to 6:00 p.m., except Saturday, Sunday, and Federal holidays. Utilities shall be provided 24 hours a day and 7 days a week. The GOVERNMENT shall have access to the leased premises at all times, including the use of electricity, water/sewer, toilets, lights, and elevators without additional payment. LESSOR shall provide the following:

HEAT - 68 to 72 DEG. F

HVAC –68 to 72 DEG. F **Cooling: 68 +/- 1.5 DEG. F. for Rooms 207, 208, 210, 211, 1002, 1103 Relative Humidity 35 % to 60 % Range. The set point will be established by electronic equipment requirements.**

ELECTRICITY

SPECIAL POWER – NOTED BELOW

WATER (hot & cold)

SNOW REMOVAL

TRASH REMOVAL – Trash will be removed from external dumpster only; no internal trash collection is to be provided.

GROUND MAINTENANCE

WINDOW WASHING - FAA will clean all interior windows and the exterior windows of the Cab. LESSOR will clean all exterior windows except of the Cab.

INITIAL & REPLACEMENT LAMPS, TUBES, & BALLASTS

PAINTING (Premises) – Frequency every 5 years

PAINTING (Public Areas) – Frequency every 5 years

EXTERIOR & INTERIOR DOOR LOCKS AND HARDWARE – See Attachment A Paragraph A3 Doors.

CARPET REPLACEMENT – Frequency every 7 years or when the following happens:

- 1) Backing or underlayment is exposed; or
- 2) Noticeable variations in surface color or texture develop

Carpet replacement includes moving and return of furniture when replacing carpeting.

Notwithstanding the foregoing, the GOVERNMENT shall maintain all FAA provided technical equipment and provide certain services to the leased premises in accordance with Exhibit B of the Lease.

i) Notice Requirements – Access for Maintenance

SFO Maintained Equipment. LESSOR will contact the FAA Systems Operations Center at (877) 877-6629 at least 24 hours prior to entering the Premises to perform scheduled and routine maintenance. LESSOR will make best efforts to advise the FAA Systems Operations Center at (877) 877-6629 prior to entering the Premises when emergency access is required.

FAA Engine Generator. FAA will contact the SFO Duty Manager Office at (650) 821-5222 at least 48 hours prior to any planned outage of the FAA engine generator. FAA will contact the SFO Duty Manager Office at (650) 821-5222 as soon as it becomes aware of an unscheduled FAA engine generator outage. Upon receipt of such notice, LESSOR shall notify the San Francisco Fire Department, Airport Division, of any planned or unscheduled FAA engine generator outages.

Section 2 – General Clauses

7. **INSPECTION.** The GOVERNMENT reserves the right, at any time after the Lease is signed and during the term of the Lease, to inspect the leased premises and all other areas of the building to which access is necessary to ensure a safe and healthy work environment for the GOVERNMENT tenants and LESSOR's performance under this Lease. The GOVERNMENT shall have the right to perform sampling of suspected hazardous conditions at its own cost and expense and shall restore any damage occasioned by such work.

8. **DAMAGE BY FIRE OR OTHER CASUALTY.** If the building or structure is partially or totally destroyed or damaged by fire or other casualty or if environmentally hazardous conditions are found to exist so that the leased premises is untenable as determined by the GOVERNMENT, the GOVERNMENT may terminate the Lease, in whole or in part, immediately by giving written notice to LESSOR and no further rental will be due. If GOVERNMENT does not terminate the Lease and LESSOR elects to restore the premises following such event, GOVERNMENT shall, at GOVERNMENT's expense, restore FAA equipment and technology necessary to operate the Tower.

9. **FAILURE IN PERFORMANCE (10/96).** In the event LESSOR fails to perform any service, to provide any item, or meet any requirement of this Lease, the GOVERNMENT may perform the service, provide the item, or meet the requirement, either directly or through a contract. The GOVERNMENT may deduct any costs incurred for the service or item, including administrative costs, from the Utilities Expenses payments, provided, however, the GOVERNMENT gives notice to LESSOR of the failure and provides LESSOR 30 days to cure such failure. No deduction of Utilities Expenses pursuant to this clause shall constitute default by the GOVERNMENT on this Lease.

10. **DEFAULT BY LESSOR.** (1) Each of the following shall constitute a default by LESSOR under this Lease: (a) if LESSOR fails to perform the work required to deliver the leased premises ready for occupancy by the GOVERNMENT with such diligence as will ensure delivery of the leased premises within the time required by the lease agreement, or any extension of the specified time, (b) 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 such failure, which shall remain uncured for a reasonable period of time as specified by the Real Estate Contracting Officer, following LESSOR's receipt of written notice thereof from the Real Estate Contracting Officer, (c) repeated failure by LESSOR to comply with one or more requirements of this Lease shall constitute a default notwithstanding that one or all failures shall have been timely cured pursuant to this clause; and (2) if default occurs, the GOVERNMENT may, by written notice to LESSOR, terminate the Lease in whole or in part.

11. **COMPLIANCE WITH APPLICABLE LAWS (10/96).** LESSOR shall comply with all federal, state and local laws applicable to LESSOR as owner or LESSOR, or

both, of 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. This Lease shall be governed by Federal law.

12. DELIVERY AND CONDITION (10/96). Unless the GOVERNMENT elects to have the space occupied in increments, the space must be delivered ready for occupancy as a complete unit. The GOVERNMENT reserves the right to determine when the space is ready to occupy, consistent with provisions of the aforementioned OTA.

13. ALTERATIONS (10/96). 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 remains the property of the GOVERNMENT and may be removed or otherwise disposed of by the GOVERNMENT subject to LESSOR's approval not to be unreasonably withheld. The Parties hereto mutually agreed and understood, that no restoration rights shall accrue to LESSOR for any alterations to the leased premises under this Lease, and that the GOVERNMENT shall have the option of abandoning alterations in place, when terminating the Lease, at no additional cost.

14. ACCESSIBILITY (10/06). The building and the leased premises shall be accessible to persons with disabilities pursuant to the Architectural Barriers Act and Rehabilitation Act as detailed in the Architectural Barriers Act Accessibility Standards (ABAAS) 41 CFR Parts 102-71, 102-72, et.al and all applicable state and local accessibility laws and regulations.

The Federal Government is required to comply with all aspects of the Architectural Barriers Act Accessibility Standards (ABAAS) 41 CFR Parts 102-71, 102-72, et al. Any cost associated with compliance with ABAAS will be paid by the GOVERNMENT as an additional major maintenance/repair cost in the same manner as increases in Services and Utility Expenses as set forth under Section 5B.

15. CHANGES (8/02).

1) The Real Estate Contracting Officer may at any time, by written order, make changes within the general scope of this Lease in any one or more of the following:

Work or services;
Facilities or space layout; or
Amount of space, provided LESSOR consents to the change.

2) If any such change causes an increase or decrease in LESSOR's cost of or the time required for performance under this Lease, whether or not changed by the order, the Real Estate Contracting Officer shall modify this Lease to provide for one or more of the following:

- (a) An equitable adjustment in the rent;
- (b) A lump sum equitable adjustment; or
- (c) An equitable adjustment of the annual Utilities Expenses per occupiable square foot.

3) LESSOR shall assert its right to an adjustment under this clause within 30 days from the date of receipt of the change order and shall submit a proposal for adjustment. Failure to agree to any adjustment shall be a dispute under the Protest and Disputes clause. However, nothing in this clause shall excuse LESSOR from proceeding with the change as directed.

4) Absent such written change order, the GOVERNMENT shall not be liable to LESSOR under this clause.

16. OFFICIALS NOT TO BENEFIT (10/96). No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit arising from it. However, this clause does not apply to this contract to the extent that this contract is made with a corporation for the corporation's general benefit.

17. COVENANT AGAINST CONTINGENT FEES (8/02). LESSOR 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.

18. ANTI-KICKBACK (10/96). The Anti-Kickback Act of 1986 (41 U.S.C. 51-58) (the Act), prohibits any person from (1) Providing or attempting to provide or offering to provide any kickback; (2) Soliciting, accepting, or attempting to accept any kickback; or (3) Including, directly or indirectly, the amount of any kickback in the contract price charged by a prime Contractor to the United States or in the contract price charged by a subcontractor to a prime Contractor or higher tier subcontractor.

19. CONTRACT DISPUTES (11/03).

(a) All contract disputes and arising under or related to this Lease contract shall be resolved through the Federal Aviation Administration (FAA) dispute resolution system at the Office of Dispute Resolution for Acquisition (ODRA) and shall be governed by the procedures set forth in 14 C.F.R. Parts 14 and 17, which are hereby incorporated by reference. Judicial review, where available, will be in accordance with 49 U.S.C. 46110 and shall apply only to final agency decisions. A LESSOR may seek review of a final FAA decision only after its administrative remedies have been exhausted.

(b) All Contract Disputes shall be in writing and shall be filed at the following address:

Office of Dispute Resolution for Acquisition, AGC-70,
Federal Aviation Administration
800 Independence Avenue, S.W., Room 323
Washington, DC 20591
Telephone: (202) 267-3290
Facsimile: (202) 267-3720

(c) A contract dispute against the FAA shall be filed with the ODRA within two (2) years of the accrual of the lease contract claim involved. A contract dispute is considered to be filed on the date it is received by the ODRA. The full text of the Contract Disputes clause is incorporated by reference. Upon request the full text will be provided by the Real Estate Contracting Officer.

20. EXAMINATION OF RECORDS (8/02) - The Comptroller General of the United States, the Administrator of FAA or a duly authorized representative from either shall, until 3 years after final payment under this contract have access to and the right to examine any of the LESSOR's directly pertinent books, documents, paper, or other records involving transactions related to this contract.

21. PAYMENT BY ELECTRONIC FUND TRANSFER (JAN-13).

(a) Method of payment.

1. All payments by the GOVERNMENT under this contract will be made by electronic funds transfer (EFT), except as provided in paragraph (a) (2) or (a) (3) of this Lease. As used in this clause, the term "EFT" refers to the funds transfer and may also include the payment information transfer. Payment information transfer refers to the payment information normally sent with a payment to assist LESSOR in associating the payment to specific contracts.

2. In the event the GOVERNMENT is unable to release one or more payments by EFT, LESSOR agrees to either;

- a. Accept payment by check or
- b. Request the GOVERNMENT to extend the payment due date until such time as the GOVERNMENT can make payment by EFT (but see paragraph (d) of this clause).

3. In the event that LESSOR is granted a waiver from EFT under the exceptions as provided for in FAA AMS Section T3.3.1.A-3, the GOVERNMENT payments will be made by check. A waiver from EFT is not permanent, and LESSOR must register for EFT when the circumstances that justified the waiver change.

(b) LESSOR's EFT information. The GOVERNMENT will make payment to LESSOR using the EFT information contained in the System for Award Management (SAM) database. In the event that the EFT information changes, LESSOR will be responsible for providing the updated information to the SAM database (Reference Clause, "System for Award Management - Real Property"). If LESSOR is granted an exemption from SAM, LESSOR will follow the requirements of alternate clause "Contractor Payment Information - Non-SAM".

(c) Mechanisms for EFT payment. The GOVERNMENT may make payment by EFT through either the Automated Clearing House (ACH) network, subject to the rules of the National Automated Clearing House Association, or the Fedwire Transfer System. The rules governing Federal payments through the ACH are contained in 31 CFR Part 210.

(d) Suspension of payment. If LESSOR's EFT information in the SAM database is incorrect, then the GOVERNMENT is not required to make payments to LESSOR under this contract until correct EFT information is entered into the SAM database, and any invoice or contract financing request submitted during this period of noncompliance will be deemed not to be a proper invoice for the purpose of prompt payment under this contract. In such instances, the late interest payment terms of the contract regarding notice of an improper invoice and delays in accrual of interest penalties apply.

(e) Liability for incomplete or erroneous transfers.

1. If an incomplete or erroneous transfer occurs because the GOVERNMENT used LESSOR's EFT information incorrectly, the GOVERNMENT remains responsible for,

- (i) Making a correct payment;
- (ii) Paying any late payment penalty due; and
- (iii) Recovering any erroneously directed funds.

2. If an incomplete or erroneous transfer occurs because LESSOR's EFT information was incorrect, or was revised within 30 days of the GOVERNMENT'S release of the EFT payment transaction instruction to the Federal Reserve System, and,

- (i) If the funds are no longer under the control of the payment office, the GOVERNMENT is deemed to have made payment and LESSOR is responsible for recovery of any erroneously directed funds; or
- (ii) If the funds remain under the control of the payment office, the GOVERNMENT will make payment under the provisions of paragraph (d) "Suspension of Payment."

(f) EFT and payment terms. A payment will be deemed to have been made in a timely manner in accordance with the payment terms of this contract if, in the EFT payment transaction instruction released to the Federal Reserve System, the date specified for settlement of the payment is on or before the payment due date, provided the specified payment date is a valid date under the rules of the Federal Reserve System.

(g) EFT and assignment of claims. If LESSOR assigns the proceeds of this contract, as provided for in the assignment of claims terms of this contract, LESSOR will require that the assignee register separately in the SAM database and that the assignee agree that payments will be made by EFT in accordance with the terms of this clause. The requirements of this clause will apply to the assignee as if it were LESSOR. EFT information that shows the ultimate recipient of the transfer to be other than LESSOR or the SAM registered assignee is incorrect EFT information within the meaning of paragraph (d) "Suspension of Payment" clause.

(h) EFT and Change of Name or Ownership Changes. If LESSOR transfers ownership of the property under lease or changes its business name, it will follow the requirements of section (g) of clause, "System for Award Management - Real Property."

(i) Liability for change of EFT information by financial agent. The Government is not liable for errors resulting from changes to EFT information made by LESSOR'S financial agent.

(j) Payment information. The accounting office will forward to LESSOR available payment information that is suitable for transmission as of the date of release of the EFT instruction to the Federal Reserve System. The GOVERNMENT may request LESSOR to designate a desired format and method(s) for delivery of payment information from a list of formats and methods the payment office is capable of executing. However, the GOVERNMENT does not guarantee that any particular format or method of delivery is available at any particular payment office and retains the latitude to use the format and delivery method most convenient to the GOVERNMENT. If the GOVERNMENT makes payment by check in accordance with paragraph (a) of this clause, the GOVERNMENT will mail the payment information to the remittance address contained in the contract and SAM database.

22. SYSTEM FOR AWARD MANAGEMENT – REAL PROPERTY (JAN-13).

The FAA uses the System for Award Management (SAM) system as the primary means to maintain Contractor information required for payment under any FAA contract.

(a) Definitions. As used in this clause for:

(1) "SAM database" means the primary Government repository for Contractor information required for the conduct of business with the GOVERNMENT.

(2) "Contractor" is synonymous with "LESSOR" for real property leases or other contracts.

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

(4) "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 SAM records for identifying alternative Electronic Funds Transfer (EFT) accounts for the same parent concern.

(5) "Registered in the SAM database" means that the Contractor has entered all mandatory information, including the DUNS number or the DUNS+4 number, into the SAM database.

(b) LESSOR is responsible for the accuracy and completeness of the data within the SAM database, and for any liability resulting from the GOVERNMENT's reliance on inaccurate or incomplete data. To remain registered in the SAM database LESSOR is required to review and update, on an annual basis from the date of initial registration or subsequent updates, its information in the SAM database to ensure it is current, accurate and complete. Updating information in the SAM does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.

(c) Changes

(1) Name or Ownership Changes

(i) If a LESSOR 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, LESSOR will provide the responsible Contracting Officer a minimum of one business day's written notification of its intention to:

- a) Change the name in the SAM database;
- b) Agree in writing to the timeline and procedures the Contracting Officer specifies to document the requested change in the contract. With notification, LESSOR will provide sufficient documentation to support the legally changed name then execute the appropriate supplemental agreement to document the name change provided by the Contracting Officer.

(ii) LESSOR'S entry of the name/ownership change in SAM does not relieve LESSOR of responsibility to provide proper notice of the name change to the Contracting Officer. The change in SAM cannot be made effective until the appropriate documentation/ supplemental agreement is executed by the Contracting Officer. Any discrepancy in payee information in SAM caused by a failure to fulfill the requirements

specified in paragraph (g)(1) (i) above, will result in a discrepancy that is incorrect information, within the meaning of paragraph (d) Suspension of Payment of the electronic funds transfer (EFT) clause of this contract.

(2) Assignment of Claims. LESSOR will not change the name or address for EFT payments in the SAM or manual payments to reflect an assignee. Assignees must separately register in the SAM database. LESSOR will notify the Contracting Officer and will comply with the instructions for submitting an Assignment of Claims notification. Information provided to LESSOR's SAM record that indicates payments, including those made by EFT, to an ultimate recipient other than that LESSOR, without proper notice to the Contracting Officer, will be considered to be incorrect information within the meaning of the paragraph (d) "Suspension of payment" of the EFT clause of this contract.

(d) Exceptions to SAM. As provided for in AMS Procurement Toolbox Section T3.3.1.A-4, "System for Award Management," certain lessors may qualify by limited exceptions to SAM waiver. If a lessor is determined by the Contracting Officer to merit justification of a waiver from SAM, then the contractor will provide initial payment information and any future vendor information changes to the Contracting Officer on the "Vendor Miscellaneous Payment Information" form, provided by the Contracting Officer. An alternate clause, "Contractor Payment Information-Non SAM" will be included in the contract and LESSOR will comply with the terms of that clause. Having an exception from SAM does not excuse a vendor from EFT payment requirements, as required in the clause, "Payment by Electronic Fund Transfer - Real Property."

(e) Lessors may obtain information on registration and annual confirmation requirements via the internet at <http://www.sam.gov> or by calling 866-606-8220.

23. CONTRACTOR IDENTIFICATION NUMBER – DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER – REAL PROPERTY (JAN-13).

(a) Definitions. As used in this clause:

"Contractor Identification Number," as used in this provision, means "Data Universal Numbering System (DUNS) number, which is a nine-digit number assigned by Dun and Bradstreet Information Services, to identify unique business entities (taken from SAM clause)

"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 SAM records for identifying alternative Electronic Fund Transfer.

(b) Contractor identification is essential for receiving payment and complying with statutory contract reporting requirements. Therefore, the offeror will provide its DUNS or DUNS+4 number below. The DUNS number will be used by the Contracting Officer

to verify that the offeror is registered in the SAM database.
DUNS OR DUNS+4 NUMBER: 046004081

(c) If the offeror does not have a DUNS number, he should contact Dun and Bradstreet at 1-866-705-5711, or via the internet at <http://www.dnb.com> directly to obtain one. Detailed requirements for obtaining a DUNS number is contained in Paragraph (c) of clause "System for Award Management-Real Property".

24. CERTIFICATION OF REGISTRATION IN SYSTEM FOR AWARD MANAGEMENT (SAM) (JAN-13)

(a) In accordance with clause, "System for Award Management-Real Property", and by submission of this offer, the offeror certifies that they are registered in the SAM Database and have entered all mandatory information including the DUNS or DUNS+4 Number required in clause, "Contractor Identification Number-Data Universal Numbering System (DUNS) Number - Real Property".

(b) _____
Signature of Offeror Date

25. SUBORDINATION, NONDISTURBANCE AND ATTORNMENT (10/96).
The GOVERNMENT agrees, in consideration of the warranties herein expressed, that this Lease is subject and subordinate to any and all recorded deeds of trust, mortgages, and other security instruments now or hereafter imposed upon the premises, so long as such subordination shall not interfere with any right of the GOVERNMENT under this Lease. The Parties hereto mutually agreed that this subordination shall be self-operative and that no further instrument shall be required to effect said subordination.

In the event of any sale of the premises, or any portion thereof, or any such transfer of ownership, by foreclosure of the lien of any such security instrument, or deed provided in lieu of foreclosure, the GOVERNMENT will be deemed to have attorned to any purchaser, successor, assigns, or transferee. The succeeding owner will be deemed to have assumed all rights and obligations of LESSOR under this Lease, establishing direct privity of estate and contract between the GOVERNMENT and said purchasers/transferees, with the same force, effect and relative priority in time and right as if the Lease had initially been entered into between such purchasers or transferees and the GOVERNMENT; provided that such transferees shall promptly provide, following such sale or transfer, appropriate documentation deemed necessary by the Real Estate Contracting Officer, and shall promptly execute any instrument, or other writings, as shall be deemed necessary to document the change in ownership.

26. SUCCESSORS. The terms and provisions of this Lease and the conditions herein bind the parties' respective heirs, executors, administrators, successors, and assigns.

27. SUBLEASE (10/96). The GOVERNMENT reserves the right to sublease the space covered under this Lease to another agency or private party. In subleasing this space to another party the GOVERNMENT is not relieved from its responsibilities under

the terms of this Lease, unless otherwise agreed upon with LESSOR. LESSOR shall have the right to approve the sublease, which approval shall not be unreasonably withheld or delayed.

28. NO WAIVER. No failure by the parties to insist upon strict performance of any provision of this Lease, or failure to exercise any right, or remedy consequent to a breach thereof, shall constitute a waiver of any such breach in the future.

29. INTEGRATED AGREEMENT (10/96). This Lease, upon execution, contains the entire agreement of the parties, and no prior written or oral agreement, express or implied shall be admissible to contradict the provisions of this Lease.

30. EQUAL OPPORTUNITY (10/96). LESSOR shall have on file affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2).

31. AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND VIETNAM ERA VETERANS (10/96). LESSOR agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor (Secretary) issued under the Vietnam Era Veterans' Readjustment Assistance Act of 1972 (the Act), as amended. If LESSOR does not comply with the requirements of this clause, appropriate actions may be taken under the rules, regulations, and relevant orders of the Secretary issued pursuant to the Act.

32. AFFIRMATIVE ACTION FOR DISABLED WORKERS (10/96). LESSOR agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor (Secretary) issued under the Rehabilitation Act of 1973 (29 USC 793) (the Act), as amended. If LESSOR does not comply with the requirements of this clause, appropriate actions may be taken under the rules, regulations, and relevant orders of the Secretary issued pursuant to the Act.

33. SEISMIC SAFETY FOR EXISTING BUILDINGS (10/12). All existing buildings leased by the GOVERNMENT under this contract must meet the minimum acceptable performance seismic standard of 'Life Safety' as specified in Section 2.2 of Standards of Seismic Safety for Existing Federally Owned or Leased Buildings and Commentary issued by the Interagency Committee on Seismic Safety in Construction as ICSSC RP-8, Seismic Standards for Existing Federally Owned and Leased Buildings, Dec 2011. RP-8 is available on-line at http://www.wbdg.org/ccb/NIST/nist_gcr11_917_12.pdf and is available in print from the National Institute of Standards and Technology as NISTIR GCR 11-917-12. All offers received in response to screening information request will be evaluated to determine whether they are in compliance with "Life Safety". If at least one offeror is fully compliant, all offerors who are not fully compliant will be considered non-responsive and ineligible for award. In the event a building with a certification of seismic compliance is occupied by the GOVERNMENT and is later determined to not meet the standard indicated on the certification form, the GOVERNMENT at its discretion may require LESSOR to meet the agreed upon standard or may terminate this Lease upon giving

written notice, with no cost accruing to the GOVERNMENT, notwithstanding any other agreements contained in this Lease.

(a) COMPLIANCE with LIFE SAFETY. The offeror shall provide proof of compliance in the form of a written certification by an independent licensed structural engineer that the building was designed, built and maintained to the requirements of RP-8. The structural engineer certification shall be in the format of the enclosed CERTIFICATION OF SEISMIC COMPLIANCE. If the building cannot be certified in accordance with RP-8, the structural engineer must evaluate the building using the American Society for Civil Engineers (ASCE) 31-03, Seismic Evaluation of Existing Buildings and attach the evaluation to the Certification of Seismic Compliance. Buildings meeting the requirements of ASCE 31-03 using a safety objective of 'Life Safety' are considered to meet the GOVERNMENT'S requirement.

(b) LESS THAN LIFE SAFETY. Existing buildings, which cannot achieve life safety, will require documentation by an independent licensed structural engineer to describe the actual level of seismic compliance.

In the event a building with a certification of seismic compliance is occupied by the GOVERNMENT and is later determined to not meet the standard indicated on the certification form, the GOVERNMENT at its discretion may require LESSOR to meet the agreed upon standard or may terminate this Lease upon giving written notice, with no cost accruing to the GOVERNMENT, notwithstanding any other agreements contained in this Lease.

34. SEISMIC SAFETY FOR NEW CONSTRUCTION (1/07). If an Offeror proposes to meet the GOVERNMENT's requirement by New Construction, or by a Major Renovation to an existing building, then all construction performed under this contract must, as a minimum, be in accordance with the current edition of the International Building Code (IBC). For purposes of this provision, a "Major Renovation" is a renovation where the cost of the project will be more than fifty percent (50%) of the replacement value of the building as of the date of project commencement. Local seismic building codes may be used in place of IBC if, and only if, they provide a higher level of occupant safety. LESSOR shall provide, prior to the GOVERNMENT'S acceptance of the building(s) OR SPACE, a written certification from an independent licensed structural engineer that the building(s) conforms to this requirement. The structural engineer certification shall be in the format of the enclosed CERTIFICATION OF SEISMIC COMPLIANCE. When a code equivalency study is required, it shall be attached to the structural engineer's certification. During the design and development stages of construction, all design and engineering documents, including structural engineering calculations shall be made available within twenty-four hours, after a verbal request from GOVERNMENT personnel to review said documents, or in another time frame agreed to in writing by the Real Estate Contracting Officer.

The sole purpose of this clause is to require LESSOR to certify that the end product of any renovation or alteration described in this provision meets the seismic standards of the

National Earthquake Hazard Reduction Program (NEHRP), Interagency Committee for Seismic Safety in Construction (ICSSC) Recommended Practice (RP) 8. This clause does not in any way change the requirements of the statement of work, which may require seismic standards higher than those required by this clause.

In the event a building with a certification of seismic compliance is occupied by the GOVERNMENT and is later determined to not meet the standard indicated on the form "Certification of Seismic Compliance Form", the GOVERNMENT at its discretion may require LESSOR to meet the agreed upon standard or may terminate this Lease upon giving written notice, with no cost accruing to the GOVERNMENT, notwithstanding any other agreements contained in this Lease.

35. LABOR STANDARDS (6/09). By signing this Lease, LESSOR certifies to the Real Estate Contracting Officer that all laborers and mechanics employed or working upon the leased premises will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between LESSOR and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (d) of this clause; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period are deemed to be constructively made or incurred during such period. Such laborers and mechanics shall be paid not less than the appropriate wage rate and fringe benefits in the wage determination for the classification of work actually performed, without regard to skill, except as provided in the clause titled "Apprentices, Trainees, and Helpers." Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein; provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classifications and wage rates conformed under paragraph (b) of this clause) and the Davis-Bacon poster (WH-1321) shall be posted at all times by LESSOR and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

36. CITY AND AIRPORT REQUIREMENTS

(a) No Advertising. GOVERNMENT shall have no right to conduct any advertising or promotional activities at the premises or the Airport.

(b) Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Solicitations, and all other records of communications between City and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

(c) Notification of Limitations on Contributions. GOVERNMENT acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City of San Francisco for the leasing of any building from the City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for such contract until the termination of negotiations for such contract or three (3) months has elapsed from the date the contract is approved by the City elective officer, or the board on which that City elective officer serves.

(d) Drug-Free Workplace Policy. GOVERNMENT acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited on City premises. GOVERNMENT agrees that any violation of this prohibition by FAA, its employees, agents or assigns shall be deemed a material breach of this Agreement.

(e) Airport Intellectual Property. Pursuant to Resolution No. 01-0118, adopted by the Airport Commission on April 18, 2001, the Airport Commission affirmed that it will not tolerate the unauthorized use of its intellectual property, including the SFO logo, CADD designs, and copyrighted publications. All proposers, bidders, contractors, tenants, permittees, and others doing business with or at the Airport (including subcontractors and subtenants) may not use the Airport intellectual property, or any intellectual property confusingly similar to the Airport intellectual property, without the Airport Director's prior consent.

Section 3 - Closing

NOTICES. All notices/correspondence shall be in writing, reference the Lease number, and be addressed as follows:

CITY AND COUNTY OF SAN FRANCISCO,
acting by and through its Airport Commission
ATTN: Airport Director
San Francisco International Airport
P.O. Box 8097

San Francisco, CA 94128

FEDERAL AVIATION ADMINISTRATION

ATTN: Real Estate, ANM-53

1601 Lind Avenue SW

Renton, WA 98057-3356

EXHIBITS AND ATTACHMENTS. The documents referenced below are incorporated into the Lease by this reference. Should any discrepancy exist between the terms of the Lease and the terms of the Exhibits or Attachments, the terms of the Lease shall govern.

Exhibit A – Demised Premises

Exhibit B – FAA Maintenance Obligations

Attachment A – General Building Requirements

Attachment B – Operation Agreement for Airport Traffic Control Tower

Attachment C – ABAAS Compliance Report

Attachment D – Certification of Seismic Compliance

IN WITNESS WHEREOF, the parties hereto have signed their names:

9a. NAME AND TITLE OF OWNER City and County of San Francisco, acting by and through its Airport Commission	9b. SIGNATURE OF OWNER	9c. DATE
THIS DOCUMENT IS NOT BINDING ON THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNLESS SIGNED BELOW BY AUTHORIZED CONTRACTING OFFICER.		
10a. NAME OF REAL ESTATE CONTRACTING OFFICER <i>(Type or Print)</i>	10b. SIGNATURE OF REAL ESTATE CONTRACTING OFFICER	10c. DATE

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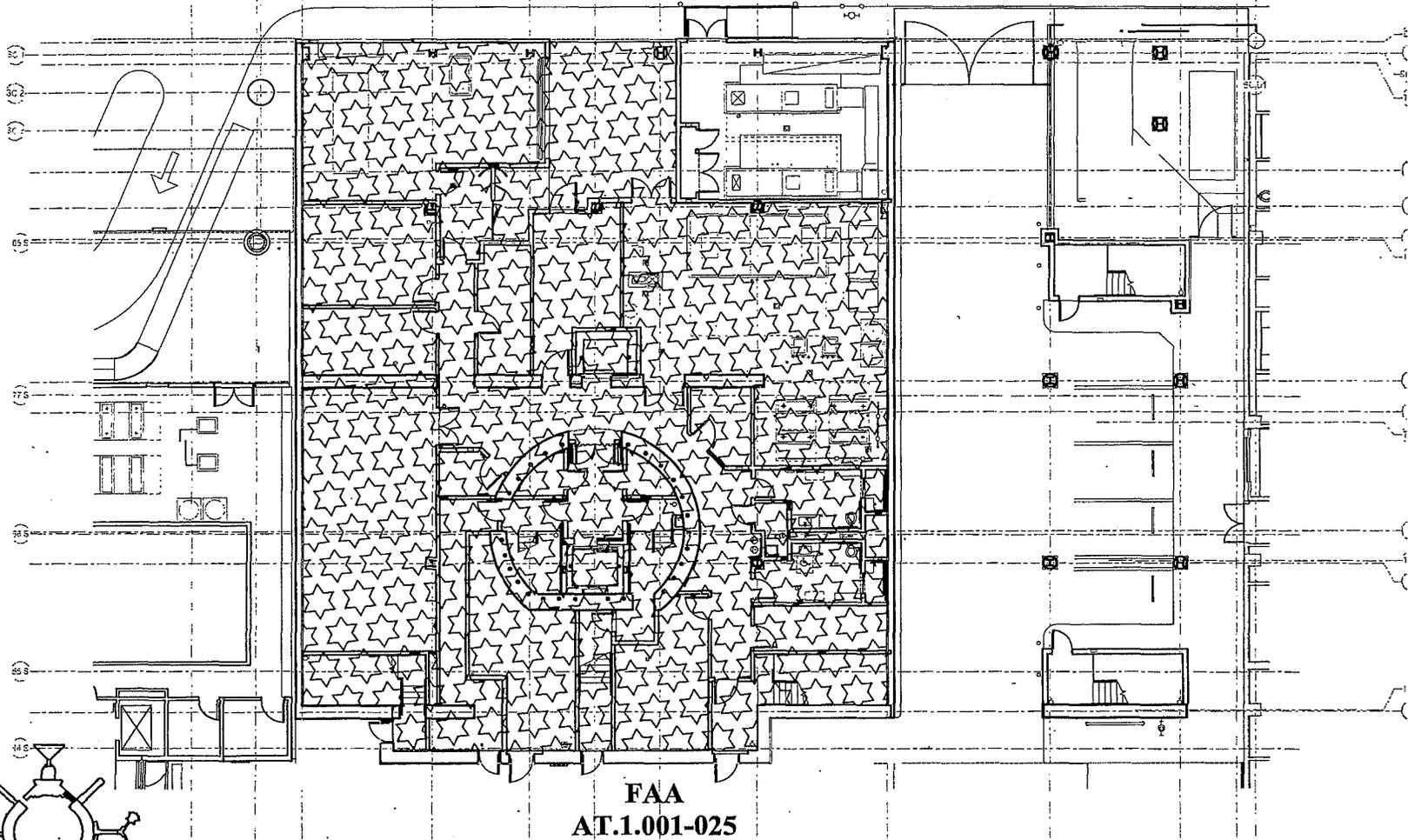
EXHIBIT A

DEMISED PREMISES

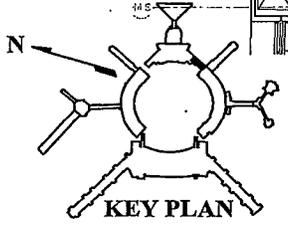
FEDERAL AVIATION ADMINISTRATION
AIR TRAFFIC CONTROL TOWER
LEASE NO. DTFAWN – 15 – L - 00093

DEMISED PREMISES	SQUARE FEET	DRAWING NO.	DATE
Air Control Tower – Level 1	9,000	ATC1FAA	April 30, 2013
Air Control Tower – Level 2	7,829	ATC2FAA	April 30, 2013
Air Control Tower – Level 3	15,612	ATC3FAA	April 30, 2013
Air Control Tower – Level 4	542	ATC4FAA	May 2, 2013
Air Control Tower – Level 5	542	ATC5FAA	May 2, 2013
Air Control Tower – Level 6	542	ATC6FAA	May 2, 2013
Air Control Tower – Level 7	542	ATC7FAA	May 2, 2013
Air Control Tower – Level 8	1,127	ATC8FAA	May 2, 2013
Air Control Tower – Level 9	1,585	ATC9FAA	May 2, 2013
Air Control Tower – Level 10	2,181	ATC10FAA	May 2, 2013
Air Control Tower – Level 11	995	ATC11FAA	May 2, 2013
Air Control Tower – Level 12	693	ATC12FAA	May 2, 2013
TOTAL SQUARE FEET	41,190		

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FAA
AT.1.001-025
9000'



TENANT LOCATION LEASE DRAWING

LOCATION: AIR CONTROL TOWER - LEVEL 1

FEDERAL AVIATION ADMINISTRATION

CITY & COUNTY OF SAN FRANCISCO

AIRPORTS COMMISSION

SAN FRANCISCO INTERNATIONAL AIRPORT

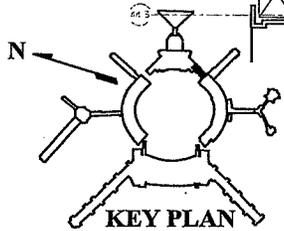
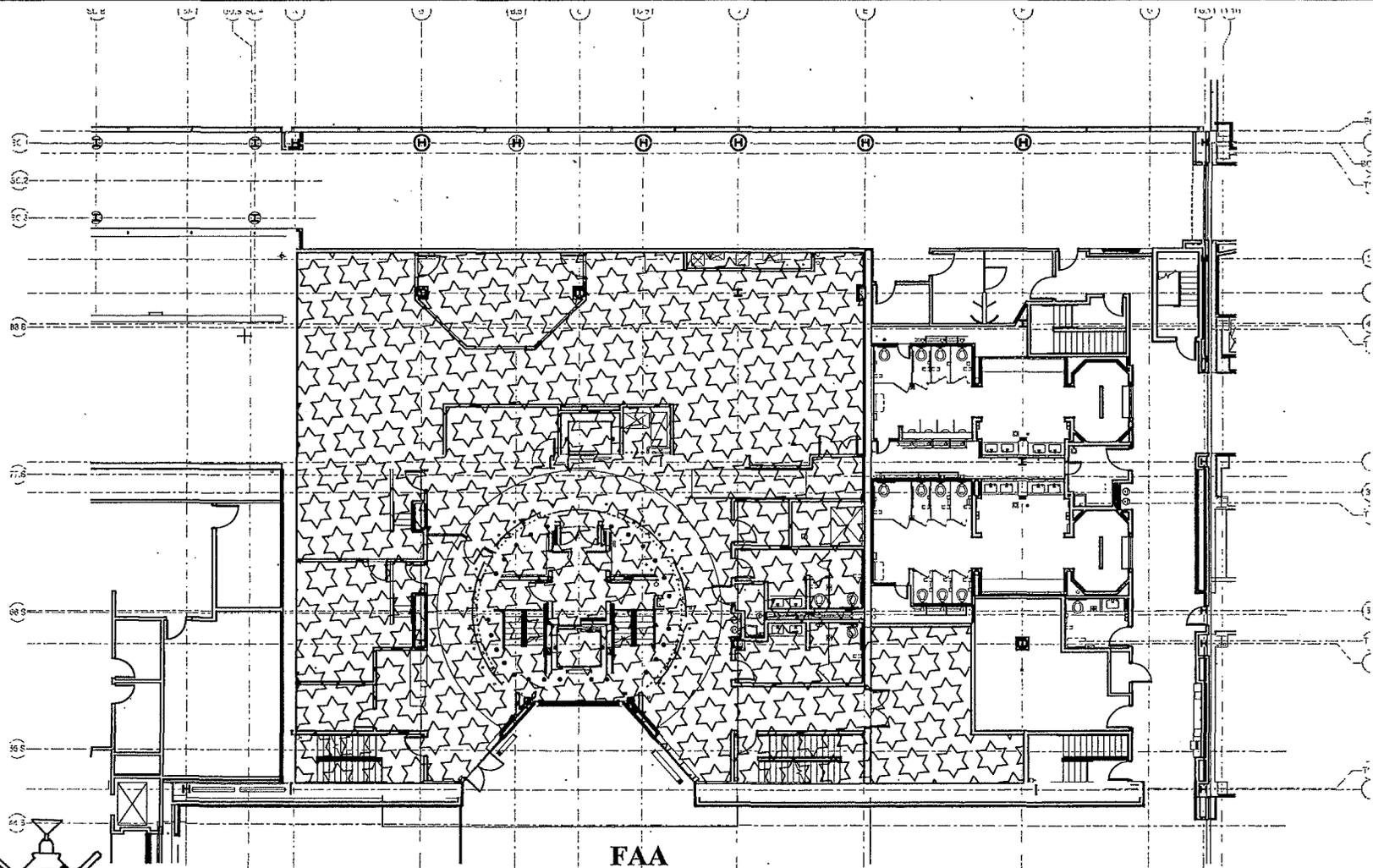
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SCALE: 1/8" = 1'-0"

DATE: 04/30/2013

LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
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**FAA
AT.2.001-025
7829'**

TENANT LOCATION LEASE DRAWING

LOCATION: AIR CONTROL TOWER - LEVEL 2

FEDERAL AVIATION ADMINISTRATION

CITY & COUNTY OF SAN FRANCISCO

AIRPORTS COMMISSION

SAN FRANCISCO INTERNATIONAL AIRPORT

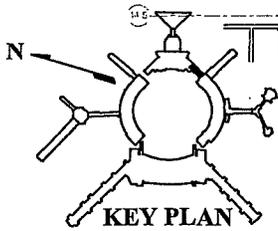
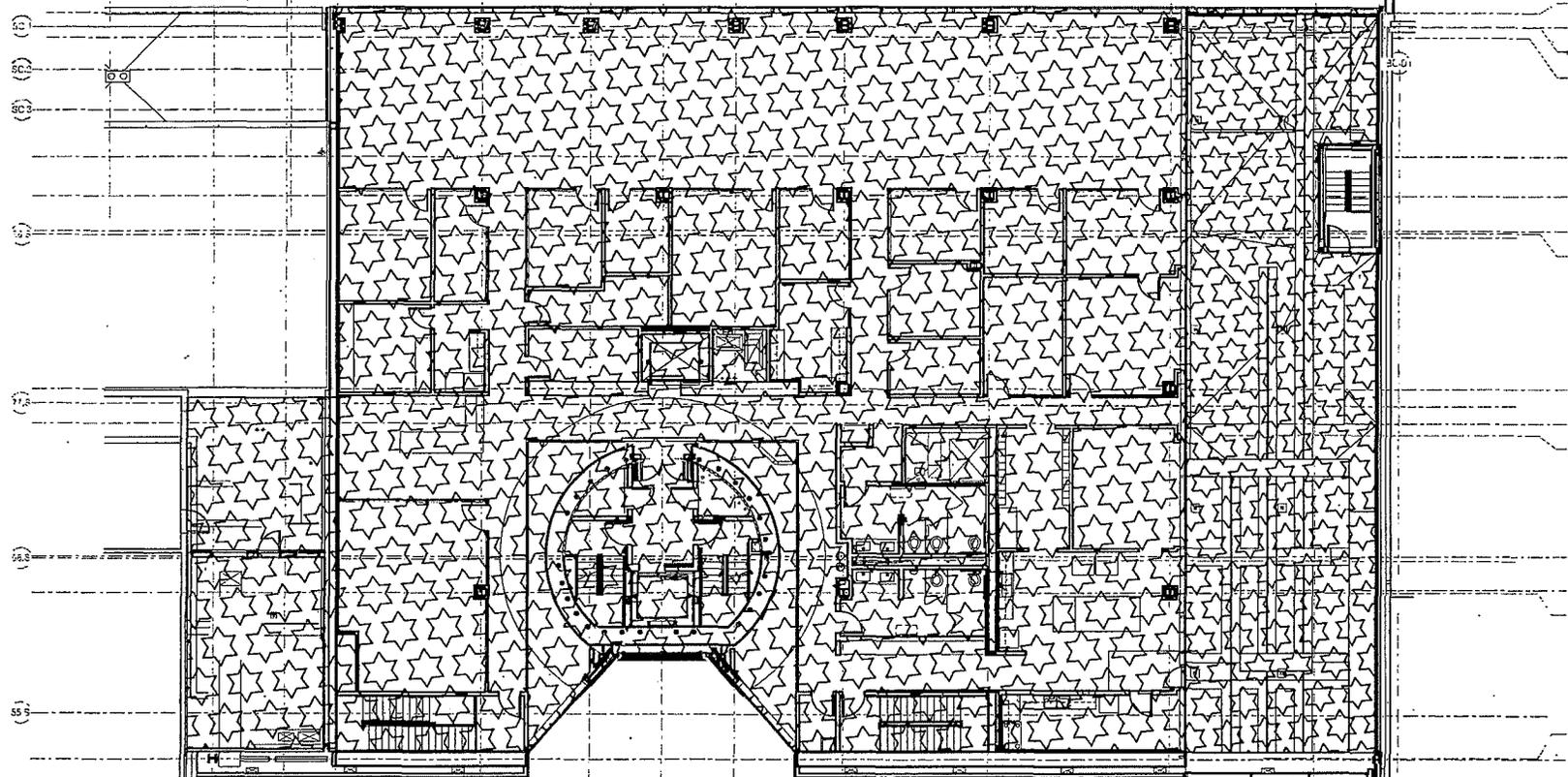
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SCALE: 1"=100'

DATE: 04/30/2013

LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
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T2.3.M08/8A
425'/522'

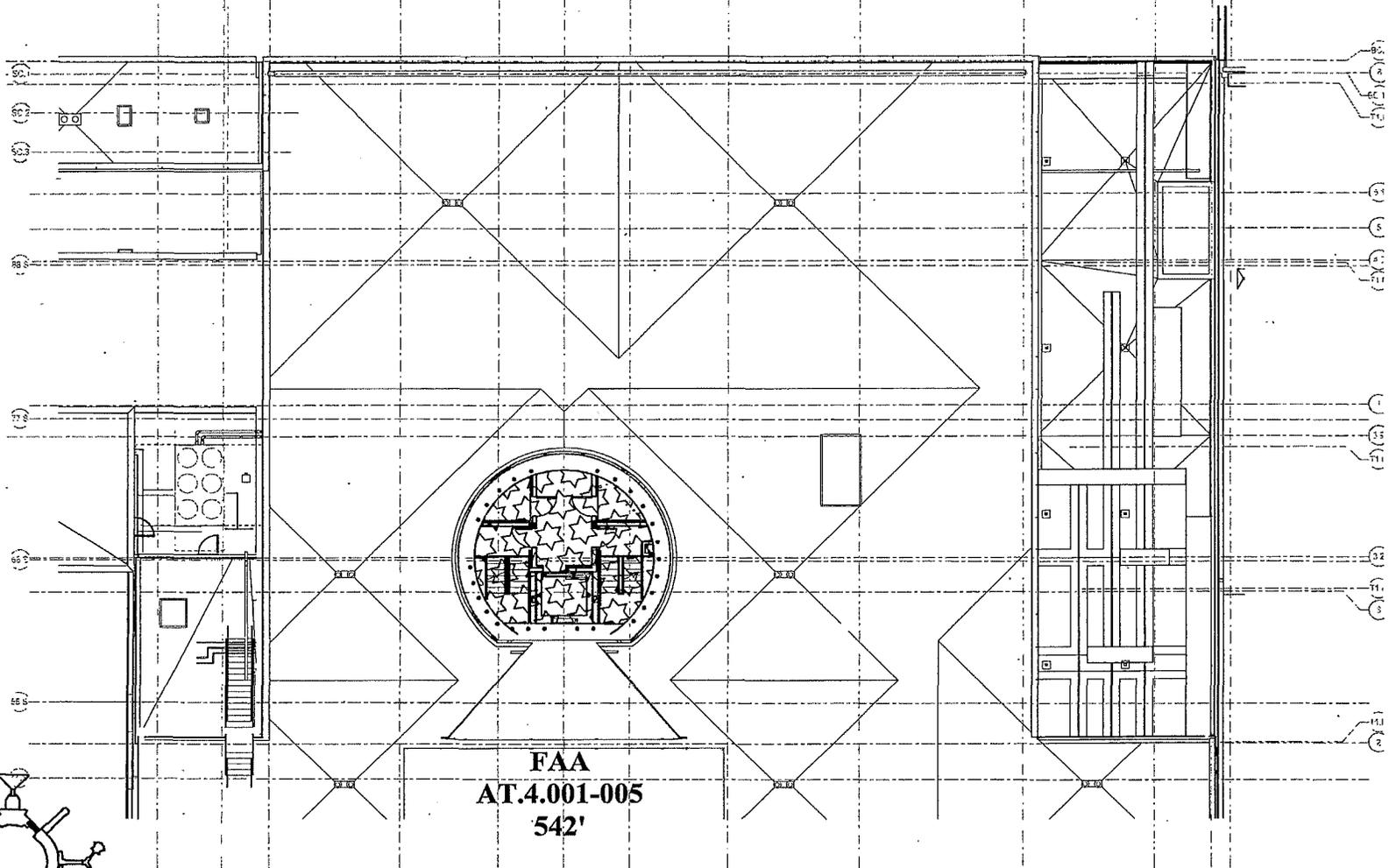
FAA
AT.3.001-042
~12010'

FAA
AT.3.100
2655'

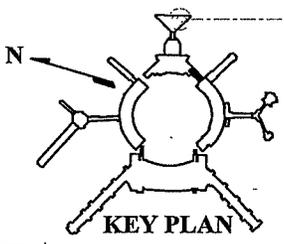
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FEDERAL AVIATION ADMINISTRATION		AT.3.100	FAA		2655'	GS09B-03014	
CITY & COUNTY OF SAN FRANCISCO		T2.3.M08	FAA		425'	GS09B-03014	
AIRPORTS COMMISSION		T2.3.M08A	FAA		522'	GS09B-03014	
SAN FRANCISCO INTERNATIONAL AIRPORT							

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DATE: 04/30/2013

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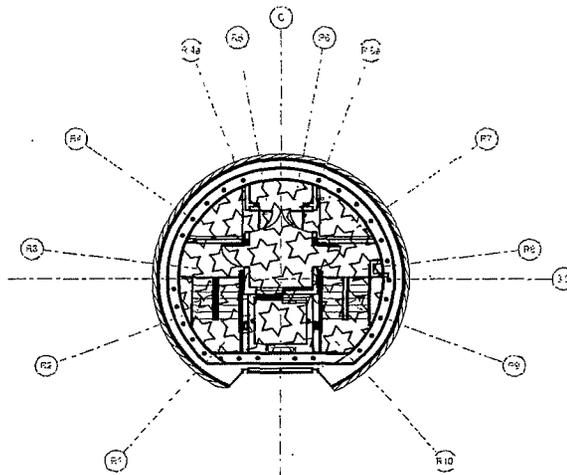


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542'

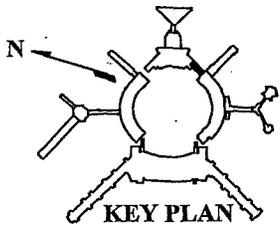


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FEDERAL AVIATION ADMINISTRATION							
CITY & COUNTY OF SAN FRANCISCO	DWG: ATC4FAA						
AIRPORTS COMMISSION	SCALE: 1/8"=1'-0"						
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 05/02/2013						

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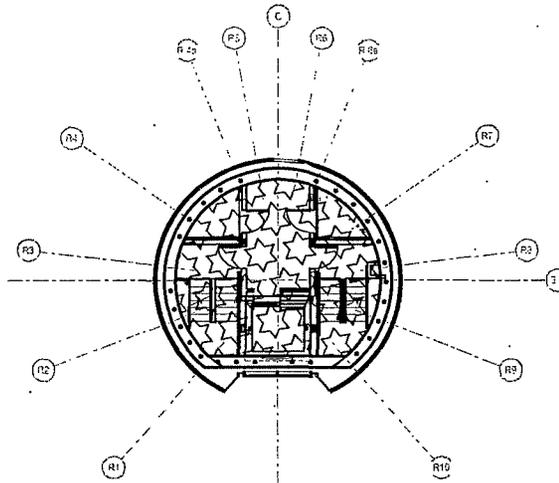


FAA
AT.5.001-005
542'

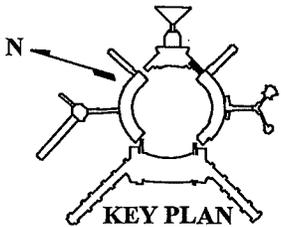


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LOCATION: AIR CONTROL TOWER - LEVEL 5							
FEDERAL AVIATION ADMINISTRATION							
CITY & COUNTY OF SAN FRANCISCO	DWG: ATC5FAA						
AIRPORTS COMMISSION	SCALE: 1/16" = 1'-0"						
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 05/02/2013						

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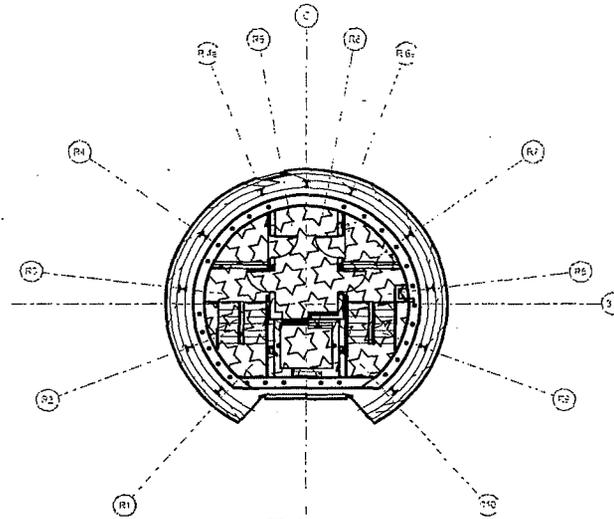
FAA
AT.6.001-005
542'



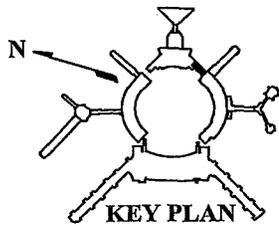
TENANT LOCATION LEASE DRAWING

TENANT LOCATION LEASE DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
LOCATION: AIR CONTROL TOWER - LEVEL 6		AT.6.001-005	FAA		542'	GS09B-03014	
FEDERAL AVIATION ADMINISTRATION							
CITY & COUNTY OF SAN FRANCISCO	DWG: ATC6FAA						
AIRPORTS COMMISSION	SCALE: 1/8"=1'-0"						
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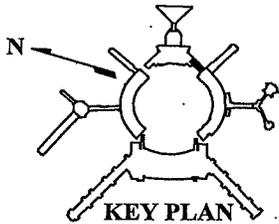
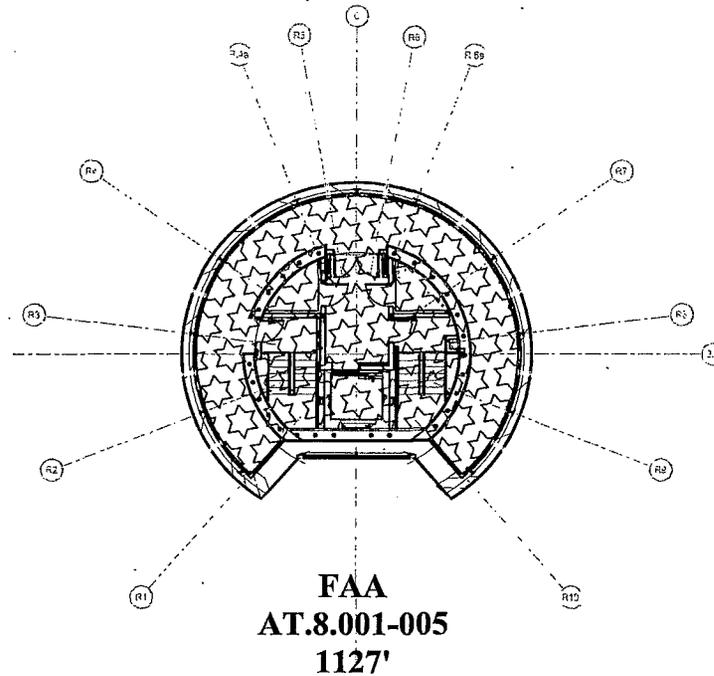


**FAA
AT.7.001-005
542'**



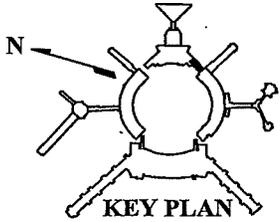
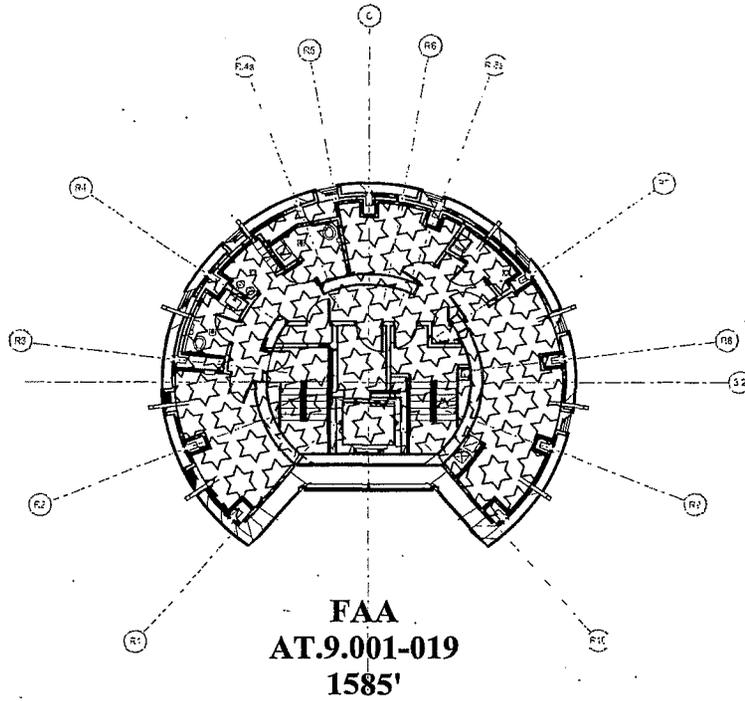
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FEDERAL AVIATION ADMINISTRATION							
CITY & COUNTY OF SAN FRANCISCO	DWG: ATC7FAA						
AIRPORTS COMMISSION	SCALE: 1/8" = 1'-0"						
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 05/02/2013						

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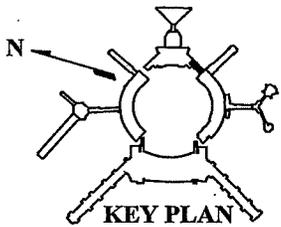
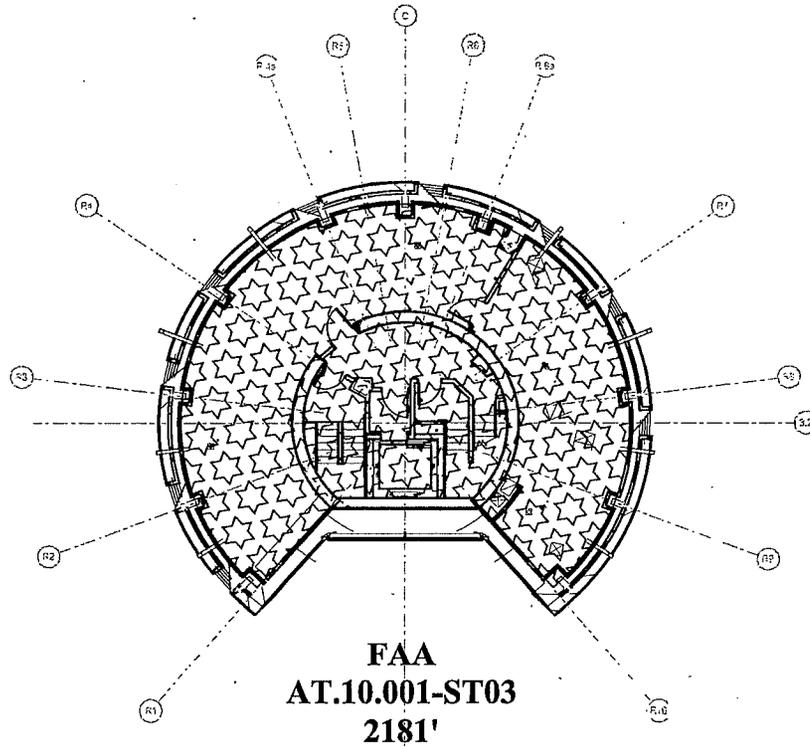
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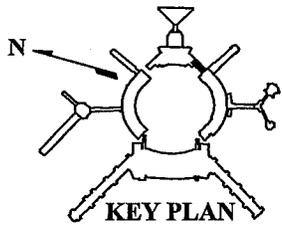
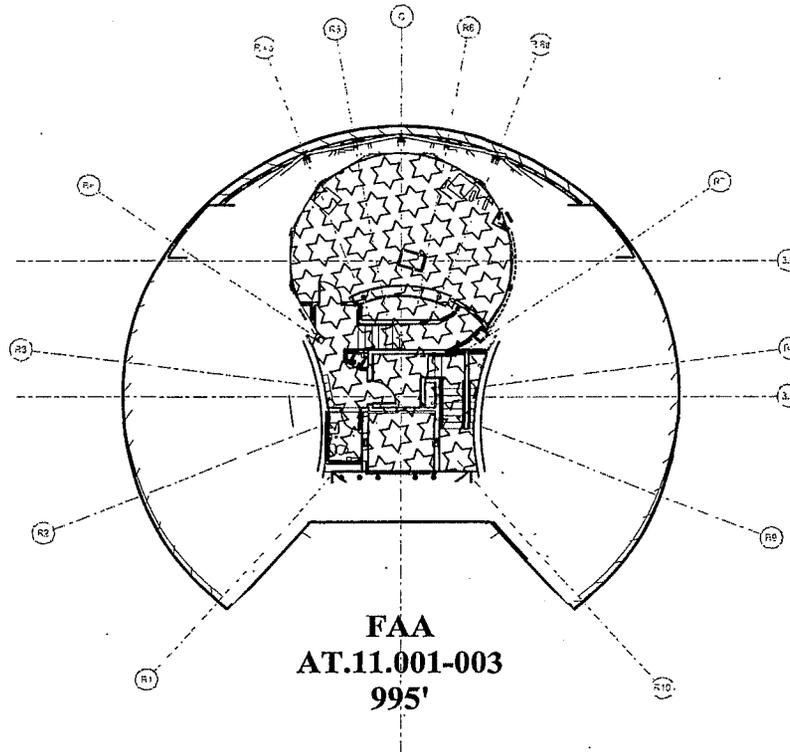
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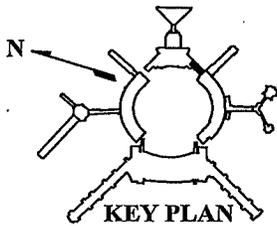
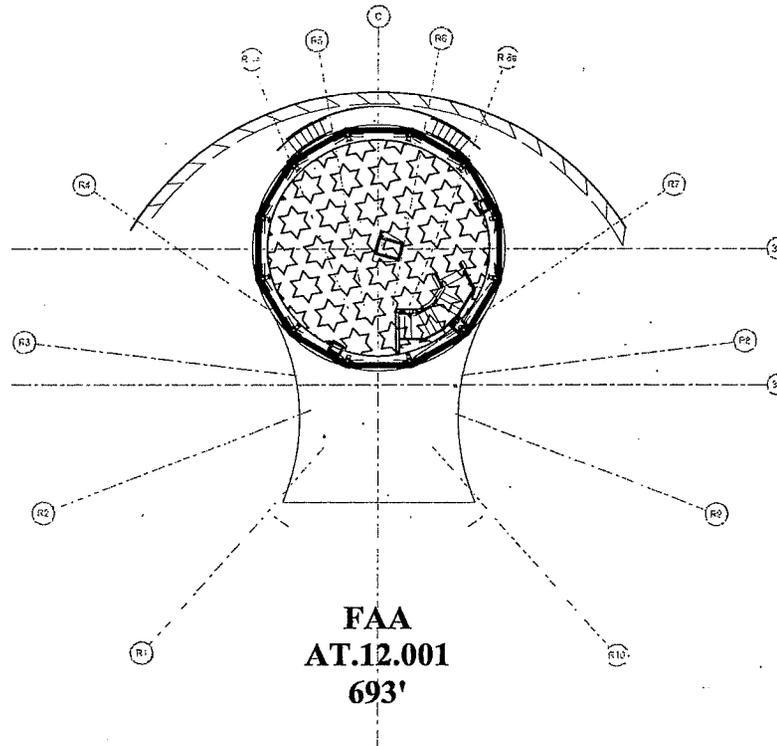
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FEDERAL AVIATION ADMINISTRATION							
CITY & COUNTY OF SAN FRANCISCO	DWG: ATC10FAA						
AIRPORTS COMMISSION	SCALE: 1/8"=1'-0"						
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TENANT LOCATION LEASE DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
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FEDERAL AVIATION ADMINISTRATION							
CITY & COUNTY OF SAN FRANCISCO	DWG: ATC11FAA						
AIRPORTS COMMISSION	SCALE: 1/16"=1'-0"						
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 05/02/2013						

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TENANT LOCATION LEASE DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
LOCATION: AIR CONTROL TOWER - LEVEL 12		AT.12.001	FAA		693'	GS09B-03014	
FEDERAL AVIATION ADMINISTRATION							
CITY & COUNTY OF SAN FRANCISCO	DWG: ATC12FAA						
AIRPORTS COMMISSION	SCALE: 1/8" = 1'-0"						
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 05/02/2013						

EXHIBIT B

FAA MAINTENANCE OBLIGATIONS

Category	Description
FAA Backup Generator	
Door Hardware and FAA Security Systems*	FAA cores (7-pin BEST) to Airport provided locksets
(*Airport maintains doors, locksets, hinges, closers, jambs, frames, numbering)	FAA Security Card System and cylinders
	Hardware under Johnson Control Security System
	Door signage (non SFO required)
Engine Generator Room Intake Filters	
FAA Control, Network and Power Cabling	
FAA Electronic Equipment from Critical Power Bus	Rooms 207, 209, 311, 1002, 1103
FAA Fiber Optics	
FAA Network Equipment	
FAA Paging System	Room 211
FAA Power Systems starting with entrance switch	SESHA and SESHB, including fuel tank
FAA UPS, Batteries and Backup	
FAA Security Systems	See above
FAA Telephones and Intercoms	
Window Washing	Interior windows on Floors 1-12 and exterior window on Floor 12 (the Cab)
Janitorial	

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ATTACHMENT A

Lease No: DTFAWN- 15 - L - 00093

I. SECTION A - GENERAL BUILDING REQUIREMENTS AND SPECIFICATIONS

A1 – Adhesives and Sealants

The Lessor shall use adhesives and sealants that contain no formaldehyde or heavy metals. The Lessor will notify the local FAA facility manager prior to the use of any adhesives or sealants in or on the building.

A2 – Ceilings (10/96)

Must have acoustical treatment with a flame spread of 25 or less and smoke development rating of 450 or less.

A3 – Doors (4/12)

Exterior doors shall be weather tight, equipped with cylinder locks and, automatic door closures and open outward. The FAA will be furnished at least two master keys and two keys for each lock. Interior doors must be solid cored and at least 32 by 80 inches with a minimum opening of 32 inches and be of sturdy construction. Fire doors shall conform to NFPA Standard No. 80. As designated by the FAA, doors shall be equipped pins, and locks with 7-pin removable cores. The FAA shall provide cores.

A4 – Floor Load (4/12)

All adjoining floor areas shall be 1) of a common level not varying more than 1/4 inch over a 10-foot, 0-inch horizontal run in accordance with the American Concrete Institute standards, 2) non-slip, and 3) accepted by the Real Estate Contracting Officer (RECO).

Under floor surfaces shall be smooth and level. Office areas shall have a minimum live load capacity of 50 pounds per square foot plus 20 pounds per square foot for moveable partitions. Storage areas shall have a minimum live load capacity of 100 pounds per square foot including moveable partitions. A report showing the floor load capacity, at no cost to the Government, by a registered professional engineer may be required by the RECO. Calculations and structural drawings may also be required.

A5 – General Health and Safety Standards (4/12)

Local Health, Environmental (OSHA and EPA), and Safety Standards and Building Codes shall be complied with when accomplishing any cleaning, construction, renovation, remodeling, maintenance or testing done in the leased space and areas connected to or integrated with the leased space. Whenever FAA requires work processes or precautions to be provided, the Lessor shall coordinate with the FAA during the work so that proper requirements are met prior, during, and post work.

A6 – HVAC (4/12)

All heating, ventilation and air-conditioning systems that service the leased space must maintain a temperature range of 68-72 degrees Fahrenheit year-round. These temperatures must be maintained during hours of operation throughout the leased premises and service areas regardless of outside temperatures. For purposes of this paragraph A6, compliance with ASHRAE standard ANSI/ ANSI/ASHRAE 62-1999 - Ventilation for Acceptable Indoor Air Quality, will meet FAA's requirements for indoor air quality.

In order to ensure that there is no degradation of air quality or air flow in the leased premises during the term of the Lease, the Lessor agrees to service the roof and/or ground mounted HVAC units (check for defects, lubricate, make adjustments, change the filters, cleaned and make other necessary service requirements) every 60 days. Lessor also agrees to service the VAV boxes annually (on or before each lease anniversary date). Such service will include checking the temperature ranges (refer to section B4), checking all speeds on each fan, cleaning the fans and other components, replacing defective parts and completing other necessary repairs and maintenance.

A7 – Lighting (4/12)

Modern, diffused, energy efficient (T-8 or better) fluorescent fixtures shall be provided at working surfaces that maintain a uniform lighting level of 50 foot candles. Emergency lighting must provide at least 0.5 foot candles of illumination throughout the exit path, including exit access routes, exit stairways, or other routes such as passageways to the outside of the building.

In the event the premises have T-12 (or older) fluorescent fixtures, Lessor agrees to replace them with T-8 or better, with the first 6 months of this lease.

A8 – Painting

Prior to occupancy, all surfaces must be newly painted with non-lead based paints in colors acceptable to the FAA. All surfaces must be repainted after working hours at Lessor's expense at least once every five years. Such repainting includes the moving and returning of the furniture, including dismantling, moving and re-assembling the FAA's systems furniture, if directed by the FAA, at the Lessor's expense. Any existing lead based paint shall be properly maintained and managed per existing regulatory requirements. If there is flaking paint, it would need to be sampled for lead. If containing lead, it would need to be abated prior to occupancy. This could be done either by removal or sealing with an encapsulating material. The Lessor will notify the local FAA facility manager prior to the use of any paints, solvents or chemical cleaners in or on the building.

A9 – Parking

At no additional cost to the FAA, the Lessor shall provide a minimum of 75 ATCT parking permits and 37 Technical Operations parking permits for a total of **112 parking permits**. In the event LESSOR undertakes major refurbishment or replacement of the current parking garage situated adjacent to the Tower, LESSOR shall make a good faith effort to provide alternate

parking areas in which to part Government vehicles and FAA employee vehicles at the closest practicable location to the Tower. Compliant accessible parking spaces shall be provided per the ABAAS scoping table. The Lessor shall maintain the parking areas in good repair and provide snow and ice removal, as well as the removal of any obstruction that limits FAA access to its designated spaces.

A10 – Prior Notification A pre-construction meeting shall be held at the facility prior to the commencement of any cleaning, construction, renovation, remodeling, repair, maintenance or testing within the leased premises and areas connected to or integrated with the leased premises. If any items on the checklist are questionable or undone, full resolution of the issues will be expected before the project starts. The pre-construction meeting will be planned, scheduled, and coordinated, with the Government's supervisor or manager responsible for the facility, at least one week before the execution of the work.

A11 – Restrooms and Drinking Fountains (4/12)

Separate ABAAS compliant toilet facilities for men and women shall be provided on each floor where the FAA leases space. To the extent possible, water closets and urinals shall not be visible when the exterior door is open. Each toilet room shall contain toilet paper dispensers, soap dispensers, paper towel dispensers, waste receptacles; a coin operated sanitary napkin dispenser with receptacle for each toilet in the women's restroom, disposable toilet seat cover dispensers, a convenience outlet, and hot and cold water for all restrooms. The Lessor shall provide a minimum of two ABAAS accessible chilled drinking fountains with potable water within every 200 feet of travel, except in the upper tower.

A12-Window and Floor Covering (4/12)

All exterior windows shall be equipped with window covering. Floors will be carpeted with a commercial grade of carpet acceptable (carpet tiles or carpet broadloom) to the FAA. Existing floor and window coverings may be accepted at the discretion of the RECO however; prior to occupancy all carpeting and window coverings shall be cleaned.

At no additional cost to the FAA, the Lessor shall replace carpeting at least every eight (8) years during FAA occupancy or any time during the lease when:

- Backing or underlayment is exposed,
- There are noticeable variations in surface color or texture, and/or
- The condition of the carpet is such that it presents a clear and present danger to pedestrians.

Replacement includes moving and return of furniture including dismantling, moving and re-assembling the FAA's systems furniture if directed by the FAA.

II. SECTION B - SERVICES, UTILITIES, AND MAINTENANCE

B1 – Grounds Maintenance (10/96)

The Lessor shall maintain in good condition landscape plants and lawns. The Lessor shall also remove snow and ice from the entrances, exterior walks and parking areas around the premises, prior to and during the Government's normal operating hours.

B2 – Landscaping (1/12)

A. Where conditions permit, the site shall be landscaped for low maintenance and water conservation with plants that are either native or well-adapted to local growing conditions.

B. Landscape management practices shall prevent or minimize pollution by:

1. Employing practices which avoid or minimize the need for fertilizers and pesticides;
2. Prohibiting the use of the 2,4-Dichlorophenoxyacetic Acid (2,4-D) herbicide and organophosphates; and
3. Composting/recycling all yard waste.

C. The Lessor shall use landscaping products with recycled content that meets the requirements as required by Environmental Protection Agency's (EPA's) Comprehensive Procurement Guidelines (CPG) for landscaping products. Refer to EPA's CPG web site, WWW.EPA.GOV/CPG.

D. The RECO shall approve the landscaping to be provided in writing.

B3 – Utilities Not Provided By The Lessor (4/12)

The costs of utilities are not included as part of the rental consideration. The Lessor shall provide separate meters for utilities to be paid for by FAA. When FAA is to pay for utilities and prior to FAA occupancy, the Lessor will furnish the RECO written confirmation of the meter numbers and location, and certification that these meters will measure FAA usage only. Proration is not permissible. If the cost of utilities for heating, ventilation, and air conditioning is not included as part of the rental considerations, an automatic control system will be provided to assure compliance with heating and air conditioning provisions included in this lease.

III. SECTION C - SAFETY AND FIRE PREVENTION

C1 – Fire and Safety Requirements (4/12)

The facility, its systems and appurtenances must be in compliance with the following fire protection and life safety requirements (FLS):

1. State and local building codes in affect at the time of construction or most recent modification, whichever is later.
2. State and local fire safety and fire prevention codes.
3. National Fire Protection Association, Life Safety Code (NFPA 101), latest edition at the time of lease signing.
4. All Occupational Safety & Health Administration requirements including 29 CFR 1910 and 29 CFR 1960, and their associated agreements.

Where compliance with the literal requirements of these standards has not been achieved, the Lessor must document, in writing to the FAA, the specific deviation(s) from these standards and what alternative methods have been employed by the Lessor and accepted by the local jurisdiction (where applicable), as an alternative method of compliance. Furthermore, where alternative methods of compliance are used in lieu of literal compliance with the FLS requirements listed herein, the approach shall be documented by a Fire Protection Engineer and presented to the FAA for review and concurrence.

The specific list of requirements identified in items C1 (1 through 4 above) includes:

1. Federal Aviation Administration Order including:
 - a. FAA Order 3900.19B, FAA Occupational Safety and Health Program
2. FLS Codes Promulgated by the International Code Congress including:
 - a. International Building Code
 - b. International Fire Code
 - c. International Mechanical Code
3. National Fire Protection Association Codes & Standards including:
 - a. NFPA 10: Standard for Portable Fire Extinguishers
 - b. NFPA 13: Standard for the Installation of Sprinkler Systems
 - c. NFPA 14: Standard for the Installation of Standpipe Systems
 - d. NFPA 20: Standard for the Installation of Stationary Fire pumps
 - e. NFPA 24: Standard for the Installation of Private Fire Service mains and Their Appurtenances
 - f. NFPA 70: National Electrical Code
 - g. NFPA 72: National Fire Alarm and Signaling Code
 - h. NFPA 75: Standard for the Protection of Information Technology Equipment
 - i. NFPA 90A: Standard for the Installation of Air-Conditioning and Ventilating Systems
 - j. NFPA 101: Life Safety Code
 - k. NFPA 110: Standard for Emergency and Standby Power Systems
4. Occupational Safety & Health Administration regulations including:
 - a. OSHA 29 CFR 1910, Occupational Safety and Health Standards (including Subpart E, Exit Routes and Emergency Planning, & Subpart L, Fire Protection
 - b. OSHA / FAA Agreement titled FAA Alternate Standard for Fire Safety in Airport Traffic Control Towers, (1998 signature date) (a.k.a. 1960.20)

As provided in this section, all codes, standards, orders and directives refer to the current edition in place at the signing of this lease. If construction or modifications to the leased premises are undertaken at any time during the term of this Lease, all fire protection and life safety systems must be brought into compliance according to the then-current edition of NFPA and local codes and standards.

The building shall, as required by applicable codes, be equipped with automatic sprinklers which conform to NFPA No. 13; be maintained by the Lessor in accordance with NFPA No. 25; be electrically supervised and monitored; and shall have water-flow alarm switches connected to automatically notify the local fire department or central station (NFPA No. 72). Notification of the fire department or central station shall be accomplished through the building fire alarm system. Regardless of local code requirements, when the leased space (including garage areas under lease by the FAA) is on the 6th floor and above, or below grade, sprinklers are required. Furthermore, leased buildings serving National Airspace System (NAS) air traffic control

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operations and constructed after June 2012, shall be fully protected with an automatic, electrically supervised sprinkler system designed and installed in accordance with the requirements of NFPA 13.

An automatic fire alarm system must be provided, maintained, and tested by the Lessor in accordance with NFPA Standard No. 72 (National Fire Alarm and Signaling Code) under the following circumstances:

1. Occupancy of the space is by 10 or more persons, or
2. Space is more than 1000 square feet in area, or
3. Building is three (3) or more stories in height, or
4. Building contains more than 50,000 square feet gross floor area.

The fire alarm system wiring and equipment must be electrically supervised and equipped with an automatic fire department notification system, and must conform to NFPA Standards No. 70 and 72. Engineered smoke control systems, if present, shall be maintained in accordance with the manufacturer's recommendations and must meet performance requirements of NFPA 92.

Fire-safety mechanisms, equivalent to the requirements stated above in this clause, may be accepted, at the discretion of the RECO, if certified by a Professional Fire Protection Engineer, licensed in the subject property's state.

Portable fire extinguishers matching the hazards accommodated by the lease must be provided, inspected, and maintained by the Lessor in accordance with NFPA Standard No.10.

When the leased space is located in multi-tenant buildings, the Lessor shall be fully responsible for:

1. Development of a building Emergency Action Plan (EAP) and Fire Prevention Plan (FPP)
2. Publishing and making copies of the EAP and FPP available to all FAA leased space occupants
3. Conducting fire evacuation drills, at least annually
4. Conducting review and modification of the EAP and FPP at least annually
5. Inviting FAA representation in development, review and modification of the EAP and FPP

The FAA facility manager shall be responsible for the development of the tenant specific EAP and FPP for their lease space and in single tenant buildings.

C2 – Halon (4/12)

Halon must not be used as a fire extinguishing system in any FAA leased space.

C3 – Indoor Air Quality (4/12)

The Lessor shall control contaminants at the source and/or operate the space in such a manner that the indicator levels for carbon monoxide (CO), carbon dioxide (CO₂), and formaldehyde (HCHO), are not exceeded. The indicator levels for office area are as follows: CO-9 parts per

million (PPM) time weighted average (TWA - 8-hour sample); CO₂ - 1,000 PPM (TWA); HCHO - 0.1 PPM (TWA). All indoor air contaminant levels in leased space will be kept below appropriate OSHA regulations or Consensus standards, whichever is stricter. Air quality and facility cleaning will be adequate to prevent the growth of mold, mildew and bacteria. Any visual evidence of these will require immediate sampling and remediation. Moisture/standing water will be controlled to prevent the growth of these.

During working hours, ventilation shall be provided in accordance with the latest edition of ANSI/ASHRAE Standard 62, *Ventilation for Acceptable Indoor Air Quality*.

The Lessor shall promptly investigate indoor air quality (IAQ) complaints and shall implement controls including alteration of building operating procedures (e.g., adjusting air intakes, adjusting air distribution, cleaning and maintaining HVAC, etc.). The FAA is responsible for addressing IAQ problems resulting from its own activities.

MSDS will be provided to the FAA facility manager as well as a copy sent to the RECO for all cleaning solutions used in the FAA spaces.

C4 – Electrical Safety (4/12)

The Lessor shall ensure electrical safety requirements are met, including grounding, bonding, shielding, control of electrostatic discharge (ESD), and lightning protection requirements, in accordance with:

1. 29 CFR 1910, Subpart S, *Electrical*
2. FAA Standard HF-STD-001, *Human Factors Design Standard*, Chapter 12.4, Electrical Hazards
3. DOT Specification FAA-G-2100H, *Electronic Equipment, General Requirements*
4. National Fire Protection Association (NFPA) 70, *National Electrical Code*
5. NFPA 70E, *Electrical Safety in the Workplace*
6. American National Standards Institute/Institute of Electrical and Electronics Engineers (ANSI/IEEE) Standard 1100-2005, *Recommended Practice for Powering and Grounding Electrical Equipment*
7. DOT Standard FAA-STD-019E, *Lightning and Surge Protection, Grounding, Bonding and Shielding Requirements for Facilities and Equipment*

All hazards associated with electrical equipment shall be marked with labels indicating the hazard, in accordance with FAA-G-2100H, Chapter 3.3.5.5, *Markings, Signs, Tags and Symbols*.

The Lessor shall ensure that personnel are protected from arc flash hazards, in accordance with NFPA 70E, *Electrical Safety in the Workplace* and that arc flash warning labels are posted on affected panels, with warning labels meeting the requirements of American National Standards Institute (ANSI) Z53, *Series of Standards for Safety Signs and Tags*.

C5 – EOSH Requirements (4/12)

The Lessor shall provide space, services, and equipment that comply with the following:

1. 29 CFR 1910, *Occupational Safety and Health Standards (General Industry)*

2. FAA Order 3900.19B, *FAA Occupational and Health Program*
3. FAA Standard HF-STD-001, *Human Factors Design Standard*
4. National Fire Protection Association (NFPA) 70, *National Electrical Code*, and NFPA 70E, *Electrical Safety in the Workplace*
5. Relevant fire codes and building codes

Any equipment used or otherwise provided by the Lessor or Lessor's contractors or agents that presents a potential safety hazard shall be marked with appropriate warning labels or placards, in accordance with 29 CFR 1910.145, *Specifications for Accident Prevention Signs and Tags*, FAA HF-STD-001, *Human Factors Design Standard*, Chapter 12.16, *Safety Labels and Placards*, and American National Standards Institute (ANSI) Z535.4, *Product Safety Signs and Labels*.

All equipment described herein shall be designed and installed to be free of mechanical hazards that may injure personnel (sharp projections, unguarded moving parts, etc.), in accordance with FAA-G-2100H, *Electronic Equipment, General Requirements*, Section 3.3.5.4.

C6 – Fall Protection (4/12)

The Lessor shall ensure proper fall protection safety systems (railings, toe boards, etc.) are in place for all work areas where FAA personnel are required to perform work at four feet or more above the next lowest level (platforms, catwalks, etc.), in accordance with FAA Order 3900.19B, *FAA Occupational Safety and Health Program*, Chapter 10, 29 CFR 1910, *Occupational Safety and Health Standards (General Industry)*, and 29 CFR 1926, *Safety and Health Regulations for Construction*.

C7 – Hazardous Materials (4/12)

The facility and equipment provided by the Lessor shall minimize the use of lead and mercury, in accordance with FAA Order 1050.10C, *Prevention, Control, and Abatement of FAA Environmental Pollution*; be free of Class I ozone-depleting substances (ODSs), HCFC-22, HCFC-141b, and HCFC-142b, in accordance with 40 CFR Part 82, *Protection of Stratospheric Ozone*; and be free of polychlorinated biphenyls (PCBs), in accordance with 40 CFR Part 761.

The Lessor shall ensure that FAA personnel are protected from asbestos hazards, in accordance with 29 CFR 1910.1001, *Asbestos*, and FAA Order 1050.20A, *Airway Facilities Asbestos Control Program*.

C8 – Seismic Safety for Equipment (4/12)

The lessor shall ensure that building installed equipment is properly anchored to protect personnel during a seismic event, in accordance with DOT Specification FAA-G-2100H, *Electronic Equipment, General Requirements*, Section 3.3.5, *Personnel Safety and Health*, and requirements for the seismic zone in which the facility is located.

C9 – OSHA Requirements (10/96)

The Lessor shall provide space, services, equipment, and conditions that comply with Occupational Safety and Health Administration (OSHA) safety and Health standards (29 CFR 1910 and 1926).

C10 – Radon (10/96)

Radon levels in space leased to the FAA shall not equal or exceed the EPA action level for buildings of four (4) picocuries per liter (pCi/L). If radon levels are found to be at or above 4 pCi/L, the Lessor shall develop and promptly implement a plan of corrective action.

C11 – Refrigerants (8/02)

The Lessor shall identify which refrigerants are used in the HVAC systems in the spaces covered by this lease. The lease should provide for use of refrigerants consistent with EPA and ASHRAE requirements.

C12 – Warranty of Space (4/12)

A. Notwithstanding inspection and acceptance by the Government or any provision concerning the conclusiveness thereof, the Lessor warrants that all space leased to the Government under this contract, spaces above suspended ceilings in the leased space, air plenums elsewhere in the building which service the leased space, engineering spaces in the same ventilation zone as the leased space, public spaces and common use space (e.g., lobbies, hallways) will, at the time of acceptance and during the term of the lease contract, comply with the asbestos containing material (ACM) and polychlorinated biphenyl (PCB) requirements of the Toxic Substance Control Act (TSCA). The RECO shall notify the Lessor in writing of any failure to comply with asbestos requirements, within 30 days after the discovery thereof. All construction by the Lessor is required to comply with the OSHA regulations for Asbestos.

B. The leased premises shall be free of all asbestos-containing material, PCB's, Radon, and other environmentally hazardous substances. If either ACMs or PCBs are found to be in the leased space, the Government reserves the right to require the Lessor, at no cost to the GOVERNMENT, to take whatever corrective action required by the Toxic Substance Control Act, EPA regulations and state requirements. All facilities constructed prior to 1981 are to have an asbestos building survey conducted by a qualified inspector, including a visual examination and bulk sampling. All ACM survey reports must be sent to the RECO.

C. If the Lessor fails, after receipt of notice, to make correction within 90 days, the Government shall have the right to make the required correction and do any of the following: a.) charge to the Lessor the costs occasioned to the FAA; b.) withhold the costs from the rent; or c.) terminate the lease agreement. Any such termination of the Lease pursuant to this provision shall be at no cost to FAA.

D. The rights and remedies of the FAA in this clause are not exclusive, and are in addition to any other rights and remedies provided by law and under this contract.

E. Definitions.

1. "Acceptance", as used in this clause means the act of an authorized representative of the Government by which the Government assumes for itself, or as an agent of another, the leased premises as ready for occupancy or approves a portion of the premises for occupancy in accordance with the provisions of this lease contract.

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2. "Correction", as used in this clause, means (i) the removal, encapsulation or enclosure of any friable asbestos materials found in the space leased to the Government, spaces above suspended ceilings in the leased space, air plenums elsewhere in the building which service the leased space, public spaces, engineering spaces in the same ventilation zone as the leased space and common use space (e.g., lobbies, hallways). Following such abatement actions, the Lessor shall adhere to the FAA's required post-asbestos-abatement air monitoring program. (ii) With regard to non-friable asbestos materials in good condition, it means the establishment and execution of a special operations and maintenance program and an abatement plan, approved by the Government, to be implemented from the time the materials are discovered through the remainder of the lease term, and (iii) with regard to PCBs, it involves the removal or retrofitting, in accordance with EPA regulations, of any PCB equipment present in the building.

IV. SECTION D – MISCELLANEOUS

D1 – Adjustment For Vacant Premises (10/96)

If the Government fails to occupy any portion of the leased premises or vacates the premises in whole or in part prior to expiration of the firm term of the lease, the rental rate shall be reduced as follows: The rate shall be reduced by that portion of the costs per square foot of Utilities Expenses not required to maintain the unoccupied space. Said reduction shall occur after the Government gives 30 days prior written notice to the Lessor, and shall continue in effect until the Government occupies the remainder of the premises or the lease expires or is terminated.

D2 – Condition Report (4/12)

A survey and inspection report of the demised premises will be made as of the effective date of this lease, reflecting the then present condition, and will be signed on behalf of the parties hereto.

D3 – Holdover

If a new lease has not been executed by the parties prior to the expiration of the Lease, the Government shall continue to occupy the premises on a month to month basis and this current Lease shall continue in full force and effect until one of the following events occurs: (1) a new lease commences, (2) the Government vacates the leased premises or (3) the Government acquired the property in fee; whichever occurs first. Rent and the Utilities Expenses shall be paid in accordance with the terms of the Lease, in arrears on a prorated basis, at the rate paid during the lease term.

D4 – Display Advertising (10/96)

If the leased premises are solely for Government use, no advertising matter shall be constructed on or over the premises, unless authorized by the RECO.

D5 – Erection of Signs (10/96)

With approval of the Lessor, which shall not be unreasonably withheld, the Government shall have the right to erect on or attach to the Lessor's premises such signs as may be required to

clearly identify the Government's facility. Said signs so erected will remain the property of the Government and shall be removed from the premises upon termination of the Lease.

D6 – Hold Harmless (10/96)

In accordance with and subject to the conditions, limitations and exceptions set forth in the Federal Tort Claims Act of 1948, as amended (28 USC 2671 et. seq.), hereafter termed "the Act" the Government will be liable to persons damaged by any personal injury, death or injury to or loss of property, which is caused by a negligent or wrongful act or omission of an employee of the Government while acting within the scope of his office or employment under circumstances where a private person would be liable in accordance with the law of the place where the act or omission occurred. The foregoing shall not be deemed to extend the Government's liability beyond that existing under the Act at the time of such act or omission or to preclude the Government from using any defense available in law or equity.

D7 – Installation Of Antennas, Cables And Other Appurtenances (4/12)

With approval of the Lessor, which shall not be unreasonably withheld, the FAA shall have the right to install, operate and maintain antennas, wires and their supporting structures, including any linking wires, connecting cables and conduits atop and within buildings and structures, or at other locations, as deemed necessary by the Government. The Government will coordinate with the Lessor when installing antennas, cables, and other appurtenances.

D8 – Measurement for Payment (10-96)

The space will be mutually measured upon delivery. Payment will be made on the basis of actual measurement; however, payment will not be made for delivered space, which is in excess of the maximum square footage solicited.

D9 – Non-Restoration (10/96)

The FAA shall have no obligation to restore and/or rehabilitate, either wholly or partially, the premises under this lease. It is further agreed that the FAA may abandon in place any or all of the structures, improvements and/or equipment installed in or located upon said property by the FAA during its tenure. Notice of abandonment will be conveyed to the Lessor in writing.

D10 – Occupancy Permit (8/02)

The premises offered shall have a valid Occupancy Permit, issued by the local jurisdiction, for the intended use of the Government, and the Offeror shall complete and provide a certified copy of "FAA Safety & Environmental Checklist" form, in lieu of an occupancy permit, at the RECO's discretion. The leased premises, all accesses to the leased premises, building operations, equipment, services, or utilities furnished by the Lessor, and activities of other occupants, shall be free of safety, health, and fire hazards. When such hazards are detected, they must be promptly corrected at the Lessor's expense.

D11 – Plans (8/02)

Thirty days after occupancy, Lessor must submit a final set of hard copy as-built plans and reproducible floor plans in 1/8" scale depicting rented space and identifying entrances, exits, stairs, windows, partitions, closets, architectural, construction documents to include but not limited to electrical, mechanical, structural, fire protection, plumbing plans, architectural plans, lighting plans, furniture plans, installation plans, typical workstations, etc. A CAD program compatible with the latest release of AutoCAD and accessible and readable by the Government for future use shall generate the plans. The file(s) will be dwg format. All files shall be submitted on 3-1/2-inch double-sided, high-density diskettes, or, if approved by the RECO, on CD-ROM or QIC (1/4-inch cartridge) tape. The submitted disks shall be labeled with building name, address, list of drawing(s), date of the drawing(s), and Lessor's architect and phone number. The Lessor's operators shall demonstrate the submission on FAA equipment, if requested by the RECO.

D12 – Progressive Occupancy (10/96)

The Government shall pay rent only when the entire premises or suitable units are ready for occupancy. If the agency occupies the space in partial increments, rent will accrue or be paid on a pro rata basis. Rental payments shall become due on the first workday of the month following the month in which an increment of space is occupied, except that should an increment of space be occupied after the fifteenth day of the month, the payment due date will be the first workday of the second month following the month in which it was occupied.

D13 – Recycling (1/12)

Where State or local law, code, or ordinance requires recycling programs (including those for mercury containing lamps) for the space to be provided, the Lessor shall comply with such State and/or local law, code, or ordinance, to the extent practicable, and provided that any such law, code, and/or ordinance is at least as stringent as the requirements set forth under Federal law and in the immediately following paragraph below.

In all other cases, the Lessor shall establish a recycling program for (at a minimum) paper, corrugated cardboard, glass, plastics, and metals where local markets for recovered materials exist. In addition, the Lessor shall provide an easily accessible, appropriately sized (2 square feet per 1,000 square feet of building gross floor area) area that serves the tenant space for the collection and storage of materials for recycling. Telecom rooms are not acceptable as recycling space. The Lessor agrees, upon request, to provide the Government with additional information concerning recycling programs maintained in the building and in the leased space after lease execution.

D14 – Recycled Content Products (Comprehensive Procurement Guidelines) (4/12)

A. To the extent feasible, the Lessor shall comply with Section 6002 of the Resource Conservation and Recovery Act of 1976 (RCRA). As required by this lease or in any succeeding lease entered into by and between the FAA and the Lessor, the Lessor shall use recycled content products as designated by the U.S. Environmental Protection Agency (EPA) in the Comprehensive Procurement Guidelines (CPG), 40 CFR Part 247, and its accompanying Recovered Materials Advisory Notice (RMAN). The CPG lists the designated recycled content products. EPA also provides recommended levels of recycled content for these products. The list

of designated products, EPA's recommendations, and lists of manufacturers and suppliers of the products can be found at the www.epa.gov/cpg/products.htm web site.

B. The Lessor, if unable to comply with both the CPG and RMAN lists, shall submit to the RECO a request for waiver for each non-compliant material. The request for waiver shall be based on one of the following criteria: 1.) the cost of the recommended product is unreasonable; 2.) inadequate competition with respect to product manufacturers; 3.) compliant items are not available within a reasonable period of time; or 4.) items do not meet the requirements of Attachment A to this Lease.

D15 – Time Extensions (10/96)

The lease will not be terminated, nor the Lessor charged with resulting damage, if delays arise from unforeseeable causes beyond the control of the Lessor and/or his contractors, subcontractors, suppliers, or another Government contractor. However, the Lessor shall notify the RECO, in writing, of any delay within 10 calendar days after the damage occurs. The RECO shall ascertain the facts, determine the extent of the delay, and grant extensions when justified.

D16 – Unauthorized Negotiating (10/96)

In no event shall the Lessor enter into negotiations concerning the space leased, or to be leased, with anyone other than the RECO or his/her designee.

D17 – Wiring For Telephones (10/96)

The Government reserves the right to provide its own telephone service in the space to be leased. It may have inside wiring and telephone equipment installed by the local telephone company or a private contractor. Alternately, the FAA may wish to consider using inside wiring provided by the building, if available. However, the final decision will remain the Government's.

SECURITY REQUIREMENTS

E1 – Facility Security (4/12)

Security requirements for Government occupied space must meet minimum-security accreditation standards for the type of facility covered by this lease. The FAA Facility Security Management Program defines facility security accreditation standard levels. The security requirements identified below are tailored specifically for the type of facility covered by this lease. The Lessor shall provide or make accommodation to provide for all the security requirements listed herein for the leased premises covered by this lease agreement: **LESSOR shall ensure that the access to the facility using SFO Airport ID badges will be restricted to authorized FAA employees only.**

The local SSE will determine any additional security upgrades that are required to meet accreditation and shall conduct a final security assessment of the building. The Lessor shall provide maintenance services to the security upgrades installed by the Lessor within the leased premises and covered under this lease.

E2 – Contractor Personnel Suitability Requirements (4/12)

2.6.3 Attachment - A to Space Lease

A. This clause applies to the extent that this lease requires contractor employees, subcontractors, or consultants to have unescorted access to FAA:

1. Facilities;
2. Sensitive information; and/or;
3. Resources regardless of the location where such access occurs, and none of the exceptions of FAA Order 1600.72A, Contractor and Industrial Security Program, Chapter 5, paragraphs 4, 6, 7 and 8 pertains.

Definitions of applicable terminology are contained in the corresponding guidance and FAA Order 1600.72A, appendix A.

B. Consistent with FAA Order 1600.72A, the FAA Servicing Security Element (SSE) has approved designated risk levels for the positions under the lease. Those designated risk levels are: [To be entered by the RECO based on the 1600-77(s) approved by the SSE]

C. If a National Agency Check with Inquiries (NACI) or other investigation is required under paragraph (b) for a given position, the contractor will submit to the RECO a point of contact (POC) that will enter applicant data into the Vendor Applicant Process (VAP) system (vap.faa.gov). VAP is a FAA system used to process and manage security information for FAA contractor personnel. Each lease may have up to 5 POCs. Once designated, a VAP administrator will provide each POC a Web ID and password.

The type of investigation conducted will be determined by the position risk level designation for all duties, functions, and/or tasks performed and will serve as the basis for granting a favorable employment suitability authorization as described in FAA Order 1600.72A. If an employee has had a previous U. S. Government conducted background investigation which meets the requirements of Chapter 5 of FAA Order 1600.72A and Homeland Security Presidential Directive 12 (HSPD-12), it will be accepted by the FAA. However, the FAA reserves the right to conduct further investigations it determines necessary. This lease may include positions that are temporary, seasonal, or under escort only. In such cases, a FAA Form 1600-77 for each specific position will be established as the investigative requirements may differ from the NACI.

The following information must be entered into VAP by the POC for each applicant requiring an investigation:

- Name;
- Date and place of birth (city and state);
- Social Security Number (SSN);
- Position and office location;
- Contract number;
- Current e-mail address and telephone number (personal or work); and
- Any known information regarding current security clearance or previous investigations (e.g. the name of the investigating entity, type of background investigation conducted, contract number, labor category (Position), and approximate date the previous background investigation was completed).

If a prior investigation exists and there has not been a 2 year break in service by the applicant, the SSE will notify the contractor that no investigation is required and that final suitability is approved.

If no previous investigation exists, the SSE will send the applicant an e-mail (this step may be delegated to VAP POC):

- Stating that no previous investigation exists and the applicant must complete a form through the Electronic Questionnaires for Investigations Processing (eQIP) system
- Instructing the applicant how to enter and complete the eQIP form;
- Providing where to send/fax signature and release pages and other applicable forms; and
- Providing instructions regarding fingerprinting.

The applicant must complete the eQIP form and submit other required material within 15 days of receiving the e-mail from the SSE.

For items to be submitted outside eQIP, the contractor must submit the required information with a transmittal letter referencing the contract number to:

Headquarters Contracts:
Manager, Personnel Security Division, AIN-400
800 Independence Avenue, S.W., Room 315
Washington, D.C. 20591

Regional and Center Contracts:

Office of Security and Hazardous Material Safety
AHW-120
FAA Western Pacific Regional Office
15000 Aviation Blvd.
Lawndale, CA 90260

The transmittal letter must also include a list of all of the names of contractor employees and their positions for which completed forms will be submitted to the SSE pursuant to this Clause.

D. The contractor must submit the information required by paragraph (c) of this Clause for any new employee not listed in the Contractor's initial submission who is hired into any position identified in paragraph (b) of this Clause.

E. The RECO will provide notice to the contractor when any contractor employee is found to be unsuitable or otherwise objectionable, or whose conduct appears contrary to the public interest, or inconsistent with the best interest of national security. The contractor must take appropriate action, including the removal of such employee from working on this FAA contract, at its own expense. Once action has been taken, the contractor will report the action to the RECO and SSE.

F. No contractor employee will work in a high, moderate, or low risk position unless the SSE has received all forms necessary to conduct any required investigation and has authorized the contractor employee to begin work.

G. The contractor must notify the RECO within one (1) business day after any employee identified pursuant to paragraph (c) of this Clause is terminated from performance on the lease. This notification must be done utilizing the Removal Entry Screen of VAP. If FAA issued the

2.6.3 Attachment - A to Space Lease

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terminated employee and identification card, the contractor must collect the card and submit it to the SSE.

H. The RECO may also, after coordination with the SSE and other security specialists, require contractor employees to submit any other security information (including additional fingerprinting) deemed reasonably necessary to protect the interests of the FAA. In this event, the contractor must provide, or cause each of its employees to provide, such security information to the SSE, and the same transmittal letter requirements of paragraph (c) of this Clause applies.

I. The contractor and/or subcontractor(s) must contact the Servicing Security Elements (Regional and/or Center Security Divisions) or AIN-400 at Headquarters within one (1) business day in the event an employee is arrested (detained by law enforcement for any offenses, other than minor traffic offenses) or is involved in theft of government property or the contractor becomes aware of any information that may raise a question about the suitability of a contractor employee.

J. Failure to submit information required by this clause within the time required may be determined by the RECO a material breach of the lease.

K. If subsequent to the effective date of this lease, the security classification or security requirements under this lease are changed by the Government and if the changes cause an increase or decrease in direct lease costs or otherwise affect any other term or condition of this lease, the lease will be subject to an equitable adjustment.

L. The contractor agrees to insert terms that conform substantially to the language of this clause, including paragraph (K) but excluding any reference to the Changes clause of this lease, in all subcontracts under this lease that involve access and where the exceptions under Chapter 5, FAA Order 1600.72A do not apply.

M. Contractor employees who have not undergone a background investigation must be escorted at all times. In some instances, a contractor employee may be required to serve as an escort. To serve as an escort, a contractor employee must have a favorably adjudicated fingerprint check and initiated a NACI with FAA.

VI. SECTION F - SPECIAL REQUIREMENTS

Not applicable.

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Attachment: "B"

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

OPERATION AGREEMENT FOR AIRPORT TRAFFIC CONTROL TOWER

I. THIS AGREEMENT is hereby attached to and made a part of Tower Lease No DTFAWN-15-L-00093 (the "Lease") by and between the United States of America, acting by and through the Federal Aviation Administration, hereinafter called the Government and the City and County of San Francisco, acting by and through its Airport Commission, operating its airport known as San Francisco International Airport, located in San Mateo County, hereinafter called the Airport. This Agreement shall be executed by the parties hereto independently of said Lease to which it is a part.

II. WHEREAS, an Airport Traffic Control Tower (Tower) will be or has been erected on land located adjacent to Terminal 2 at the Airport described in the ATCT Other Transaction Agreement, dated October 10, 2010, by and at the expense of the Government and the Airport; and

III. WHEREAS, it is in the public interest that the above described Tower be operated by the Government, subject to the availability of funds, in accordance with standards established by the Government;

IV. NOW, THEREFORE, the Airport agrees to the following conditions:

1. The Airport shall, at no expense to the Government other than reimbursement for utility costs as set forth in the Lease, provide the lighting control panels in the said Tower and shall provide all electrical circuits and current, on a continuing basis, necessary for the operation of boundary, flood and obstruction lights, including those which may be operated by the Government; all airport lighting which the Government determines is essential to aircraft operations, including the foregoing, and all such air traffic control devices which are designed to be directly or remotely controlled from the Tower and the Airport shall be responsible for the proper and continued functioning of any locally installed lights or other device placed under the Government's control.

2. The Airport shall be responsible for the proper and continued functioning of all equipment and devices which the Government determines are necessary for air traffic control, but which cannot be placed in operation or controlled from said Tower, or are not otherwise operated by or under the control of the Government.

3. The Airport shall promptly advise the Government's duly authorized representative(s) in said Tower of any conditions which render all, or any, area(s) of the Airport unsafe for normal utilization by aircraft and will, upon demand, appropriately mark any such area(s) in a manner approved by the Government which properly indicates the existing condition(s); the Lessor shall promptly give notice to the Government's Tower representative(s) prior to the time any maintenance or construction is begun on the airport landing area unless such action is in accordance with a schedule which has been previously coordinated with the said Tower; said notice shall be given not less than thirty (30) days prior to the scheduled date from beginning the first item of construction and/or maintenance on the schedule.

4. The Government shall have absolute control of the operation of said Tower and its associated facilities at all times and shall not be subject to direction from the Airport in this regard. In accordance with and subject to the conditions, limitations and exceptions set forth in the Federal Tort Claims Act of 1948, as amended (28 U.S.C. 2671, *et. seq.*), hereafter termed "The Act," the government will be liable to persons damaged by any personal injury, death or injury to or loss of property, which is caused by a negligent or wrongful act or omission of any employees of the Government while acting within the scope of his office or employment under the same circumstances where a private person would be liable in accordance with the law of the place where the Act or omission occurred. The foregoing shall not be deemed to extend the Government's liability beyond that existing under the Act at the time of such act or omission or to preclude the Government from using any defense available in law or equity. The Government shall maintain a program of self-insurance.

5. The Airport, upon request from the Government, agrees to provide two-way ground control communication equipment in its maintenance and emergency vehicles scheduled to regularly operate in the airport landing area, and such equipment shall be capable of maintaining radio communications with the GOVERNMENT'S Tower on said Airport.

6. The Airport, agrees to pay (and the Government shall not pay any part of such costs other than those provided by any existing Federal Aid to Airports Programs) for the relocation of said Tower and its associated facilities if such relocation is made necessary by Airport improvement or changes which impair the technical and/or operational characteristics of said Tower and its associated facilities.

7. The Airport shall, as a protection to the proper operation of the ATCT by the Government, prohibit and refrain from the erection or construction of any structures or improvements which may interfere with the visibility of the Air Traffic Controllers' line of sight to all traffic patterns, approaches, runways, taxiways, operational portions of the aprons and other operational areas necessary for the control of ground and air traffic.

IN WITNESS WHEREOF, the parties hereto have subscribed their names hereunder as of the _____ of _____, 2015.

SAN FRANCISCO INTERNATIONAL AIRPORT
acting by and through its Airport Commission

By _____

Title _____

THE UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

By _____

Title _____

Date: _____

Date: _____

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ATTACHMENT C

ABAAS COMPLIANCE REPORT

The Lessor and the FAA are committed to compliance with the Architectural Barriers Act and Rehabilitation Act as detailed in the Architectural Barriers Act Accessibility Standard (ABAAS), which impacts the building and premises in the Air Traffic Control Tower at San Francisco International Airport.

Complete This Section:

Leased building and premises are fully compliant with ABAAS section F202.6.

OR

Where building design or construction was funded or controlled by federal government, leased building and premises are fully compliant with ABAAS – For post 5/8/2006 construction only.

OR

Leased building and premises will be compliant with ABAAS by _____ (date).

(Insert specific details on the improvements that are to be made)

Lessor shall ensure completion.

OR

Building and premises are exempt from ABAAS as described below.

Facility is unmanned.

ABAAS waiver from GSA Administrator is on file.

Other (Explain using pertinent ABAAS exemption).

ABAAS COMPLIANCE REPORT

LESSOR:

SAN FRANCISCO INTERNATIONAL AIRPORT

Code Enforcement Senior Manager

Date:

FEDERAL AVIATION ADMINISTRATION

Contracting Officer

Date:

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ABAAS COMPLIANCE FORM - FAA (6-1-2015) PENDING.DOC

ATTACHMENT D

CERTIFICATION OF SEISMIC COMPLIANCE

(For Existing Buildings or New Buildings)

Date: 9/26/2014 I certify that the building at

Address: San Francisco International Airport Building #250 Upper Domestic Loop

City, State, and Zip code: San Francisco, CA 94128

is exempt or subject to an exception according to RP-8 Section 1.3 paragraph _____ (attach documentation confirming exemption).

is a benchmark building according to RP-8* Section 1.3.1 (attach documentation confirming compliance).

is in compliance with the LIFE SAFETY requirement according to RP-8 Section 3.1. (attach documentation confirming compliance) or.

is NOT in full compliance with the LIFE SAFETY requirement according to RP-8 Section 3.1, but meets the following: _____ (Attach documentation assessing level of seismic compliance)

is a New Building or Major Renovations to existing building (Renovation costs exceed 50% of replacement cost of building). Building meets appropriate seismic provisions of California Building Code (IBC or local seismic building code, if more stringent than IBC) edition of 2010. (Attach documentation confirming compliance).

Name of Structural Engineer completing certificate:

Rafael Sabelli

(Print name)

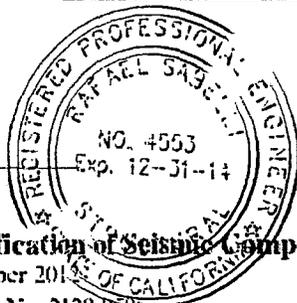
Signature of Engineer completing certificate:



License No. 4553

Field of Practice Structural

SEAL



Expiration Date:
12/31/2014

2.6.4 Certification of Seismic Compliance

Revised October 2013

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