

File No. 250483

Committee Item No. 2

Board Item No. 15

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date June 4, 2025

Board of Supervisors Meeting Date June 10, 2025

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| • AIR Memo 041525 | | |
| • AIR Letter 4/29/2025 | | |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Contract/Agreement |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>AIR Commission Resolution No. 25-0061 4/15/2025</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | <u> </u> |
| <input type="checkbox"/> | <input type="checkbox"/> | <u> </u> |
| <input type="checkbox"/> | <input type="checkbox"/> | <u> </u> |
| <input type="checkbox"/> | <input type="checkbox"/> | <u> </u> |
| <input type="checkbox"/> | <input type="checkbox"/> | <u> </u> |
| <input type="checkbox"/> | <input type="checkbox"/> | <u> </u> |
| <input type="checkbox"/> | <input type="checkbox"/> | <u> </u> |
| <input type="checkbox"/> | <input type="checkbox"/> | <u> </u> |
| <input type="checkbox"/> | <input type="checkbox"/> | <u> </u> |
| <input type="checkbox"/> | <input type="checkbox"/> | <u> </u> |

Completed by: Brent Jalipa Date May 29, 2025

Completed by: Brent Jalipa Date June 5, 2025

1 [Lease Agreement - Sky Chargers, LLC - Direct Current Fast Charging Hub Lease, Lease No.
2 25-0061 - \$190,000 Minimum Annual Guarantee]

3 **Resolution approving the Direct Current Fast Charging Hub Lease, Lease No. 25-**
4 **0061 with SkyChargers, LLC, as tenant, and the City and County of San Francisco,**
5 **acting by and through its Airport Commission, as landlord, for a term of 14 years**
6 **with one two-year option to extend at the sole discretion of the Airport Commission,**
7 **and a minimum annual guarantee of \$190,000 for the first year of the Lease, effective**
8 **upon approval of this Resolution.**

9
10 WHEREAS, Upon completion of a competitive selection process, on April 15, 2025, by
11 Resolution No. 25-0061, the Airport Commission (Commission) awarded the Direct Current
12 Fast Charging Hub Lease, Lease No. 25-0061 (Lease) to SkyChargers, LLC (Tenant); and

13 WHEREAS, The Lease provides for Tenant's development, construction and operation
14 of an electric vehicle charging station capable of simultaneously charging up to 24 vehicles:
15 now, therefore, be it

16 WHEREAS, The Lease has a term of 14 years with one two-year option to extend at
17 the Commission's sole discretion, and an initial minimum annual guarantee of \$190,000; now,
18 therefore, be it

19 RESOLVED, That this Board of Supervisors hereby approves the Direct Current Fast
20 Charging Hub Lease, Lease No. 25-0061, a copy of which is on file with the Clerk of the
21 Board of Supervisors in File No. 250483; and, be it

22 FURTHER RESOLVED, That within thirty (30) days of the Lease being fully-executed by
23 all parties, the Airport Commission shall provide the final lease to the Clerk of the Board for
24 inclusion into the official file.

DS
AE

DS
GR

**GROUND LEASE AGREEMENT
FOR THE
DIRECT CURRENT FAST CHARGING HUB LEASE
AT SAN FRANCISCO INTERNATIONAL AIRPORT**

by and between

SkyChargers, LLC,
as tenant

and

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

Daniel Lurie
Mayor

AIRPORT COMMISSION

Hon. Malcolm Yeung, President
Hon. Jane Natoli, Vice President
Hon. Jose F. Almanza
Hon. Mark Buell
Hon. Susan Leal

Mike Nakornkhet
Airport Director

April 2025

Lease No. 25-0061

TABLE OF CONTENTS

MAJOR LEASE TERM SUMMARY	i
1. PREMISES	
1.1 Extent of Leasehold.....	1
1.2 Rights of Ingress and Egress.....	1
1.3 Relocation, Expansion, Contraction	2
1.4 Remeasurement of Premises	4
1.5 Changes to Airport.....	4
1.6 Common Areas.....	4
2. TERM	
2.1 Commencement and Expiration.....	5
2.2 Required Opening	5
2.3 Late Opening Charge	5
2.4 Delivery Delay by City.....	5
2.5 City's Right to Extend Term	5
2.6 Holding Over	5
2.7 Early Lease Termination.....	6
3. USE AND OPERATION	
3.1 Permitted Use.....	6
3.2 Rights of Way	6
3.3 No Exclusivity	7
3.4 Operation of Business	7
3.5 Support Space (<i>Left blank by agreement of the parties</i>)	7
3.6 Hours of Operation	7
3.7 Prices	7
3.8 References to Airport.....	7
3.9 Other Operational Requirements	8
3.10 Prohibited Activities	8
3.11 Audit of Operations.....	9
3.12 Representative of Tenant	9
3.13 Investigation Reports.....	10
3.14 Compliance with Laws	10
3.15 Trespass and Security.....	10
3.16 Antennae and Telecommunications Dishes	10
4. RENT	
4.1 Definitions.....	11
4.2 Monthly Rent Payments.....	12
4.3 Adjustments to Minimum Ground Rent	13
4.4 Construction Period Operations (<i>Left blank by agreement of the parties</i>).....	13
4.5 Rent Prior to Rent Commencement Date (<i>Left blank by agreement of the Parties</i>).....	13
4.6 Sales Reports.....	13
4.7 Annual Certification of Sales and Adjustment	13
4.8 Point of Sale Requirements	13
4.9 Books and Records; Audit Rights	14

4.10	Other Reports and Submissions	15
4.11	Food and Beverage Cleaning Fee (<i>Left blank by agreement of the parties</i>).....	15
4.12	Food Court Infrastructure Fee (<i>Left blank by agreement of the parties</i>)..	15
4.13	Additional Rent	15
4.14	Prepay Rent	15
4.15	Nature of Lease	15
4.16	Severe Decline in Enplanements (<i>Left blank by agreement of the parties</i>).....	16
5.	ASSIGNMENT OR SUBLETTING	
5.1	No Assignment	16
5.2	Changes in Tenant	16
5.3	No Release.....	17
5.4	Subleasing	17
5.5	Excess Rent	17
5.6	Acceptance of Rent	18
5.7	Waiver	18
6.	TAXES, ASSESSMENTS AND LIENS	
6.1	Taxes	18
6.2	Other Liens.....	18
7.	INVESTMENTS; ALTERATIONS	
7.1	Investment; Performance and Payment Bonds	19
7.2	City's Approval Rights.....	19
7.3	Structures and Fixtures.....	20
7.4	Mid-Term Refurbishment	20
7.5	Notice and Permits	21
7.6	Title to Alterations.....	21
7.7	Effect of Alterations on Airport	21
7.8	Prevailing Rates of Wage for Tenant Initial Improvements and Alterations.....	22
7.9	Labor Harmony.....	23
8.	UTILITIES	
8.1	Services Provided.....	24
8.2	Utility Costs	24
8.3	Shared Telecommunications Services.....	24
8.4	Waiver of Damages	24
9.	MAINTENANCE AND REPAIR	
9.1	"As-Is" Condition.....	24
9.2	Accessibility Disclosure	25
9.3	Tenant's Maintenance Obligations.....	25
9.4	Tenant's Pest Management Obligations	26
10.	SIGNS AND ADVERTISING	
10.1	Signs and Advertising	26
10.2	Prohibition of Tobacco Advertising.....	26
10.3	Prohibition of Alcoholic Beverage Advertising	27
11.	PROMOTIONAL PROGRAM (<i>Left blank by agreement of the parties</i>).....	27
12.	WAIVER; INDEMNITY; INSURANCE	
12.1	Waiver	27

12.2	Indemnity.....	27
12.3	Losses.....	28
12.4	Immediate Obligation to Defend	28
12.5	Notice.....	28
12.6	Insurance.....	28
12.7	Insurance for Construction Activities.	29
12.8	Form of Policies.....	29
12.9	Subrogation	29
13.	DEPOSIT	
13.1	Form of Deposit.....	30
13.2	Maintenance of Deposit	30
13.3	Use of Deposit.....	30
13.4	Other Agreements	31
14.	DAMAGE OR DESTRUCTION	
14.1	Partial Destruction of Premises.....	31
14.2	Total Destruction of Premises.....	32
14.3	Partial Destruction of Terminal Building (<i>Left blank by agreement of the Parties</i>)	32
14.4	Damage Near End of Term.....	32
14.5	No Abatement of Rent; Tenant's Remedies.....	32
15.	DEFAULT; REMEDIES	
15.1	Events of Default	32
15.2	Statutory Notices	33
15.3	Remedies	34
15.4	City's Right to Perform.....	35
15.5	Rights Related to Termination	36
15.6	Cumulative Rights	36
15.7	Prepayment.....	36
15.8	Administrative Charges.....	36
15.9	City Lien	37
15.10	Commencement of Legal Actions	37
15.11	Waiver of Notice	37
16.	SURRENDER	
16.1	Condition of Premises.....	37
16.2	Demolition of Improvements	38
17.	HAZARDOUS MATERIALS	
17.1	Definitions.....	38
17.2	Tenant's Covenants.....	39
17.3	Environmental Indemnity	40
17.4	Environmental Audit	40
17.5	Closure Permit.....	40
17.6	Access for Environmental Inspection	40
17.7	Liability	41
17.8	Notice By Tenant.....	41
17.9	Stormwater	41
17.10	Tenant Obligation Upon Termination	42
18.	EMINENT DOMAIN	
18.1	Definitions.....	42

18.2	General	43
18.3	Total Taking; Automatic Termination	43
18.4	Partial Taking; Election to Terminate	43
18.5	Tenant's Monetary Obligations; Award	43
18.6	Partial Taking; Continuation of Lease	43
18.7	Temporary Takings.....	44
19.	CITY AND OTHER GOVERNMENTAL PROVISIONS	
19.1	MacBride Principles – Northern Ireland	44
19.2	Charter	44
19.3	Tropical Hardwood and Virgin Redwood Ban	44
19.4	No Representations.....	44
19.5	Effect of City Approvals	44
19.6	Limitation on Damages	45
19.7	Sponsor's Assurance Agreement	45
19.8	Federal Nondiscrimination Regulations	45
19.9	Federal Affirmative Action Regulations	46
19.10	Pertinent Non-Discrimination Authorities.....	46
19.11	City's Nondiscrimination Ordinance	47
19.12	Conflict of Interest.....	48
19.13	Prevailing Rates of Wage	48
19.14	Declaration Regarding Airport Private Roads	48
19.15	No Relocation Assistance; Waiver of Claims	48
19.16	Drug-Free Workplace	49
19.17	Compliance with Americans With Disabilities Act.....	49
19.18	Sunshine Ordinance	49
19.19	Pesticide Prohibition	49
19.20	First Source Hiring Ordinance.....	49
19.21	Labor Peace/Card Check Rule	49
19.22	Requiring Minimum Compensation.....	50
19.23	Airport Intellectual Property	51
19.24	Requiring Health Benefits for Covered Employees	51
19.25	Notification of Limitations on Contributions	53
19.26	Vending Machines; Nutritional Standards and Calorie Labeling Requirements.....	53
19.27	Food Service Waste Reduction Ordinance	54
19.28	Multi-Employer Bargaining Group Participation.....	54
19.29	Worker Retention Policy	54
19.30	Local Hire Policy.....	54
19.31	Consideration of Salary History	55
19.32	All Gender Toilet Facilities	55
19.33	Federal Fair Labor Standards Act.....	55
19.34	OSHA	55
19.35	Green Building Requirements.....	55
19.36	Plastic Beverage Container Restrictions.....	56
20.	GENERAL PROVISIONS	
20.1	Notices	56
20.2	No Implied Waiver	56
20.3	Entire Agreement.....	56

20.4 Amendments 56

20.5 Interpretation of Lease..... 56

20.6 Successors and Assigns..... 57

20.7 No Third-Party Beneficiaries 57

20.8 No Joint Venture..... 57

20.9 Brokers..... 57

20.10 Severability 57

20.11 Governing Law 57

20.12 Attorneys' Fees..... 57

20.13 Cumulative Remedies..... 58

20.14 Time of Essence..... 58

20.15 Reservations by City..... 58

20.16 Survival of Indemnities..... 58

20.17 Quiet Enjoyment and Title 58

20.18 No Right of Redemption 58

20.19 Accord and Satisfaction 59

20.20 Joint and Several Liability 59

20.21 Estoppel Statements 59

20.22 Authority 59

20.23 Consents 59

20.24 Options Personal..... 59

20.25 Counterparts..... 60

Signature Page 61

List of Exhibits

Exhibit A – Description of Premises

Exhibit B – Use and Operational Requirements

Exhibit C-1 – Form of Performance Bond

Exhibit C-2 – Form of Letter of Credit

Exhibit D – Tenant Work Letter

**GROUND LEASE AGREEMENT
FOR THE DIRECT CURRENT FAST CHARGING HUB LEASE
AT SAN FRANCISCO INTERNATIONAL AIRPORT**

MAJOR LEASE TERM SUMMARY

For the convenience of Tenant and City (as such terms are defined below), this Major Lease Term Summary (this “**Summary**”) summarizes certain terms of this Lease (as defined below). This Summary is not intended to be a detailed or complete description of this Lease, and reference must be made to the other Sections below for the particulars of this Lease. In the event of any inconsistency between the terms of this Summary and any other provision of this Lease, such other provision shall prevail. Capitalized terms used elsewhere in this Lease and not defined elsewhere shall have the meanings given them in this Summary.

Effective Date: _____

Tenant: SkyChargers, LLC,
a Delaware LLC.

Tenant’s Notice Address: SkyChargers, LLC
801 K Street, 28th Floor
Sacramento, CA 95814
Attn: Andy Karetsky
Tel. No. (203) 391-3834
Email: Andy.Karetsky@skyviewventures.com

City: The City and County of San Francisco, a municipal corporation,
acting by and through its Airport Commission.

City’s Notice Address: San Francisco International Airport
International Terminal, North Shoulder Bldg., 5th Floor
Attn: Airport Director
P. O. Box 8097
San Francisco, CA 94128
Fax No. (650) 821-5005
Tel. No. (650) 821-5000

City's Rent US Regular Mail
Payment San Francisco Airport Commission
Address: Attn: Accounting
P.O. Box 59753
Los Angeles, CA 90074-9753

Overnight Delivery via Courier
Lockbox LAC-059753
2706 Media Center Drive
Los Angeles, CA 90065

Federal Wire System or ACH
JPMorgan Chase
New York, NY 10017
Bank Account No. 20000043472200
FedWire Bank Routing No. 021000021
SWIFT code CHASUS33
ACH Bank Routing No. 028000024

City's Sales SFOConcessReport@flysfo.com
Report Address:

City's San Francisco International Airport
Deposit/Annual Attn: Revenue Development and Management
Report Notice P. O. Box 8097
Address: San Francisco, CA 94128
Fax No. (650) 821-4519
Tel. No. (650) 821-4500

Premises: Plot 3F located on South McDonnell Rd. immediately adjacent to the
(§ 1) Transportation Network Companies (TNC) Holding Lot, comprised of
approximately 28,200 square feet of space, as further described on
the attached Exhibit A.

Term: The Development Term, plus a fourteen (14) year Operating Term,
(§ 2) collectively.

Development Term is the period commencing on the Commencement Date during which Tenant shall construct its Initial Improvements in the Premises, and which shall expire upon the earlier to occur of (i) completion of the Initial Improvements and (ii) 360 days from the Commencement Date. If the Development Term is set to expire on a day that is not the last day of a calendar month, then the Development Term is automatically extended to such date. The Development Term may be extended in the sole and absolute discretion of the Airport Director.

Operating Term is the period commencing on the Rent Commencement Date, and ending on the Expiration Date.

Extension Option The Airport Commission shall have one (1) option to extend the term
(§ 2.1) by two (2) years, exercisable by the Airport Commission in its sole and absolute discretion.

Commencement Date: The date on which the Airport Director gives notice to Tenant that the
(§ 2.1) Premises are ready for Tenant to take possession.

(actual date to be inserted upon determination)

Rent for Interim Operations During Construction Period: Not applicable.
(§ 4.4)

Rent Prior to Rent Commencement Date: Not applicable.
(§ 4.5)

Rent Commencement Date: The date immediately following the expiration of the Development Term, as set forth above.
(§ 4)

Rent Commencement _____
Date: _____

Expiration Date: 11:59 p.m. on the day before the fourteenth (14th) anniversary of the
(§ 2) commencement of the Operating Term, subject to the exercise of the Extension Option as set forth in Section 2.5.

(actual date to be inserted upon determination)

Permitted Use: The development, construction, operation, maintenance and repair of
(§ 3) a direct current fast charging hub facility ("**Facility**") on a non-exclusive basis as described on the attached Exhibit B.

Base Rent: Per Lease Year (as defined below), the greater of the MGR (as
(§ 4) defined below) or the following sum (such sum being referred to herein as the "**Percentage Rent**"):

- (a) 5% of Gross Revenues (as defined below) achieved up to and including \$5,000,000.00, plus,
- (b) 7% of Gross Revenues achieved over \$5,000,000.01.

Lease Year: The period commencing on the first Rent Commencement Date and
(§ 4) terminating on December 31 of the year in which the first Rent Commencement Date occurs, and each subsequent 12-month period except that the final Lease Year be less than 12 months.

Minimum Ground Rent ("MGR"): One Hundred Ninety Thousand Dollars (\$190,000.00) per annum;
(§ 4) (Fifteen Thousand Eight Hundred Thirty-Three Dollars and Thirty-Three Cents) (\$15,833.33) per month), subject to adjustments upward as described below.

MGR Adjustment Date: The first MGR adjustment shall occur on January 1st following the first
(§ 4.3) full Lease Year and every January 1st thereafter.

Rent: Base Rent, together with all other amounts owing by Tenant to City
(§ 4) hereunder.

Deposit Amount: Equal to MRG: One Hundred Ninety Thousand Dollars (\$190,000.00),
(§ 13) subject to adjustment as set forth in Article 13 on January 1st following the fourth (_____) and ninth (_____) full Lease Years.

Performance Bond and Payment Bond Performance Bond guaranteeing the lien free completion of the Initial Improvements and Payment Bond in the amount of the total cost of the Initial Improvements
(§ 7.1)

Minimum Investment Amount: An amount necessary to develop and construct the Initial Improvements in compliance with this Lease (including obtaining the approval of the Design Review Committee and BICE), the Tenant

Summary, Page iv

(§ 7.1) Work Letter, and all Laws (as defined below) and building code requirements.

Commission Resolution: Number 25-0061, approved by the Airport Commission on April 15, 2025.

Board of Supervisors Resolution: Number _____, adopted by the San Francisco Board of Supervisors on _____.

Initial Tenant Representative: _____
(§ 3.11) Tel. No. _____

Other Agreements: None.
(§ 13.4)

Exhibits: A – Premises
B – Use and Operational Requirements
C-1 – Form of Performance Bond
C-2 – Form of Letter of Credit
D – Tenant Work Letter

All such exhibits are incorporated into this Lease and made a part hereof.

**GROUND LEASE AGREEMENT
FOR THE DIRECT CURRENT FAST CHARGING HUB LEASE
AT SAN FRANCISCO INTERNATIONAL AIRPORT**

THIS LEASE AGREEMENT (this "**Lease**"), dated as of the Effective Date, is entered into by and between Tenant, and the City and County of San Francisco, a municipal corporation, acting by and through its Airport Commission ("**City**"). This Lease is made with reference to the following facts:

A. City owns the San Francisco International Airport (the "**Airport**") located in the County of San Mateo, State of California, which Airport is operated by and through the Airport Commission (the "**Commission**"), the chief executive officer of which is the Airport Director ("**Director**"). The Airport's "Terminal Building Complex" is currently comprised of Terminal 1, Terminal 2, Terminal 3, and an International Terminal, together with connecting concourses, piers, boarding areas and extensions thereof, and satellite buildings now or hereafter constructed. Tenant acknowledges that, from time to time, the Airport undergoes certain construction and renovation projects. Unless otherwise specified, the term "Airport" or "Terminal Building Complex" as used herein shall mean the Airport or the Terminal Building Complex, respectively, as the same may be expanded, contracted, improved, modified, renovated, or changed in any way. Unless otherwise specified below, references to the "City" shall mean the City, acting by and through its Airport Commission.

B. Tenant desires to provide and operate the service described in the Permitted Use at the Airport, and City has determined that such service would be an accommodation and convenience for airline passengers and the public the Airport.

C. Following a competitive process, pursuant to Section 2A.173 of the San Francisco Administrative Code, the Commission has determined that Tenant is the highest ranked responsible bidder or proposer. Pursuant to the Resolution, Commission has awarded this Lease to Tenant. Pursuant to the Board of Supervisors Resolution, the San Francisco Board of Supervisors approved this Lease pursuant to Section 9.118 of the Charter of the City and County of San Francisco.

Accordingly, Tenant and City agree as follows:

1. PREMISES

1.1 Extent of Leasehold. On the terms, conditions, and covenants in this Lease, City hereby leases to Tenant and Tenant hereby leases from City, the Premises. For purposes of this Lease, the "**Premises**" shall mean the area(s) shown on **Exhibit A**.

1.2 Rights of Ingress and Egress. Subject to Airport Rules and Regulations, as amended from time to time, ("**Airport Rules**"), and applicable federal security regulations, Tenant shall possess the non-exclusive right of ingress and egress to and from the Premises as may be reasonably necessary on areas designated by Director, provided that Tenant's exercise of such right shall not impede or interfere unduly with the operation of the Airport by City, its tenants, customers, and other authorized occupants. Truck routes shall be as designated from time to time by Director. Said full rights of ingress, egress and roadway use shall likewise apply

to Tenant's employees, guests, patrons and suppliers, including the right of transport of equipment, material, cargo, machinery and other property. Said rights of ingress and egress for the purpose of construction, maintenance, replacement, demolition and removal of Tenant's Initial Improvements, appurtenances and connecting subsurface pipelines across lands of City shall be by means of then existing roads and lanes thereon, if such there be, and if there be no such roads and lanes, then over such route as shall be agreed upon by City and Tenant. The right of ingress and egress provided for above shall not be used, enjoyed or extended for any purpose or use in contravention of the provisions of Section 3.1 hereof [Permitted Use] unless expressly authorized by Director. When reasonably required for reasons of safety or security, Director may limit access to any area within the Airport.

1.3 Relocation, Expansion, Contraction.

(a) At any time during the Term, City may require that (i) Tenant relocate and surrender all or part of the Premises (such change to the Premises referred to as a "**Required Relocation**"), and/or (ii) the Premises be contracted or expanded (such change to the Premises referred to as a "**Premises Change**") on the terms set forth in this Section 1.3. City shall give notice (the "**Change Notice**") setting forth a description of the Required Relocation or the Premises Change, as applicable, the approximate effective date thereof (the "**Target Effective Date**"), and with respect to a Required Relocation, the location of comparable on-Airport replacement premises (the "**Replacement Premises**"). The Change Notice shall be given no less than one (1) year prior to the Target Effective Date.

(b) With respect to a Required Relocation, if the Replacement Premises are deemed unsatisfactory to Tenant, then Tenant may terminate this Lease by giving notice thereof to City within thirty (30) days after the Change Notice is given. In the event Tenant gives such notice of termination, then this Lease shall terminate on the Target Effective Date, and on such date, Tenant shall surrender the Premises in accordance with Section 16 of this Lease [Surrender]. Provided Tenant does not terminate this Lease pursuant to the foregoing, Tenant shall surrender the Premises in accordance with Section 16 of this Lease and relocate to the Replacement Premises on a date (the "**Surrender Date**") determined by City (which shall be no earlier than the Target Effective Date). In the event of a Required Relocation pursuant to this Section 1.3(b), Tenant shall construct the improvements necessary for the Permitted Use on the Replacement Premises, such that the Replacement Premises are of at least the same quality as the original premises. All such work shall be subject to the requirements of Section 7 [Investments; Alterations]. As part of City's approval of Tenant's plans and specifications and Tenant's budget for its relocation, City may specify a maximum dollar amount to be reimbursed (the "**Maximum Reimbursement Amount**"). In the event the Required Relocation occurs prior to Tenant's performance of the Initial Improvements on the original Premises, then the Maximum Reimbursement Amount shall be reduced accordingly. Once the construction of the improvement on the Replacement Premises is completed, and City has approved the work, Tenant must submit to City (i) a certificate from Tenant's architect certifying that the construction was completed in strict compliance with the plans and specifications approved by City, (ii) copies of paid invoices showing the costs actually paid by Tenant for the remodeling of the replacement premises and Tenant's out-of-pocket moving costs, and (iii) lien releases from all contractors, subcontractors, and material suppliers entitled to payment in connection with the remodeling of the replacement premises. Following its review and approval of those submissions, City will reimburse Tenant for all reasonable costs of construction of the improvements on the Replacement Premises and moving its personal property to the Replacement Premises from the original Premises; provided that in no event will City be

required to reimburse Tenant for more than the Maximum Reimbursement Amount and further provided that City may, in City's sole discretion, make such reimbursement by issuing Tenant a rent credit. In no event will City be obligated to pay or reimburse Tenant for any other costs or expenses, including business interruption costs. Tenant shall not be obligated to pay Rent during any period when Tenant is unable to operate its business during such relocation, provided it is diligently continuing such work necessary for the relocation.

(c) With respect to a Premises Change where the aggregate square footage of the original Premises will be expanded or contracted by more than fifteen percent (15%), Tenant may terminate this Lease by giving notice thereof to City within thirty (30) days after the Change Notice is given. In the event Tenant gives such notice of termination, then this Lease shall terminate on the Target Effective Date and on such date, Tenant shall surrender the Premises in accordance with Section 16 of this Lease [Surrender]. Provided Tenant does not terminate this Lease pursuant to the foregoing, Tenant shall cause the Premises to be expanded or contracted as described in the Change Notice on or before the date described therein. As part of City's approval of Tenant's plans and specifications and Tenant's budget for its expansion/contraction work, City may specify a Maximum Reimbursement Amount. Once the expansion/contraction work is completed, and City has approved the work, Tenant must submit to City (i) a certificate from Tenant's architect certifying that the expansion/contraction work was completed in strict compliance with the plans and specifications approved by City, (ii) copies of paid invoices showing the costs actually paid by Tenant for the work and Tenant's out-of-pocket moving costs, and (iii) lien releases from all contractors, subcontractors, and material suppliers entitled to payment in connection with the expansion/contraction work. Following its review and approval of those submissions, City will reimburse Tenant for all reasonable costs of the expansion/contraction work; provided that in no event will City be required to reimburse Tenant for more than the Maximum Reimbursement Amount and further provided that City may, in City's sole discretion, make such reimbursement by issuing Tenant a rent credit. In no event will City be obligated to pay or reimburse Tenant for any other costs or expenses, including business interruption costs. Tenant shall not be obligated to pay Rent during any period when Tenant is unable to operate its business during such expansion/contraction work, provided it is diligently continuing to complete such work.

(d) With respect to a Required Relocation, the MGR shall be increased, or decreased, as the case may be, pro rata, to reflect the increase or decrease, as the case may be, in the number of fast chargers that may be operated at the Replacement Premises compared to the original premises.

(e) With respect to a Premises Change where the aggregate square footage of the original premises will be expanded or contracted, the MGR shall be increased, or decreased, as the case may be, pro rata to reflect the increase or decrease, as the case may be, in the number of fast chargers that may be operated in the expanded or contracted premises compared to the original premises.

(f) Any Required Relocation or Premises Change described herein can be effected on the terms and conditions set forth above without need for a formal amendment of this Lease.

(g) Notwithstanding anything to the contrary herein, City shall not require a Required Relocation or a Premises Change unless City shall have considered other reasonable alternatives and rejected them.

1.4 Remeasurement of Premises. At any time and from time to time, Director may cause City to conduct a space audit pursuant to which City remeasures the Premises using the Airport's then-current measurement specifications, and in such event, the Lease terms based on square footage shall be deemed automatically adjusted to reflect such remeasurement. Only if such remeasurement results in a change in the total square footage of the Premises of more than fifteen percent (15%) will the MGR be adjusted to reflect such remeasurement.

1.5 Changes to Airport. Tenant acknowledges and agrees that City shall have the right at all times to change, alter, expand, and contract the Airport, and that City has made no representations, warranties, or covenants to Tenant regarding the design, construction, pedestrian traffic, enplanements, airline locations, or views of the Airport or the Premises. Without limiting the generality of the foregoing, Tenant acknowledges and agrees that the Airport is currently undergoing, and may from time to time hereafter undergo, renovation, construction, and other Airport modifications, and may from time to time adopt rules and regulations relating to security and other operational concerns that may affect Tenant's business. Although City will use reasonable efforts to minimize the effect of such changes on Tenant's business, Tenant acknowledges that such activity may have some effect on its operations located at the Airport. Such construction and renovation programs might involve barricading, materials storage, noise, the presence of workers and equipment, rearrangement, utility interruptions, and other inconveniences normally associated with construction and renovation. Although City will use reasonable efforts to minimize the effect of such changes on Tenant's business, Tenant acknowledges that such activity may have some effect on its operations located at the Airport, and Tenant shall not be entitled to any rent credit or other compensation therefor. At any time and from time to time, City may, without the consent of Tenant, and without affecting Tenant's obligations under this Lease, at City's sole discretion, (a) change the shape, size, location, number and extent of the improvements in any portion of the Airport, (b) build additional stories above or below the Airport buildings, including of the Terminal Building, (c) eliminate or relocate public entrances to the Premises so long as there is at all times one public entrance to the Premises, (d) construct multi-level, elevated or subterranean parking facilities, and (e) expand or contract the Airport, including redefining the Airport boundaries so as to include additional lands within the Airport or exclude lands from the Airport or both. Without limiting waivers set forth elsewhere in this Lease, Tenant hereby waives all claims against City and releases City from all Losses (as defined below) that Tenant suffers or incurs arising out of or in connection with any changes to the Airport or any portion of the Airport and Tenant further agrees that Tenant will not be entitled to any rent abatement or any other rent relief in connection with any changes to the Airport or any portion of the Airport.

1.6 Common Areas. The term "**common areas**" means all areas and facilities located within the Airport that are designated by City from time to time for the general use and convenience of the tenants of the Airport and other occupants of the airport, and airline passengers and other visitors to the Airport such as concourses, sidewalks, elevators, escalators, moving walkways, parking areas and facilities, restrooms, pedestrian entrances, driveways, loading zones and roadways. City may, in its sole discretion, and without any liability to Tenant (a) change the common areas, (b) increases or decreases the common areas (including the conversion of common areas to leaseable areas and the conversion of leaseable areas to common areas), and (c) impose parking charges. City will, in its sole discretion, maintain the common areas, establish and enforce Airport Rules concerning the common areas, close temporarily portions of the common areas for maintenance purposes, and make changes to the common areas including changes in the location of security check points, driveways, entrances, exits, parking spaces, parking areas, and the direction of the flow of traffic. City

reserves the right to make additional Airport Rules affecting the Airport throughout the Term, including the requirement that Tenant participate in a parking validation program.

2. TERM

2.1 Commencement and Expiration. The Term shall commence on the Commencement Date and expire on the Expiration Date, unless terminated prior thereto as provided herein.

2.2 Required Opening. Upon City's notice that the Premises is ready for Tenant to take possession, Tenant shall (a) take possession of the Premises on the Commencement Date, (b) cause the Initial Improvements to be substantially completed, and (c) cause the Premises to be open for business within three hundred sixty-five days (365) days.

2.3 Late Opening Charge. In the event Tenant fails to open for business in the Premises on or before the Rent Commencement Date, City will incur substantial damages, the exact amount of which are extremely difficult to fix. Accordingly, for each day after the Rent Commencement Date until the day on which Tenant opens for business, City may elect, in its sole and absolute discretion, to require Tenant pay to City Five Hundred Dollars (\$500.00) (in addition to Rent as provided below), as liquidated damages. The parties have agreed that this amount represents a reasonable approximation of the damages likely to be suffered by City in the event Tenant shall fail to open on or before the Rent Commencement Date. In the event the Premises is not open for business on the date that is sixty (60) days after the Rent Commencement Date, City shall have the option to terminate this Lease. Tenant shall be liable for all damages associated with such termination or removal, including City's releasing costs.

2.4 Delivery Delay by City. If for any reason (including, without limitation, the existing tenant's failure to vacate timely the Premises) City cannot deliver possession of the Premises to Tenant on the Commencement Date, this Lease shall remain in effect, City shall not be subject to any liability, and such failure shall not extend the Term hereof. In such event, and provided such delay is not caused by the act or omission of Tenant, or Tenant's principal, affiliate, contractor, employee, agent, licensee or invitee (a "**Tenant Entity**"), the Rent Commencement Date shall be extended day for day to reflect such delay. After the Rent Commencement Date has occurred, upon Director's request, Tenant will execute a written acknowledgment of the Commencement Date and the Rent Commencement Date. In the event Tenant fails to execute and return promptly such acknowledgment to City, the dates described therein shall be deemed conclusive.

2.5 City's Right to Extend Term. City shall have one option to extend the Term by two years, on the terms and conditions of this Section 2.5 (the "**Extension Option**"). To exercise an Extension Option, City must give notice (an "**Exercise Notice**") to Tenant on or before the date that is one hundred and eighty (180) days prior to the Expiration Date. In no event will City be required to exercise the Extension Option.

2.6 Holding Over. If, without objection by City, Tenant holds possession of the Premises after the Expiration Date, Tenant shall become a tenant from month to month, upon the terms of this Lease except that, at City's sole discretion, the MGR shall be adjusted annually by CPI adjustment in accordance with Section 4 below. No such holdover shall be deemed to operate as a renewal or extension of the Term. Such month-to-month tenancy may be terminated by either City or Tenant by giving thirty (30) days' notice of termination to the other at

any time. Tenant shall have no rights to renew or extend the Term of this Lease. Any holding over without City's consent shall constitute a default by Tenant and entitle City to exercise any or all remedies as provided in this Lease, notwithstanding that City may elect to accept one or more payments of Rent, and whether or not such amounts are at the holdover rate specified above or the rate at the end of the Term of this Lease. In addition, in the event of any holding over by Tenant without the City's consent, in addition to all other remedies, City may increase the MGR to an amount equal to 150% of the MGR in effect immediately prior to such holding over.

2.7 Early Lease Termination.

Notwithstanding the Lease provisions herein, the Director, in his sole and absolute discretion, has the authority to terminate the Lease during the Operating Term if the use of the space is required in support of the Airport's Five-Year or Ten-Year Capital Plan, as published annually (the "**Early Lease Termination**"). In the event the Director exercises this Early Lease Termination, the Airport shall provide Tenant with six (6) months' written notice of the termination date of the Lease, upon which the Lease shall terminate and Tenant shall vacate the Premises in accordance with Section 16 of this Lease. Under this provision only, Tenant is entitled to a Lease buy-out and no other monetary payment under this Lease, at law or at equity. The buy-out is computed as the unamortized investment in "hard construction costs" as defined further in Lease Section 7.1 [Minimum Investment]. In the absence of "hard construction costs," the required Minimum Investment Amount will be used. The amortization is based on a straight-line method as applied to the Operating Term. An example of the buy-out computation is as follows: Tenant invests \$500,000 in hard construction costs and has a five year Operating Term, and one two-year Extension Option. During the Operating Term and with two lease years remaining of the Operating Term, the Director exercises the Early Lease Termination provision. Using the straight line method for amortization, the buy-out to Tenant shall be \$200,000 (\$500,000 divided by 5 years multiplied by two lease years remaining of the term).

3. **USE AND OPERATION**

3.1 Permitted Use. Tenant shall use the Premises for the Permitted Use and for no other purpose. Tenant shall, at all times, operate the Premises in strict conformance with the Permitted Use attached as Exhibit B herein. In the event Tenant desires to use the Premises for any purpose other than the Permitted Use (including providing a service outside the scope of the Permitted Use), Tenant must submit a request to Director. Director may, in his/her sole and absolute discretion approve or deny such request. Any such decision shall be binding on Tenant. Without limiting the generality of this Section 3.1 or any of the requirements set forth on Exhibit B, Tenant shall not operate the Premises under any name or brand other than a name or brand specifically permitted or required herein, or as otherwise approved by Director. Without limiting Section 5 [Assignment or Subletting], Tenant shall not, without the prior consent of Director, engage a third-party operator to conduct the Permitted Use or otherwise operate on the Premises.

3.2 Rights of Way. Tenant shall have the use and enjoyment of suitable rights of way under Airport lands adjacent to the Premises for the purpose of enabling Tenant, at its own expense, to install and maintain underground conduits, ducts, pipes, wires and other equipment which are or may be necessary or convenient in connection with the supply of utilities and other services to the Premises. The location or locations of said rights of way and installations therein

shall be subject to the prior written approval of Director, in Director's sole and absolute discretion. The use and enjoyment of said rights of way shall not be subject to any charge whatsoever by City to Tenant, however, Tenant shall pay the whole cost at legally-established rates for all utility services to the Premises. Notwithstanding anything to the contrary herein, Tenant shall have no such right(s) of way for any telecommunications systems, except and to the extent the same is consistent with the Airport's telecommunications policies and programs, including the Communications Master Plan and the Telecommunications Infrastructure Policy, as the same may be amended from time to time.

3.3 No Exclusivity. Tenant acknowledges and agrees that Tenant has no exclusive rights to conduct the business of the Permitted Use and that City may arrange with others for similar activities at the Airport.

3.4 Operation of Business. Subject to the terms of this Lease, Tenant will operate Tenant's business in the Premises at all times so as to maximize Gross Revenues (as defined below) and in accordance with the requirements set forth on Exhibit B relating to, among other things, merchandise requirements and price requirements. Without limiting the generality of the foregoing, Tenant shall (a) conduct the business in a first-class, businesslike, safe, efficient, courteous and accommodating manner; (b) carry a wide-range stock of merchandise of top character, quantity, and quality; and (c) employ sufficient and experienced staff. In the event Director shall give notice to Tenant that any of the foregoing covenants (a) - (c) are not being satisfied, Tenant shall immediately discontinue or remedy the objectionable practice. In addition, Tenant shall make reasonable change when requested, give directions, and assist the public generally. Tenant shall take all reasonable measures in every proper manner to maintain, develop, and increase the business conducted by it. Tenant will not divert or cause to be diverted any business from the Airport.

3.5 Support Space - *Left blank by agreement of the parties.*

3.6 Hours of Operation. Tenant will carry on its business diligently and continuously in the Premises and will keep the Premises open for business twenty four hours each day seven (7) days per week, including holidays. Director or his/her representative may, from time to time, modify, expand, or reduce such required hours of operation, in which event, Tenant will remain open during such revised hours. Similarly, Tenant may, from time to time, request to revise its hours of operation. Such change must be approved by Director or his/her representative, in writing, prior to its occurrence. Tenant may not, at any time, vacate or abandon the Premises.

3.7 Prices. Tenant's prices shall be the same or comparable to prices in effect at Tenant's other electric vehicle charging locations (including vending machines, as applicable) determined by Director to be comparable. Tenant will be required to submit, on an annual basis or upon request, a pricing survey of items comprising the Permitted Use showing the same or comparable prices found in Tenant's off-Airport locations, if any, or comparable charging locations within the Bay Area, as determined by Director to be comparable. The pricing survey shall contain a cross sampling of product and service categories chosen by the Director, to be relevant and comparable within the product categories. Should any variance in prices on specific items be deemed too great, the Director will have the right to require a price adjustment on the specified items.

3.8 References to Airport. Tenant shall not, without the prior written consent of Director, reference City or the Airport for any purpose other than the address of the business to

be conducted by Tenant in the Premises, nor will Tenant do or permit anything in connection with Tenant's business or advertising which in the judgment of City may reflect unfavorably on City or the Airport, or confuse or mislead the public as to the relationship between City and Tenant.

3.9 Other Operational Requirements.

(a) Tenant must keep the Premises in good repair and operating condition at all times, clean and appropriately signed, including, without limitation, the charging equipment which must be operational no less than ninety five (95%) of the time.

(b) Tenant is responsible for all trash and debris in the Premises and surrounding areas .

(c) City shall have the right to implement a consolidated distribution center for delivery of merchandise to Tenant. If City elects to implement such a consolidated distribution center and Tenant utilizes it, Tenant must pay any associated fees.

(d) Tenant acknowledges that the operational requirements of the Airport as an airport facility, including without limitation security requirements, are of paramount importance. Tenant acknowledges and agrees that it must conduct its business in a manner that does not conflict with the operational requirements of the Airport as an airport facility and that fully accommodates those requirements. Without limiting other waivers herein, Tenant waives all claims for any Losses arising out of or connected to the operation of the Airport as an airport facility. Without limitation on the foregoing, Tenant must:

- (i) comply with the Airport Rules;
- (ii) cause all deliveries and dispatches of merchandise, supplies, fixtures, equipment and furniture to be made and conveyed to or from the Premises by means and during hours established by Director in Director's sole discretion. City has no responsibility regarding the delivery or dispatch of Tenant's merchandise, supplies, fixtures, equipment and furniture. Tenant may not at any time park its trucks or other delivery vehicles in common areas; and
- (iii) not park within the parking areas of the Airport except in those areas, if any, designated by City pursuant to permits obtained from the Airport. Nothing herein shall imply that Tenant shall be able to secure any on-Airport parking privileges.

3.10 Prohibited Activities. (a) Tenant shall not use the Airport or cause or permit its employees or others to use the Airport for any other purpose than specified under the terms and conditions of this Lease. Without limiting the generality of the foregoing, Tenant shall not do, cause or permit anything to be done in or about the Airport, or bring or keep anything thereon which will in any way: (i) increase the rate of fire insurance upon the Airport; (ii) conflict with any law, ordinance, rule or regulation now in effect or which may hereafter be enacted or promulgated ; (iii) create a nuisance; (iv) advertise any distress, fire, bankruptcy, liquidation, relocation, closing, or going-out-of-business sales; (v) commit or suffer to be committed any waste upon the Premises; (vi) use, or allow the Premises to be used, for any improper, immoral,

unlawful or objectionable purpose; (vii) use any advertising or promotional medium that may be seen, heard, or otherwise experienced outside the Premises (such as searchlights, barkers or loudspeakers); (viii) distribute handbills or circulars to Airport patrons or engage in any other advertising in the Airport; (ix) engage in any activity on the Airport outside the Premises for the recruitment or solicitation of business; or (x) do or permit to be done anything in any way tending to injure the reputation of City or appearance of the Airport. In no event will Tenant engage in any activity on the Airport outside the Premises for the recruitment or solicitation of business.

(b) Tenant shall not knowingly interfere or permit interference with the use, operation or maintenance of the Airport, including, but not limited to, the effectiveness or accessibility of the drainage, sewerage, water, communications, fire protection, utility, electrical, or other systems installed or located from time to time at the Airport.

(c) Tenant shall not do or permit to be done anything, either by act or failure to act, that shall cause the cancellation or violation of the provisions, or any part thereof, of any policy of insurance for the Airport or that shall cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Lease. If Tenant shall do or permit to be done any act not permitted under this Lease, or fail to do any act required under this Lease, regardless of whether such act shall constitute a breach of this Lease, which act or failure, in and of itself, causes an increase in City's insurance premiums, Tenant shall immediately remedy such actions upon notice from City to do so.

(d) Except as permitted or authorized by applicable Environmental Laws or discharge requirements issued by the Airport or included in the Airport Rules, Tenant shall not dispose of nor permit any other person to dispose of any waste material into the sanitary or storm sewers at the Airport or elsewhere (whether liquid or solid) unless such waste materials or products are first properly treated.

(e) Tenant shall not disturb any asbestos at the Airport without first obtaining all permits and approvals as required by applicable Environmental Laws or by City. City shall make available to Tenant upon request any surveys, reports, plans, or other documentation regarding the presence or management of asbestos at the Airport.

(f) Any and all rights and privileges not specifically granted to Tenant for its use of and operations at the Airport pursuant to this Lease are hereby reserved for and to City.

3.11 Audit of Operations. At any time and from time to time, City may conduct an audit of Tenant's operations at the Airport (in addition to City's right to audit pursuant to Section 4.9 [Books and Records; Audit Rights]) to confirm that such operations comply with the requirements set forth in this Lease. Tenant shall cooperate with such audit. In the event such audit shows that Tenant is not complying with such requirements, without limiting City's ability to call a default hereunder, City may require that Tenant reimburse City for the costs of such audit. Tenant shall promptly remedy any noncompliance shown in any such audit.

3.12 Representative of Tenant. Tenant shall at all reasonable times retain at least one qualified representative authorized to represent and act for it in matters pertaining to its operation at the Premises, and shall keep Director informed in writing of the identity of each such person. The initial person so designated is the Initial Tenant Representative.

3.13 Investigation Reports. Tenant shall, if required by Director, employ, at its own cost and expense, an investigative organization approved by Director for the purpose of making investigations and observations and preparing a written report of the carrying out of any pricing policies, revenue control, and operational techniques being used on the Premises. Tenant shall cause such investigation and observation to be made at such reasonable times and in the manner directed by Director, and the investigator shall deliver forthwith to Director a true and complete written copy of any such reports made to Tenant.

3.14 Compliance with Laws. Tenant shall promptly, at its sole expense, cause the Premises (including all Initial Improvements and any permitted Alterations (as defined below)), and Tenant's and any Tenant Entity's use of the Premises and operations at the Airport under the Lease, to comply at all times with all Laws (as defined below). As used herein, the term "**Laws**" shall mean all applicable present and future laws, ordinances, rules, judgments, decrees, injunctions, regulations, permits, authorizations, orders and requirements, to the extent applicable to Tenant or the Premises or any portion of any of them whether or not in the contemplation of the parties, including, without limitation, all consents or approvals required to be obtained from, and all rules and regulations of, and all building and zoning laws of, all federal, state, county and municipal governments, the departments, bureaus, agencies or commissions thereof, authorities, board of officers, any national or local board of fire underwriters, or any other body or bodies exercising similar functions, including the Occupational Safety and Health Act and all other applicable laws relating to workplace safety or toxic materials, substances or wastes, Title XV (commencing with Section 3082) of the California Civil Code relating to works of improvement and all other applicable laws relating to construction projects, the provisions of the American with Disabilities Act, 42 U.S.C. Section 12101 et seq. and any governmental regulations with respect thereto (the "**ADA**") (including, without limitation, the requirements under the ADA for the purposes of "public accommodations", as that term is used in the ADA), the provisions of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794 et seq.) and any governmental regulations with respect thereto, Title 24 of the California Administrative Code, the National Labor Relations Act, the Labor Relations Act, all Environmental Laws, the Airport Rules, the Tenant Improvement Guide (including any design criteria) as the same may be amended from time to time (the "**TI Guide**"), and the requirements referenced in Section 19 [City and Other Governmental Provisions] hereof.

3.15 Trespass and Security. Tenant shall use reasonable precautions to prevent unauthorized persons from gaining access to restricted flight and public aircraft operational areas and all other nonpublic areas around the Premises. Further, Tenant, its officers, employees, agents, and those under its control, shall comply with security measures (a) required of Tenant by the FAA, TSA or City in accordance with applicable requirements of the FAA or the TSA or the City or their authorized successors, or (b) contained in any Airport master security plan approved by the FAA, TSA or City or their authorized successors. If Tenant or any Tenant Entity shall fail or refuse to comply with said measures and such non-compliance results in a monetary penalty being assessed against City, Tenant shall be responsible for and shall reimburse City in the full amount of any such monetary penalty or other damages, in addition to other penalties or remedies available to City under this Lease.

3.16 Antennae and Telecommunications Dishes. No antennae, telecommunications dish, wireless telecommunications system, or other similar facilities may be installed on the Premises without the prior written approval of Director, which approval shall not be

unreasonably withheld, conditioned or delayed. No such antennae shall interfere with City's emergency and nonemergency communications facilities or the transmission facilities of City.

4. RENT

4.1 Definitions. For purposes of this Lease, the following capitalized terms shall have the following meanings:

(a) "**Gross Revenues**" means:

- (i) All revenues, whether by coin or currency, on account, by check or credit card, digital payment, collected or uncollected, whether conducted on or off airport, derived by Tenant as a result of its operation of the concession rights herein granted and shall include the sales prices received or billed by Tenant or any subtenants from the services provided at or arising from the Airport; plus
- (ii) The retail price of all merchandise sold and services rendered in, on, about or from the Premises or from such other locations on the Airport where Tenant operates, whether through a subtenant, concessionaire, or by any other person or entity herein permitted, to include catering and internet sales, as permitted herein, and any other receipts, credits, rebates, allowance or revenues of any type arising out of or in connection with Tenant's operations at the Premises, regardless of where or by whom any such merchandise is prepared, whether such sales be for cash or on credit, and in case of sales on credit, whether or not payment is actually made; provided, however, that in the event merchandise is returned by a customer and the sale is canceled, the selling price shall be excluded; plus,
- (iii) The full amount of all deposits forfeited by customers in connection with any business of Tenant in, on, about or from the Premises; plus,
- (iv) The full amount of all orders for goods or services accepted by Tenant in, on, about or from the Premises, whether or not to be filled or performed at any other place, and the full amount of all orders accepted by Tenant elsewhere, but to be filled or performed in, on, about or from the Premises or from such other locations on the Airport where Tenant operates. In determining Gross Revenues, retail sales taxes shall not be included; plus,
- (v) The retail price of all merchandise orders placed on the Premises from Tenant's catalog; plus,
- (vi) Branding fees, marketing fees, merchandising fees, promotional allowances, retail display allowances (RDA) and any type of ancillary advertising or product placement fees/allowances arising out of or in connection with Tenant's operations at the Premises.

The following shall not be included in Gross Revenues:

- (i) Any exchange of merchandise between facilities of Tenant where such exchange is made solely for the convenient operation of Tenant's business and not for the purpose of consummating a sale made in, at or from the demised premises, or for the purpose of depriving City of the benefit of sales which would otherwise be made in or at the Premises;
- (ii) Returns to the shippers or manufacturers;
- (iii) Cash or credit refunds to customers on transactions (not to exceed the actual selling price of the item returned) otherwise included in Gross Revenues;
- (iv) Discount sales to employees, to the extent of the discount; and
- (v) Sales tax.

(b) "**MGR Adjustment Date**" has the meaning given it in the Summary.

(c) [Omitted].

(d) "**First Month**" means the month in which the first Rent Commencement date occurs.

(e) "**Lease Year**" as defined in the Lease Summary.

4.2 Monthly Rent Payments. Tenant shall pay, as rent for the Premises, estimated monthly Base Rent in advance, on or before the first (1st) day of each calendar month of the Term, as set forth below:

(a) On or before the Rent Commencement Date and the first (1st) day of each calendar month thereafter, Tenant shall pay the current monthly MGR to the City's Rent Payment Address.

(b) On or before the twentieth (20th) day of each calendar month after the First Month, concurrently with its submission of the Sales Reports described below covering the prior calendar month, Tenant shall pay to City the deficiency, if any, between the Base Rent payable by Tenant with respect to such prior calendar month (based on the Gross Revenues achieved with respect to such prior month), and the amount actually paid by Tenant pursuant to the foregoing subsection (a) with respect to such month.

(c) All payments hereunder shall be paid to City's Rent Payment Address, or at such other place as City may from time to time designate in writing.

(d) All Rent shall be paid in lawful money of the United States, free from all claims, demands, setoffs, or counterclaims of any kind.

(e) Any Rent not paid when due shall be subject to a service charge equal to the lesser of the rate of one and one-half percent (1½%) per month, and the maximum rate permitted by law. Acceptance of any service charge shall not constitute a waiver of Tenant's

default on the overdue amount or prevent City from exercising any of the other rights and remedies available to City.

4.3 Adjustments to MGR. On each MGR Adjustment Date, the MGR with respect to the upcoming Lease Year shall be the greater of the existing MGR or eighty-five (85%) of Base Rent for the Prior Lease Year. Notwithstanding anything to the contrary herein, in no event will the MGR for any Lease Year be lower than the MGR with respect to the prior Lease Year.

4.4 Construction Period Operations. *Left blank as agreed by the parties.*

4.5 Rent Prior to Rent Commencement Date. *Left blank as agreed by the parties.*

4.6 Sales Reports. On or before the twentieth (20th) calendar day of each month after the First Month, Tenant shall submit to City, at City's Sales Report Address, a report (the "**Sales Report**") showing all Gross Revenues achieved with respect to the prior month by location, segregated by each source or general type of article sold or service rendered. Such report shall be certified as being true and correct by Tenant and shall otherwise be in form and substance satisfactory to Director. As described below, City shall have the right, in addition to all other rights herein, to impose a fine in the event Tenant shall fail to submit such Sales Report timely.

4.7 Annual Certification of Sales and Adjustment. Within ninety (90) days after the end of each Lease Year, Tenant shall submit to Director at City's Deposit/Annual Report Notice Address a year-end revenue report, with a separate monthly breakdown of Gross Revenues for (i) fast charging and (ii) convenience store or vending (as applicable), certified by an independent Certified Public Accountant or senior officer showing Gross Revenues achieved with respect to the prior Lease Year ("**Annual Report**"). If such report shows that the total Base Rent actually paid by Tenant with respect the prior Lease Year was less than the Base Rent payable with respect to such year, then Tenant shall immediately pay to City such deficiency. If such report shows that the total Base Rent actually paid by Tenant with respect to such prior Lease Year exceeded the Base Rent payable with respect to such year, then such excess shall be applied as a rent credit to amounts next coming due. Notwithstanding anything to the contrary herein, in no event will the Base Rent payable to City be less than the MGR. In addition, Tenant shall submit to City such other financial or other reports as Director may reasonably require. Tenant shall also certify any Gross Revenues earned prior to the Rent Commencement Date and a true-up for that period alone will take place in the manner stated immediately above.

4.8 Point of Sale Requirements. Tenant shall install in the Premises a Point of Sale (POS) system with at least one POS unit, which includes mobile POS or other similar electronic devices. All POS used on the Premises shall meet current industry standards for transmitting, capturing and recording transactions and data in a secure fashion while protecting Card Holder Data, and shall register every transaction made in, on, about or from the Premises, including every type of Gross Revenue in real time, and an electronic or hard copy record of each. Tenant shall comply and remain current with all Payment Card Industry Data Security Standard (PCI-DSS) requirements as detailed in Exhibit B hereto. Said POS shall be accessible to and subject to inspection or audit by Director or his/her designee upon request. All cash receipts must include Tenant's identification thereon. Each sale or other transaction from the Premises must be recorded at the time of each sale or other transaction, in the presence of the customer, unless otherwise approved by the Director. Each customer must be offered a receipt or sales

slip for each transaction, which transaction must be recorded on a digital record produced by the POS. The POS may also provide customer the option of having receipts emailed, in addition or in lieu of a printed receipt, at the option of the customer. City shall have the right to: (a) examine during business hours the totals of any POS used on the Premises and to inspect such POS for compliance with this Section; (b) implement an hourly or daily reporting system with which Tenant shall comply; and (c) implement a common-use POS, in which event, Tenant must, at its cost, purchase and install the necessary equipment, train its employees, and thereafter use, such equipment to take part in such system. Additionally, Tenant shall ensure a capability within its mobile POS for the installation of Airport and Airport partner applications that can be integrated with Tenant's POS to exchange data and make possible future opportunities to support passengers and airlines with vouchers, coupons and other mutually beneficial marketing programs.

4.9 Books and Records; Audit Rights.

(a) Tenant shall maintain for a period of five (5) years after the Expiration Date, or, in the event of a claim by City, until such claim of City for payments hereunder shall have been fully ascertained, fixed and paid, separate and accurate daily records of Gross Revenues, whether for cash, credit, or otherwise. Tenant must require each subtenant, concessionaire, licensee, and assignee to maintain the same records. All such books and records shall be kept in accordance with "generally accepted accounting principles," consistently applied, showing in detail all business done or transacted in, on, about or from or pertaining to the Premises, and Tenant shall enter all receipts arising from such business in regular books of account, and all entries in any such records or books shall be made at or about the time the transactions respectively occur. The books and source documents to be kept by Tenant must include records of inventories and receipts of merchandise, daily receipts from all sales and other pertinent original sales records and records of any other transactions conducted in or from the Premises by all persons or entities conducting business in or from the Premises. Pertinent original sales records include: (i) cash register tapes, including tapes from temporary registers, (ii) serially pre-numbered sales slips, (iii) the original records of all mail and telephone orders at and to the Premises, (iv) settlement report sheets of transactions with subtenants, concessionaires, licensees and assignees, (v) original records indicating that merchandise returned by customers was purchased at the Premises by such customers, (vi) memorandum receipts or other records of merchandise taken out on approval, (vii) detailed original records or any exclusions or deductions from Gross Revenues, (viii) sales tax records, and (ix) all other sales records, if any, that would normally be examined by an independent accountant pursuant to generally accepted auditing standards in performing an audit of Gross Revenues. Tenant must keep the required books, source documents and records of Gross Revenues available for inspection by City and its agents and employees at the Premises or at another location within the continental United States at all times during regular business hours. In addition, Tenant shall maintain monthly and annual reports of Gross Revenues derived from its operation under this Lease, using a form and method as is directed by Director. Such forms and methods shall be employed by Tenant throughout the term of this Lease. Upon Director's written request, Tenant shall make available immediately to City and/or its auditors any and all books, records and accounts pertaining to its operations under this Lease. The intent and purpose of the provisions of this section are that Tenant shall keep and maintain records which will enable City and City's Controller to ascertain, determine and audit, if so desired by City, clearly and accurately, Gross Revenues achieved, and the adequacy of the form and method of Tenant's reporting thereof.

(b) Should any examination, inspection, and audit of Tenant's books and records by City disclose an underpayment by Tenant of the total Base Rent due, Tenant shall promptly pay to City such deficiency, and if such deficiency exceeds two percent (2%) of the total Base Rent due, Tenant shall also promptly reimburse City for all costs incurred in the conduct of such examination, inspection, and audit. Further, should any examination, inspection, and audit of Tenant's books and records by City disclose an underpayment by Tenant of the total Base Rent due and such deficiency exceeds five percent (5%) of the total Base Rent due, City shall have the right to terminate this Lease. In the event that City deems it necessary to utilize the services of legal counsel in connection with collecting the reimbursement for such examination, inspection, and audit, then Tenant shall reimburse City for reasonable attorneys' fees and litigation expenses as part of the aforementioned costs incurred.

4.10 Other Reports and Submissions. Tenant shall furnish City with such other financial or statistical reports as Director or his/her representative from time to time may reasonably require. Upon request by Director, Tenant shall provide data port usage information including port uptime, connection and disconnection per session data, kWh delivered, and peak and average kW delivery rate. Upon request by Director, Tenant shall furnish to City copies of its quarterly California sales and use tax returns covering the Premises operations as well as that pertinent portion of both the California and Federal income tax returns and possessory interest tax returns on the Premises operations at the time of filing, and any amendments thereto. All copies of such returns must be certified as exact copies of the original documents by a Certified Public Accountant. Tenant and all subtenants (to the extent permitted) shall also promptly notify Director of and furnish to City copies of any audit reports covering this facility conducted by the California Franchise Tax Board or the Board of Equalization.

4.11 Food and Beverage Cleaning Fee. *Left blank by agreement of the parties.*

4.12 Food Court Infrastructure Fee. *Left blank by agreement of the parties.*

4.13 Additional Rent. Tenant shall pay to City any and all charges and other amounts under this Lease as additional rent, at the same place where Base Rent is payable. City shall have the same remedies for a default in the payment of any such additional charges as for a default in the payment of Base Rent.

4.14 Prepay Rent. Notwithstanding anything to the contrary herein, in the event Tenant shall fail to pay any Rent when due hereunder, Director shall have the right to require Tenant to pay estimated monthly Rent (including Base Rent, utility charges, and all other amounts) one (1) month in advance of when such payment would otherwise be due. Such prepayment would be based on the highest monthly Rent previously due from Tenant. Such right shall be exercised by a notice from Director to Tenant, which notice may be given any time after such default by Tenant, regardless of whether the same is cured by Tenant.

4.15 Nature of Lease. Under no circumstances will City be expected or required to make any payment of any kind with respect to Tenant's use or occupancy of the Premises, except as may be otherwise expressly set forth herein. Except as may be specifically and expressly provided otherwise in this Lease, no occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, shall relieve Tenant from its liability to pay all of the sums required by this Lease, or relieve Tenant from any of its other obligations under this Lease, or give Tenant the right to terminate this Lease in whole or in part. Tenant waives any rights now or hereafter conferred upon it by any existing or future Law to

terminate this Lease or to receive any abatement, diminution, reduction, or suspension of payment of such sums, on account of such occurrence or situation. Except as otherwise expressly provided herein, this Lease shall continue in full force and effect, and the obligations of Tenant hereunder shall not be released, discharged or otherwise affected, by reason of: (a) any damage to or destruction of the Premises or any portion thereof or any improvements thereon, or any taking thereof in eminent domain; (b) any restriction or prevention of or interference with any use of the Premises or the improvements or any part thereof; (c) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other proceeding relating to City, Tenant or any constituent partner of Tenant or any sublessee, licensee or concessionaire or any action taken with respect to this Lease by a trustee or receiver, or by any court, in any proceeding; (d) any claim that Tenant or any other person has or might have against City; (e) any failure on the part of City to perform or comply with any of the terms hereof or of any other agreement with Tenant or any other person; (f) any failure on the part of any sublessee, licensee, concessionaire, or other person to perform or comply with any of the terms of any sublease or other agreement between Tenant and any such person; (g) any termination of any sublease, license or concession, whether voluntary or by operation of law; or (h) any other occurrence whatsoever, whether similar or dissimilar to the foregoing in each case whether or not Tenant shall have notice or knowledge of any of the foregoing. The obligations of Tenant hereunder shall be separate and independent covenants and agreements. Tenant hereby waives to the full extent permitted by applicable law, all rights now or hereafter conferred by statute, including without limitation the provisions of Civil Code Sections 1932 and 1933, to quit, terminate or surrender this Lease or the Premises or any part thereof, or to any abatement, suspension, deferment, diminution or reduction of any rent hereunder.

4.16 Severe Decline in Enplanements - *Left blank by agreement of the parties.*

5. ASSIGNMENT OR SUBLETTING

5.1 No Assignment. Tenant shall not assign, sublet, encumber, or otherwise transfer, whether voluntary or involuntary or by operation of law, the Premises or any part thereof, or any interest herein, without City's prior written consent, which consent may be granted or denied in City's sole and absolute discretion (the term "**Transfer**" shall mean any such assignment, subletting, encumbrance, or transfer). City's consent to one Transfer shall not be deemed a consent to subsequent Transfers. Any Transfer made without City's consent shall constitute a default hereunder and shall be voidable at City's election. In addition to the foregoing, on October 17, 2023, by Resolution No. 23-0249, the Commission adopted its current "**Limit of 10 Leases Policy**." The Limit of 10 Leases Policy limits to eight the total number of food and beverage and/or retail leases for which operations have commenced that may be held by any individual or entity either through award, transfer, assignment, sublease or other means. For purposes of the Limit of 10 Leases Policy, an individual or entity shall mean an owner with greater than 50% direct or indirect ownership interest in the lease. Leases featuring nationally or internally branded retail concepts and leases in holdover status shall not be counted toward the eight leases limit. Tenant is subject to the Limit of 10 Leases Policy and shall not undertake, and City shall not consent to, any transactions, including any assignment or acquisition of any leases by Tenant, which would cause it to be in violation of such policy.

5.2 Changes in Tenant. The merger of Tenant with any other entity or the transfer of any direct or indirect controlling ownership interest in Tenant, or the assignment or transfer of a substantial portion of the assets of Tenant, whether or not located on the Premises, shall constitute a Transfer. Without limiting the generality of the foregoing, if Tenant is a partnership,

a withdrawal or change, voluntary, involuntary or by operation of law of the partner or partners owning twenty-five percent (25%) or more of the partnership, or the dissolution of the partnership, or the sale or transfer of at least twenty-five percent (25%) of the value of the assets of Tenant, shall be deemed a Transfer. If Tenant is a corporation or limited liability company, any dissolution, merger, consolidation or other reorganization of Tenant, or the sale or other transfer of a controlling percentage of the capital stock or membership interests of Tenant, or the sale or transfer of at least twenty-five percent (25%) of the value of the assets of Tenant, shall be deemed a Transfer. The phrase “**controlling percentage**” means the ownership of, and the right to vote, stock or interests possessing at least twenty-five percent (25%) of the total combined voting power of all classes of Tenant’s capital stock or interests issued, outstanding and entitled to vote for the election of directors. Without limiting the restrictions on asset transfers, this paragraph shall not apply to stock or limited liability company interest transfers of corporations or limited liability companies the stock or interests of which is traded through an exchange or over the counter.

5.3 No Release. In no event will City’s consent to a Transfer be deemed to be a release of Tenant as primary obligor hereunder.

5.4 Subleasing. Without limiting City’s discretion in approving or disapproving a proposed Transfer, if and to the extent City permits Tenant to sublease the Premises, the following shall apply: (a) Prior to negotiating a sublease agreement, Tenant must submit to City a sublease proposal for City’s approval, which approval may be granted or withheld in City’s absolute and sole discretion; (b) Every sublease must be on a Standard Sublease Agreement form approved by Director, and the actual sublease must be approved by Director; (c) Each and every covenant, condition or obligation imposed upon Tenant by this Lease and each and every right, remedy or benefit afforded City by this Lease will not be impaired or diminished as a result of any sublease agreement; (d) No subtenant shall be obligated to pay to Tenant, and Tenant shall not be permitted to charge any rent, percentage rent, bonus rent, key money, administration fee, or the like, which exceeds, in the aggregate, the total sums that Tenant pays to City under this Lease for the portion of the Premises subleased by the subtenant under its sublease agreement (the “**Excess Rent**”). If, notwithstanding the foregoing prohibition, Tenant receives any Excess Rent, Tenant shall pay the same to City; (e) Tenant assigns to City all rent and other payments due from all subtenants under any sublease agreements; provided however, Tenant is hereby granted a license to collect rents and other payments due from subtenants under their sublease agreements until the occurrence of an Event of Default, regardless of whether a notice of that default has been given by City. At any time, at Director’s option, City may notify a subtenant of this assignment and upon such notice the subtenant will pay its rent other payments directly to City. City will credit Tenant with any rent received by City under such assignment, but the acceptance of any payment on account of rent from any subtenants as a result of an Event of Default will in no manner whatsoever serve to release Tenant from any liability under this Lease. No payment of rent or any other payment by a subtenant directly to City or other acceptance of such payments by City, regardless of the circumstances or reasons therefor, will in any manner whatsoever be deemed an attornment by the subtenants to City in the absence of either a specific written agreement signed by City to such an effect.

5.5 Excess Rent. City shall receive fifty percent (50%) of all Excess Rent payable in connection with any Transfer. “**Excess Rent**” means the excess of (a) all consideration received by Tenant from a Transfer over (b) Rent payable under this Lease post-Transfer after deducting reasonable tenant improvements paid for by Tenant, reasonable attorneys’ fees and any other

reasonable out-of-pocket costs paid by Tenant as a result of the Transfer (but specifically excluding any Rent paid to City while the Premises is vacant).

5.6 Acceptance of Rent. The acceptance of rent by City from any person or entity does not constitute a waiver by City of any provision of this Lease or a consent to any Transfer. City's consent to one Transfer will not be deemed to be a consent to any subsequent Transfer. If Tenant defaults in the performance of any of the terms of this Lease, City may proceed directly against the transferor (or if there has been more than one Transfer, then each transferor) without necessity of exhausting remedies against Tenant. City may consent to subsequent Transfers or amendments or modifications to this Lease with transferees, without notifying transferor (or if there has been more than one Transfer, then each transferor) and without obtaining its or their consent thereto and such action shall not relieve any transferor of liability under this Lease as amended.

5.7 Waiver. Tenant waives the provisions of Civil Code Section 1995.310 with respect to remedies available to Tenant should City fail to consent to a Transfer.

6. TAXES, ASSESSMENTS AND LIENS

6.1 Taxes.

(a) Tenant recognizes and understands that this Lease may create a possessory interest subject to property taxation and that Tenant may be subject to the payment of property taxes levied on such interest. Tenant further recognizes and understands that any Transfer permitted under this Lease and any exercise of any option to renew or other extension of this Lease may constitute a change in ownership for purposes of property taxation and therefore may result in a revaluation of any possessory interest created hereunder. Tenant shall pay all taxes of any kind, including possessory interest taxes, that may be lawfully assessed on the leasehold interest hereby created and to pay all other taxes, excises, licenses, permit charges and assessments based on Tenant's usage of the Premises, all of which shall be paid when the same become due and payable and before delinquency.

(b) Tenant shall report any Transfer, or any renewal or extension hereof, to the County of San Mateo Assessor within sixty (60) days after such Transfer transaction, or renewal or extension. Tenant further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements under applicable law with respect to possessory interests and any applicable rules and regulations of the Internal Revenue Service and the Securities and Exchange Commission in connection with any tax-exempt Airport revenue bonds financing the property leased to Tenant hereunder. Tenant agrees to make an irrevocable election not to claim depreciation or an investment credit with respect to any property leased hereunder.

6.2 Other Liens. Tenant shall not permit or suffer any liens to be imposed upon the limitation, mechanics', material suppliers' and tax liens, as a result of its activities without promptly discharging the same. Notwithstanding the foregoing, Tenant may in good faith contest any such lien if Tenant provides a bond in an amount and form acceptable to City in order to clear the record of any such liens. Tenant shall assume the defense of and indemnify and hold harmless City against any and all liens and charges of any and every nature and kind which may at any time be established against said premises and improvements, or any part thereof, as a consequence of any act or omission of Tenant or as a consequence of the existence of

Tenant's interest under this Lease. Upon any termination of this Lease, all lawful taxes then levied or a lien upon any of such property or taxable interest therein shall be paid in full by Tenant forthwith or by the due date in the tax statement issued by the tax collector if termination occurs during the interval between the attachment of the lien and the issuance of the statement.

7. INVESTMENTS; ALTERATIONS

7.1 Investment; Performance and Payment Bonds.

(a) Prior to the Rent Commencement Date, Tenant, at Tenant's sole cost and expense, develop the site and construct and install all equipment required for the Permitted Use on the Premises, and otherwise complete the initial improvements necessary and appropriate to commence operations at the Premises (the "**Initial Improvements**") in compliance with this Lease (including, without limitation, Section 7.2 below and **Exhibit B** to this Lease), the TI Guide and the Tenant Work Letter attached to this Lease as Exhibit D. As-Built drawings of fire sprinkler and fire alarm systems must be submitted to Building Inspection and Code Enforcement ("**BICE**") in AUTOCAD ".DWG" format within 30 days of issuance of a Temporary Certificate of Occupancy (TCO). Within ninety (90) days after substantial completion of the Initial Improvements, Tenant must provide to City an AUTOCAD file and an electronic PDF file in accordance with the requirements as specified in the TIG and an affidavit, signed under penalty of perjury by both Tenant *and* Tenant's general contractor, architect or construction manager, stating the hard construction costs paid by Tenant to complete the Initial Improvements, together with copies of paid invoices and lien waivers substantiating the costs stated in the affidavit. If Director disputes the amount of investment claimed by Tenant, Director may, at City's expense, hire an independent appraiser to determine the cost of the investment. If the independent appraiser determines that the investment is less than the Minimum Investment Amount, the deficiency, as well as City's costs of hiring such independent appraiser, will be paid to City by Tenant within sixty (60) days of City's written notice of the appraiser's determination. At any time, upon three (3) business days' notice, City or its representatives may audit all of Tenant's books, records and source documents related to the hard construction costs paid by Tenant to complete the Initial Improvements. If the audit reveals that the hard construction costs paid by Tenant were less than those stated in Tenant's affidavit, then Tenant must pay City for the costs incurred by City in connection with the audit plus any additional deficiency discovered between the hard construction costs paid by Tenant and the Minimum Investment Amount.

(b) Performance and Payment Bonds. Prior to the Commencement Date and Tenant taking possession of the Premises, Tenant will have delivered to City for the Initial Improvements: (i) a payment bond from Tenant's general contractor, in a principal amount no less than 100% of the total cost of construction of the Initial Improvements, and (ii) a performance bond, in a principal amount no less than one hundred percent (100%) of the cost of the Initial Improvements, guaranteeing the completion of the Initial Improvements. Each of the foregoing bonds shall be in a form satisfactory to City's City Attorney, and issued by a surety company satisfactory to Director.

7.2 City's Approval Rights. Tenant shall not make or suffer to be made any alterations, additions, or improvements to the Premises or any part thereof or attach any fixtures or equipment thereto, including the Initial Improvements (collectively, "**Alterations**") without City's prior written consent. Without limiting the generality of the foregoing, the initial layout and design of all Alterations shall conform to the Airport's Concessions Design Guidelines, the provisions of Airport's TI Guide and the Tenant Work Letter. Prior to the construction of any

Alterations (including the Initial Improvements), Tenant shall submit detailed plans and specifications to the Airport's Design Review Committee and BICE for approval. Tenant shall include with its plans and specifications schematic renderings of the public retail area, materials, a color board(s) and a detailed layout of the overall merchandising plan. All decisions by the Airport's Design Review Committee shall be made subject to the approval of the Airport Commission, if applicable. City's approval rights will extend to and include architectural and aesthetic matters and City reserves the right to reject any designs submitted and to require Tenant to resubmit designs and layout proposals until they meet City's approval. The Rent Commencement Date shall not be extended if City elects to reject any designs or layout proposals submitted. In the event of disapproval by City of any portion of the plans and specifications, Tenant will promptly submit necessary modifications and revisions thereof. No changes or alterations will be made in said plans or specifications after approval by City. City agrees to act within a reasonable period of time upon such plans and specifications and upon requests for approval of changes or alterations in said plans or specifications. One copy of plans for all improvements or subsequent changes therein or alterations thereof will, within fifteen (15) days after approval thereof by City, be signed by Tenant and deposited with City as an official record thereof. In the event Tenant fails to have its Initial Improvement designs approved by the Airport's Design Review Committee and BICE by the date that is thirty (30) days in advance of the Commencement Date, the Director may elect to impose fines of two hundred fifty dollars (\$250) per day until such time that approvals are received. All Alterations shall be effected through the use of contractors approved by City who shall furnish to City upon demand such completion bonds and labor and material bonds as City may require so as to assure completion of the Alterations on a lien-free basis. If the estimated cost of any Alterations exceeds \$750,000 per building permit, unless otherwise exempt, Tenant agrees to comply with the Local Hiring Requirements as described in Section 19.30 of this Lease. Without limiting the requirements set forth above, Tenant acknowledges and agrees that Tenant may be required to obtain approvals for any desired Alterations from BICE.

7.3 Structures and Fixtures. Tenant shall, at its sole cost and expense, design, erect, construct and install all fixtures, furnishings, finishings, equipment, counters, or other necessary Alterations for its operation under this Lease. All construction shall be in conformity with the latest edition of the TI Guide and the Tenant Work Letter, and in conformity with the approved plans and specifications submitted by Tenant, and shall meet all applicable local building codes and ordinances as well as all other Laws. Tenant shall submit complete plans and specifications to Director, and prior to the commencing any construction work, obtain Director's written approval of said plans and specifications. Tenant shall make no change or alteration in the plans and specifications without prior written approval of Director. If Tenant fails to construct, furnish or decorate the premises in accordance with the approved plans and specifications, Tenant shall be given up to sixty (60) days to bring the premises to the condition described in the plans and specifications after which time the Director may impose a two hundred fifty dollars (\$250) per day fine until such time that the premises, fixtures and furnishings are brought in accordance with the approved plans and specifications. In the event that Tenant fails to submit plans and specifications which meet the approval of City within thirty (30) days after the Effective Date, City may terminate this Lease. Nothing herein contained shall be construed to delay or otherwise affect the Commencement Date or the Rent Commencement Date.

7.4 Mid-Term Refurbishment

(a) Within 90 days after the seventh (7th) anniversary of the Rent Commencement Date (the "Mid-Term Refurbishment Date"), Tenant shall refurbish and modernize the Premises.

In connection with such refurbishment, and modernization, Tenant shall invest at a minimum amount sufficient to perform the following upgrades:

- (i) Replace any broken or defective equipment encumbering the operation of the charging facility. Replace all electric vehicle chargers with state of the art equipment.
- (ii) Slurry seal all asphalt areas, repair concrete cracks, and re-stripe the public access portions of the premises, including vehicle fueling positions.
- (iii) Re-paint any portions of the exterior sections of the fueling facility requiring re-painting, as determined by the Director.
- (iv) Upgrade area lighting and security fencing as may be necessary to meet Airport standards, as determined by the Director.

(b) On or before the date that is six (6) months prior to the Mid-Term Refurbishment Date, Tenant shall give notice to Director of its intended plan with respect to such refurbishment requirements,. All such refurbishments will be subject to the requirements of this Lease, including Director's approval rights pursuant to this Section 7. Tenant shall complete all such refurbishments on or before the date that is one (1) year after the Mid-Term Refurbishment Date.

7.5 Notice and Permits. Tenant shall give written notice to Director not less than seven (7) days prior to the commencement of any work in construction, alteration or repairs of the Premises, in order that City may post appropriate notices of non-responsibility, and agrees that such notices may remain posted until the acceptance of such work by City. Tenant shall obtain, and pay all fees for all permits required by the City or other legal jurisdictions, for improvements that it is required to construct or install, and it shall furnish copies of all such permits to City prior to the commencement of any work.

7.6 Title to Alterations. Title to all Alterations of such a nature as cannot be removed without damage to the Premises, including, without limitation, all attached electric vehicle charging equipment, shall vest in City on the Expiration Date. All other removable equipment of such nature as to constitute trade fixtures shall remain the property of Tenant. On the Expiration Date, Tenant may remove said trade fixtures or Director may require that Tenant remove same at Tenant's expense. Prior to the Rent Commencement Date, Tenant shall submit to Director a proposed list of such removable trade fixtures; said list may be subsequently amended only in writing signed by both parties during the term of this Lease to reflect any changes in said trade fixtures. Tenant agrees and understands that "**fixture**" is defined as a thing affixed to premises that is bolted, nailed, screwed, cemented and/or plastered. For the purpose of this Lease, fixtures shall include all electric vehicle charging equipment (including all cables, handles and other connected equipment), slat wall, counters and the like, attached to the physical structure of the Premises in any matter whatsoever. On the Expiration Date, all fixtures, other than those deemed trade fixtures by City, shall become the property of City. Tenant shall be liable to City for City's costs for storing, removing and disposing of Tenant's personal property, and of restoration of the Premises.

7.7 Effect of Alterations on Airport. If and to the extent that Tenant's activities or proposed Alterations trigger an obligation or requirement on the part of City to make changes to

the Airport premises (including ADA requirements), Tenant shall indemnify, defend, and hold harmless City from and against any and all Losses (as defined below) arising out of such activities or Alterations.

7.8 Prevailing Rates of Wage for Tenant Initial Improvements and Alterations.

(a) For purposes of this Lease, any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Labor and Employment Code Section 101.1, except as set forth below:

- (i) **“Covered Work”** means any single project of Alterations in the Premises (including for the avoidance of doubt, the Tenant Initial Improvements) with an aggregate cost equal to or in excess of the Threshold Amount.
- (ii) **“Threshold Amount”** means the amount established annually pursuant to Section 6.1 of the San Francisco Administrative Code Section.
- (ii) **“Prevailing Wage or Prevailing Rate of Wage”** means the highest general prevailing rate of wage plus "per diem wages" and wages paid for overtime and holiday work paid in private employment in San Mateo County as fixed and determined by the California Department of Industrial Relations for the various crafts and kinds of labor employed in the performance of the Covered Work. "Per diem wages" are defined pursuant to California Labor Code Section 1773.1, as amended from time to time.

(b) Without limiting any other provision of this Lease, Tenant covenants and agrees at all times to comply with all applicable wage requirements, including but not limited to any such requirements in the California Labor Code, the City and County of San Francisco Charter and the San Francisco Municipal Code. Tenant will require its Contractors and Subcontractors performing any Covered Work to: (i) pay workers performing that work not less than the Prevailing Rate of Wages, and (ii) provide the same hours, working conditions, and benefits in each case as are provided for similar work performed in San Mateo County (collectively, **“Prevailing Wage Requirements”**). Tenant will cooperate with City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements. All Covered Work is subject to compliance monitoring by the San Francisco Office of Labor Standards Enforcement (**“OLSE”**).

(c) Tenant will include, and will require its subtenants, and Contractors and Subcontractors (regardless of tier), to include in any construction contract for Covered Work the Prevailing Wage Requirements, and the agreement to cooperate in City enforcement actions. Each construction contract will name the City and County of San Francisco, affected workers, and employee organizations formally representing affected workers as third-party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any contractor or Subcontractor in accordance with San Francisco Labor and Employment Code Section 103.3. Tenant's failure to comply with its obligations under this Section will constitute a material breach of this Lease. A Contractor's or Subcontractor's failure to comply with the Prevailing Wage Requirements will enable City to seek the remedies specified in San Francisco Labor and Employment Code Section 103.3

against the breaching party. The enforcement and recourse provisions applicable to such failure by a Contractor or Subcontractor set forth in San Francisco Labor and Employment Code Section 103.3 and are hereby incorporated by reference. For the current Prevailing Rate of Wages, see www.sfgov.org/olse or call OLSE at 415-554-6235.

(d) Tenant will require each Contractor and Subcontractor to utilize the City's electronic certified payroll reporting system to keep or cause to be kept complete and accurate payroll records for all persons performing the Covered Work. Such records shall include the name, address and social security number of each worker who provided labor, including apprentices, such worker's classification, a general description of the services each worker performed each day, the rate of pay (including rates of contributions for, or costs assumed to provide fringe benefits), daily and weekly number of hours worked, deductions made and actual wages paid. Every Subcontractor who shall undertake the performance of any part of the Covered Work herein required shall keep a like record of each person engaged in the execution of the subcontract. All such records shall at all times be available for inspection of and examination by the City.

7.9 Labor Harmony. The parties acknowledge that it is of the utmost importance to City, Tenant, and all those occupying or to occupy space in the Domestic and International Terminals that there be no interruption in the progress of the construction work. Accordingly, City and Tenant agree as follows:

(a) In any contract or undertaking which Tenant may make with a contractor for work in the Premises, provision shall be made for the dismissal from the job of workers whose work is unskilled or otherwise objectionable, in the Director's (and, for this purpose, "**the Director**" shall include a reference to the Airport's Architect) reasonable judgment. Tenant shall cause any such workers to be discharged from the project within twenty-four (24) hours after Director shall give notice to Tenant requiring such discharge.

(b) Tenant shall use, and Tenant shall require its contractor and subcontractors to use, their respective best efforts to prevent work stoppages on the Premises, and/or elsewhere on the Airport, to the extent attributable to work being performed on the Premises, irrespective of the reason of any such stoppage. In the event that the conduct or presence of any employee(s) of Tenant or Tenant's contractor(s) or subcontractor(s) causes a labor dispute or work stoppage, Tenant shall have such employee(s) immediately removed from the Airport upon Director's request.

(c) Tenant shall include, and shall cause its contractor to include, the following clause in all contracts with its general contractors and subcontractors:

Harmony Clause

There shall be no manifestations on the project of any dispute between any labor organization and any Tenant contractor or subcontractor, including but not limited to, any area standards picketing against said contractor or subcontractor. Should there be any manifestation of a labor dispute between any Tenant contractor or subcontractor and any union, which results in a stoppage of work on the part of said contractor or subcontractor's employees or the employees of any other employer or supplier on the project or at the Airport, which in the sole judgment of the

Director will cause, or is likely to cause, unreasonable delay in the progress of construction or operation of any business at the Airport, then upon written notice from Director, Tenant shall declare the contractor or subcontractor in default of its contract, and upon such notice, Tenant shall have the right to take such steps as are necessary to finish the uncompleted portion of the work to be performed by the contractor or subcontractor.

(d) Without limiting the generality of indemnities elsewhere in this Lease, Tenant shall indemnify, defend, and hold harmless City and each City Entity for any and all Losses which arise from the actions taken pursuant to this Section 7.9.

8. UTILITIES

8.1 Services Provided. City shall provide in the following utility services: reasonable amounts of water, electricity, telephone, sewage outlets, heating, ventilation, and air conditioning, to a point determined by the Director. All extensions of the facilities requested by Tenant for said utility services from said points shall be at the sole cost and expense of Tenant. In the event of any change desired by Tenant as to said points of supply by City, the expense of making such changes or alterations shall be at the sole cost of Tenant.

8.2 Utility Costs. Tenant shall pay the whole cost for all utility services as invoiced to Tenant by City and for such other special services which it may require in the Premises, and Tenant hereby expressly waives the right to contest any utility rates.

8.3 Shared Telecommunications Services. Tenant acknowledges that City has implemented a shared telecommunications service program ("**STS Program**") to provide telecommunications services. The STS Program may involve City's provision of telephone, telefacsimile, local access, long distance service, internet, intranet, and other computer and telecommunications services. In such event, at City's option, Tenant shall participate in the STS Program by engaging City or its agent to provide such services at Tenant's expense, provided that the charges for such services are generally competitive. Further, Tenant shall pay to City when invoiced, the Airport Communication Infrastructure Charge, as the same may be modified from time to time. All payments for STS services shall be due and payable when invoiced by City.

8.4 Waiver of Damages. Tenant hereby expressly waives any and all claims for damages arising or resulting from failures or interruptions of utility services to the Premises, including electricity, gas, water, plumbing, sewage, telephone, communications, heat, ventilation, air conditioning, or for the failure or interruption of any public or passenger conveniences. Without limiting the generality of the foregoing, Tenant shall have no rights to abate Rent or terminate this Lease in the event of any interruption or failure of utility services.

9. MAINTENANCE AND REPAIR

9.1 "As-Is" Condition. TENANT SPECIFICALLY ACKNOWLEDGES AND AGREES THAT CITY IS LEASING THE PREMISES TO TENANT ON AN "AS IS WITH ALL FAULTS" BASIS AND THAT TENANT IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM CITY OR ITS AGENTS, AS TO ANY MATTERS CONCERNING THE PREMISES, INCLUDING: (i) the

quality, nature, adequacy and physical condition and aspects of the Premises, including, but not limited to, landscaping, utility systems, (ii) the quality, nature, adequacy, and physical condition of soils, geology and any groundwater, (iii) the existence, quality, nature, adequacy and physical condition of utilities serving the Premises, (iv) the development potential of the Premises, and the use, habitability, merchantability, or fitness, suitability, value or adequacy of the Premises for any particular purpose, (v) the zoning or other legal status of the Premises or any other public or private restrictions on use of the Premises, (vi) the compliance of the Premises or its operation with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions and restrictions of any governmental or quasi-governmental entity or of any other person or entity, (vii) the presence of Hazardous Materials on, under or about the Premises or the adjoining or neighboring property, (viii) the quality of any labor and materials used in any improvements on the real property, (ix) the condition of title to the Premises, and (x) title to the Premises, including, without limitation, any agreements affecting the Premises, including covenants, conditions, restrictions, ground leases, and other matters or documents of record or of which Tenant has knowledge. City will have no liability to Tenant in the event any defect exists in City's title to the Premises and no such defect will be grounds for a termination of this Lease by Tenant.

9.2 Accessibility Disclosure. California Civil Code Section 1938 requires commercial landlords to disclose to tenants whether the property being leased has undergone inspection by a Certified Access Specialist (“**CASp**”) to determine whether the property meets all applicable construction-related accessibility requirements. The law does not require landlords to have the inspections performed. Tenant is hereby advised that the Premises have not been inspected by a CASp. Pursuant to California Civil Code Section 1938(e), City provides the following disclosure to Tenant: “A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.” In the event Tenant elects to obtain a CASp inspection of the Premises, Tenant shall provide notice of such to City, and Tenant agrees that Tenant shall bear the cost of the inspection and any necessary repairs within the Premises.

9.3 Tenant's Maintenance Obligations. Tenant, at all times during the Term and at Tenant's sole cost and expense, shall keep the Premises and every part thereof in good condition and repair, and in compliance with applicable Laws, including the replacement of any facility of City used by Tenant which requires replacement by reason of Tenant's use thereof, excepting (a) ordinary wear and tear, and (b) damage due to casualty with respect to which the provisions of Section 14 [Damage or Destruction] shall apply. Tenant hereby waives all right to make repairs at the expense of City or in lieu thereof to vacate the Premises as provided by California Civil Code Section 1941 and 1942 or any other law, statute or ordinance now or hereafter in effect. In addition, if it becomes reasonably necessary during the term of this Lease, as determined by Director, Tenant will, at its own expense, redecorate and paint fixtures and the interior of the Premises and improvements, as applicable, and replace fixtures and equipment, and maintain the property and landscaping in a condition commensurate with the other areas on the Airport maintained by the Airport Commission . As provided below in Section 15.4 [City's

Right to Perform], in the event Tenant fails to perform its maintenance and repair obligations hereunder, City shall have the right to do so, at Tenant's expense. The parties acknowledge and agree that Tenant's obligations under this Section are a material part of the bargained-for consideration under this Lease. Tenant's compliance obligations shall include, without limitation, the obligation to make substantial or structural repairs and alterations to the Premises (including the Initial Improvements), regardless of, among other factors, the relationship of the cost of curative action to the Rent under this Lease, the length of the then remaining Term hereof, the relative benefit of the repairs to Tenant or City, the degree to which curative action may interfere with Tenant's use or enjoyment of the Premises, the likelihood that the parties contemplated the particular requirement involved, or the relationship between the requirement involved and Tenant's particular use of the Premises. No occurrence or situation arising during the Term, nor any present or future requirement, whether foreseen or unforeseen, and however extraordinary, shall relieve Tenant of its obligations hereunder, nor give Tenant any right to terminate this Lease in whole or in part or to otherwise seek redress against City. Tenant waives any rights now or hereafter conferred upon it by any existing or future requirement to terminate this Lease, to receive any abatement, diminution, reduction or suspension of payment of Rent, or to compel City to make any repairs to comply with any such requirement, on account of any such occurrence or situation.

9.4 Tenant's Pest Management Obligations. Tenant shall, at all times during the Term of the Lease and at Tenant's sole cost and expense, keep the Premises and every part thereof in a clean and sanitary condition, including having a pest control program in place in accordance to the Airport's standards. Tenant must adhere to the following set of standards in accordance with the City and County of San Francisco (CCSF) Environment Code, Chapter 3, including but not limited to the following:

(a) Using pesticides on the CCSF allowed list only when application is made on City property, i.e. SFO.

(b) Any pesticide exemption must be granted by the San Francisco Department of Environment before using non-approved pesticides.

(c) All posting requirements regarding pesticide application must be adhered to prior to use.

(d) Pesticide use reports shall be made to Airport IPM (Integrated Pest Management) staff by the 10th of the month following application.

10. SIGNS AND ADVERTISING

10.1 Signs and Advertising. Tenant may, at its own expense, install and operate necessary and appropriate identification signs on the Premises, subject to the approval of Director and the requirements of this Lease and the TI Guide with respect to Alterations, including but not limited to, the approval of the number, size, height, location, color and general type and design. Such approval shall be in Director's sole and absolute discretion and subject to revocation by Director at any time.

10.2 Prohibition of Tobacco Advertising. Tenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on the Premises. This advertising prohibition includes the placement of the name of a company producing, selling or distributing

cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit or other entity designed to (i) communicate the health hazards of cigarettes and tobacco products, or (ii) encourage people not to smoke or to stop smoking.

10.3 Prohibition of Alcoholic Beverage Advertising. Tenant acknowledges and agrees that no advertising of alcoholic beverages is allowed on the Premises. For purposes of this Section, “**alcoholic beverage**” shall be defined as set forth in California Business and Professions Code Section 23004, and shall not include cleaning solutions, medical supplies and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing, selling or distributing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit or other entity designed to (i) communicate the health hazards of alcoholic beverages, (ii) encourage people not to drink alcohol or to stop drinking alcohol, or (iii) provide or publicize drug or alcohol treatment or rehabilitation services.

11. **PROMOTIONAL PROGRAM** *Left blank by agreement of the parties.*

12. **WAIVER; INDEMNITY; INSURANCE**

12.1 Waiver. Tenant, on behalf of itself and its assigns, waives its rights to recover from and releases and discharges City and all City Entities and their respective heirs, successors, personal representatives and assigns, from any and all Losses whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way connected with (a) the physical or environmental condition of the Premises or any law or regulation applicable thereto, (b) any damage that may be suffered or sustained by Tenant or any person whosoever may at any time be using or occupying or visiting the Premises, or in or about the Airport, or (c) any act or omission (whether negligent, non-negligent or otherwise) of Tenant or any Tenant Entity, whether or not such Losses shall be caused in part by any act, omission or negligence of any of City, Commission, its members, or any officers, agents, and employees of each of them, and their successors and assigns (each, a “**City Entity**”), except if caused by the sole gross negligence or willful misconduct of City. In connection with the foregoing waiver, Tenant expressly waives the benefit of Section 1542 of the California Civil Code, which provides as follows: “A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

12.2 Indemnity. In addition to, and not in limitation of the foregoing, Tenant shall forever indemnify, defend, hold and save City and each City Entity free and harmless of, from and against any and all Losses caused in whole or in part by or arising out of (a) any act or omission of Tenant or any Tenant Entity, including Tenant's contractors and/or agents, (b) Tenant's use of the Premises or operations at the Airport, or (c) any default by Tenant or any Tenant Entity hereunder, whether or not Losses shall be caused in part by any act, omission or negligence of City or any City Entity. The foregoing indemnity shall not extend to any Loss caused by the sole gross negligence or willful misconduct of City.

12.3 Losses. For purposes hereof "**Losses**" shall mean any and all losses, liabilities, judgments, suits, claims, damages, costs and expenses (including reasonable attorneys' fees, investigation costs, remediation costs, and court costs), of any kind or nature.

12.4 Immediate Obligation to Defend. Tenant specifically acknowledges that it has an immediate and independent obligation to defend City or the City Entity from any claim which is actually or potentially within the scope of the indemnity provision of this Section 12 or any other indemnity provision under this Lease, even if such allegation is or may be groundless, fraudulent or false, and such obligation arises at the time such claim is tendered to Tenant and continues at all times thereafter.

12.5 Notice. Without limiting the foregoing waiver and indemnity, each party hereto shall give to the other prompt and timely written notice of any Loss coming to its knowledge which in any way, directly or indirectly, contingently or otherwise, affects or might affect either, and each shall have the right to participate in the defense of the same to the extent of its own interest.

12.6 Insurance. Tenant shall procure and maintain during the Term the following insurance:

(a) Workers' Compensation Insurance with Employer's Liability limits not less than \$1,000,000 each accident. Tenant will comply with all State of California statutory requirements.

(b) Commercial General Liability Insurance with limits not less than \$5,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products Liability and Completed Operations Coverages.

(c) Commercial Automobile Liability Insurance with limits not less than \$5,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including owned, non-owned, and hired auto coverages.

(d) Property Insurance on all causes of loss-special form covering all Premises tenant improvements, fixtures, and equipment insuring against the perils of fire, lightning, extended coverage perils, vandalism and malicious mischief in the demised premises in an amount equal to the full replacement value of tenant improvements, fixtures and equipment.

(e) Business Interruption Insurance insuring that the Base Rent will be paid to City for a period of at least one (1) year if Tenant is unable to operate its business at the Premises. Said insurance shall also cover business interruptions due to failures or interruptions in telecommunications services, strikes, employee lockouts, riots, or other civil commotion. To calculate Base Rent during any such interruption of business, the Gross Revenues for the 12-month period immediately preceding the incident causing the business interruption shall be used.

(f) Such other insurance or different coverage amounts from time to time as required by the City's Risk Manager, in their reasonable discretion. Notwithstanding anything to the contrary contained in this Lease, Tenant may not self-insure for any of its insurance obligations under this Lease without the prior written consent of City's Risk Manager, and any

such approved self-insured policies or retentions must be clearly identified on any certificate of insurance.

12.7 Insurance for Construction Activities. In connection with the construction of the Initial Improvements, Tenant must require its contractors and subcontractors to maintain the following coverages:

(a) Commercial General Liability Insurance with limits not less than \$5,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products Liability and Completed Operations Coverages.

(b) Commercial Automobile Liability Insurance with limits not less than \$5,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including owned, non-owned, and hired auto coverages.

(c) Workers' Compensation Insurance with Employer's Liability limits not less than \$1,000,000 each accident. Tenant will comply with all State of California statutory requirements.

(d) Such other insurance or different coverage amounts from time to time as required by the City's Risk Manager, in their reasonable discretion.

12.8 Form of Policies. Before commencing the Initial Improvements or other operations under this Lease, Tenant shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City in form evidencing all coverages set forth above. Approval of the insurance by City shall not relieve or decrease Tenant's liability hereunder. City may, upon reasonable notice and reasonable grounds increase or change the required insurance hereunder, in which event Tenant shall obtain such required insurance. Without limiting the generality of the foregoing, all Commercial General Liability Insurance and Commercial Automobile Liability Insurance policies shall be endorsed to provide the following:

(a) Name as additional insured the City and County of San Francisco, the Airport Commission and its members, and all of the officers, agents, and employees of each of them (collectively, "**Additional Insureds**");

(b) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Lease, and that insurance applies separately to each insured against whom claim is made or suit is brought.

(c) The insurance company shall give thirty (30) days prior written notice to the City for cancellation, non-renewal, or reduction in scope of limits or coverage, except for 10 days prior written notice of cancellation for nonpayment of premiums.

12.9 Subrogation. Notwithstanding anything to the contrary herein, Tenant waives any right of recovery against City for any loss or damage to the extent the same is required to be covered by Tenant's insurance hereunder. Tenant shall obtain from its insurer a waiver of subrogation the insurer may have against City or any City Entity in connection with any Loss covered by Tenant's property insurance and worker's compensation insurance policies.

13. DEPOSIT

13.1 Form of Deposit. On or before the date specified by the Director, Tenant will deliver to Director, at City's Deposit/Annual Report Notice Address, a security deposit (the "**Deposit**") in the Deposit Amount. Such Deposit shall be in the form of (a) a surety bond payable to City, naming City as obligee, in the form attached as **Exhibit C-1**, and otherwise in form satisfactory to City's City Attorney, and issued by a surety company satisfactory to Director, or a (b) letter of credit naming City as beneficiary, in the form attached as **Exhibit C-2**, and otherwise in form satisfactory to City's City Attorney, issued by a bank satisfactory to Director. Notwithstanding the foregoing, as may be provided in the Airport Commission Policy on Concession Deposits (Resolution No. 04-0153, August 3, 2004) as the same may be amended from time to time, Tenant shall be permitted to submit as the Deposit alternative forms of deposit as specified therein. Such Deposit shall be kept in full force and effect during the Term to ensure the faithful performance by Tenant of all covenants, terms, and conditions of this Lease, including payment of Rent. The sum designated as the "Deposit" is and will remain the sole and separate property of City until actually repaid to Tenant (or at City's option, the last assignee (if any) of Tenant's interest hereunder), said sum not being earned by Tenant until all provisions precedent for its payment to Tenant have been fulfilled. For Deposits in the form of a bond or letter of credit, Tenant shall cause the surety company or bank issuing such bond or letter of credit to give Director notice in writing by registered mail at least forty-five (45) days prior to the expiration date of such bond or letter of credit of its intention not to renew said bond or letter of credit.

13.2 Maintenance of Deposit. Tenant shall cause the Deposit to be increased on January 1st following the fourth and ninth full Lease Years to an amount equal to one-half (1/2) of the adjusted MGR, all at Tenant's cost, except that during any holdover period, the Deposit Amount shall equal one-half (1/2) of Tenant's previous 12 months' Rent. Tenant shall cause the bond or letter of credit to be kept in full force and effect during the Term and any holdover period to ensure the faithful performance by Tenant of all covenants, terms, and conditions of this Lease, including payment of Rent. If and to the extent City accepts a Deposit which has an expiration date or cancellation/termination provision, Tenant shall cause the surety company or bank issuing such bond or letter of credit to give Director notice in writing by registered mail at least forty-five (45) days prior to the expiration date of such bond or letter of credit of its intention not to renew or to cancel or terminate said bond or letter of credit. Tenant shall cause such bond or letter of credit to be renewed, extended, or replaced, at Tenant's sole cost, at least thirty (30) days before the expiration date or cancellation date of the bond or letter of credit, with another bond or letter of credit that complies with the requirements herein. If Tenant fails to do so, City may, without notice to Tenant, draw on the entirety of the Deposit and hold the proceeds thereof as security hereunder. Tenant shall cause all notices to be given to City under this Section 13 to be given to City at City's Deposit/Annual Report Notice Address.

13.3 Use of Deposit. If Tenant fails to pay Rent or otherwise defaults with respect to any provision of this Lease, City may use, apply or retain all or any portion of the Deposit for the payment of Rent or other charge in default or for the payment of any other sum to which City may become obligated by reason of Tenant's default or to compensate City for any loss or damage which City may suffer thereby. If City so uses or applies all or any portion of the Deposit, Tenant, within ten (10) days after request therefore, shall deposit other security acceptable to Director with City in an amount sufficient to restore the Deposit to the full amount thereof, and Tenant's failure to do so shall be a breach of this Lease. City shall not be required to keep the Deposit or any proceeds thereof, as applicable, separate from its general accounts.

Any proceeds of the Deposit is and will remain the sole and separate property of City until actually repaid to Tenant, said sum not being earned by Tenant until all provisions precedent for its payment to Tenant have been fulfilled. If Tenant performs all of Tenant's obligations hereunder, the Deposit, or the proceeds thereof, or so much thereof as has not theretofore been applied by City, shall be returned, without payment of interest or other increment for its use, to Tenant (or, at City's option, to the last assignee, if any, of Tenant's interest hereunder) within sixty (60) days after the expiration of the Term, and after Tenant has vacated the Premises. No trust relationship is created herein between City and Tenant with respect to the Deposit or any proceeds thereof. Tenant waives to the fullest extent permitted by law the provisions of California Civil Code Section 1950.7 or other similar laws, which provide that a landlord may claim from a security deposit only those sums reasonably necessary to remedy a default in the payment of rent, to repair damage caused by a tenant, or to clean the premises.

13.4 Other Agreements. If Tenant defaults with respect to any provision of any other agreement between City and Tenant, including the Other Agreements, City may use, apply or retain all or any portion of the Deposit for payment of any sum owing to City or to which City may become obligated by reason of Tenant's default or to compensate City for any loss or damage which City may suffer thereby. Likewise, if Tenant defaults with respect to any provision under this Lease, City may use, apply, or retain all or any portion of any deposit provided under any other agreement between City and Tenant, including the Other Agreements, for payment of any sum owing to City or to which City may become obligated by reason of Tenant's default or to compensate City for any loss or damage which City may suffer thereby. In the event the Deposit or any other deposit is so used, Tenant shall deposit other security acceptable to Director with City in an amount sufficient to restore the Deposit to the full amount thereof.

14. DAMAGE OR DESTRUCTION

14.1 Partial Destruction of Premises.

(a) In the event the improvements on the Premises are damaged by any casualty which is required to be insured against pursuant to this Lease, then Tenant shall repair such damage as soon as reasonably possible, at its own cost, and this Lease shall continue in full force and effect.

(b) In the event such improvements are damaged by any casualty not covered under an insurance policy required to be maintained pursuant to this Lease, then City may, at City's option, either (i) repair such damage as soon as reasonably possible at City's expense, in which event this Lease shall continue in full force and effect, or (ii) give written notice to Tenant within sixty (60) days after the date of occurrence of such damage of City's intention to terminate this Lease. Such termination shall be effective as of the date specified in such notice.

(c) Notwithstanding the foregoing, if such damage is caused by an act or omission to act of Tenant or a Tenant Entity, then Tenant shall repair such damage, promptly at its sole cost and expense.

(d) In the event City elects to terminate this Lease pursuant to this Section 14.1, Tenant shall have the right within ten (10) days after receipt of the required notice to notify City of Tenant's intention to repair such damage at Tenant's expense, without reimbursement from City, in which event this Lease shall continue in full force and effect and Tenant shall proceed to make such repairs as soon as reasonably possible. If Tenant does not give such notice within

the ten (10) day period, this Lease shall be terminated as of the date specified in City's notice. City shall not be required to repair any injury or damage by fire or other cause, or to make any restoration or replacement of any paneling, decorations, office fixtures, partitions, railings, ceilings, floor covering, equipment, machinery or fixtures or any other improvements or property installed in the Premises by Tenant or at the direct or indirect expense of Tenant. Tenant shall be required to restore or replace same in the event of damage.

14.2 Total Destruction of Premises. If the improvements on the Premises are totally destroyed during the Term from any cause whether or not covered by the insurance required herein (including any destruction required by any authorized public authority), this Lease shall automatically terminate as of the date of such total destruction.

14.3 Partial Destruction of Terminal Building. *Left blank by agreement of parties.*

14.4 Damage Near End of the Term. If during the last year of the Term the improvements on the Premises are partially destroyed or damaged, City may at City's option terminate this Lease as of the date of occurrence of such damage by giving written notice to Tenant of City's election to do so within thirty (30) days after the date of occurrence of such damage. In the event City elects to terminate this Lease pursuant hereto, Tenant shall have the right within ten (10) days after receipt of the required notice to notify City in writing of Tenant's intention to repair such damage at Tenant's expense, without reimbursement from City, in which event this Lease shall continue in full force and effect and Tenant shall proceed to make such repairs as soon as reasonably possible.

14.5 No Abatement of Rent; Tenant's Remedies.

(a) If the Premises are partially destroyed or damaged, Tenant shall have no claim against City for any damage suffered by reason of any such damage, destruction, repair or restoration. Tenant waives California Civil Code Sections 1932(2) and 1933(4) providing for termination of hiring upon destruction of the thing hired.

(b) In no event will Tenant be entitled to an abatement of Rent resulting from any damage, destruction, repair, or restoration described herein.

15. DEFAULT; REMEDIES

15.1 Event of Default. The occurrence of any one or more of the following events shall constitute a breach of this Lease and an "**Event of Default**" hereunder:

(a) Tenant shall fail duly and punctually to pay Rent, or to make any other payment required hereunder, when due to City, and such failure shall continue beyond the date specified in a written notice of such default from Director, which date shall be no earlier than the third (3rd) day after the effective date of such notice. Notwithstanding the foregoing, in the event there occurs two (2) defaults in the payment of Rent or other payment during the Term, thereafter Tenant shall not be entitled to, and City shall have no obligation to give, notice of any further defaults in the payment of Rent or other payment. In such event, there shall be deemed to occur an Event of Default immediately upon Tenant's failure to duly and punctually pay Rent or other payment hereunder; or

(b) Tenant shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or of any state thereof, or consent to the appointment of a receiver, trustee, or liquidator of any or substantially all of its property; or

(c) A petition under any part of the federal bankruptcy laws, or an action under any present or future insolvency law or statute, shall be filed against Tenant and shall not be dismissed within thirty (30) days after the filing thereof; or

(d) There shall occur a Transfer without the prior approval of the City; or

(e) Tenant shall voluntarily abandon, desert or vacate the Premises; or

(f) Any lien shall be filed against the Premises as a result of any act or omission of Tenant, and shall not be discharged or contested by Tenant in good faith by proper legal proceedings within twenty (20) days after receipt of notice thereof by Tenant; or

(g) Tenant shall fail to provide, maintain, increase, or replace, the Deposit as required herein; or

(h) Tenant shall fail to obtain and maintain the insurance required hereunder, or provide copies of the policies or certificates to City as required herein; or

(i) Tenant shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Lease, and such failure shall continue for a period of more than three (3) days after delivery by Director of a written notice of such failure (the "**First Notice**"); or if satisfaction of such obligation requires activity over a period of time, if Tenant fails to commence the cure of such failure within three (3) days after receipt of the First Notice, or thereafter fails to diligently prosecute such cure, or fails to actually cause such cure within one hundred twenty (120) days after the giving of the First Notice; or

(j) Tenant shall use or give its permission to any person to use any portion of the Premises, the Terminal Buildings or other areas of the Airport used by Tenant under this Lease for any illegal purpose, or any purpose not approved by Director; or

(k) There shall occur a default under any other agreement between Tenant and City, including the Other Agreements, if any, and such default is not cured as may be provided in such agreement; provided, however, that nothing herein shall be deemed to imply that Tenant shall be entitled to additional notice or cure rights with respect to such default other than as may be provided in such other agreement; or

(l) Tenant shall fail to promptly commence the Initial Alterations and complete the same by the Rent Commencement Date, and such failure shall continue for a period of ten (10) business days' written notice from City.

15.2 Statutory Notices. Notwithstanding anything to the contrary in this Section 15, any written notice, other than as specifically set forth in this Section 15, required by any statute or law now or hereafter in force is hereby waived by Tenant to the fullest extent available under

law. Any notice given by City pursuant to Section 15.1 may be the notice required or permitted pursuant to Section 1161 et seq. of the California Code of Civil Procedure or successor statutes, and the provisions of this Lease will not require the giving of a notice in addition to the statutory notice to terminate this Lease and Tenant's right to possession of the Premises. The periods specified in Section 15.1 within which Tenant is permitted to cure any default following notice from City will run concurrently with any cure period provided by applicable laws.

15.3 Remedies. Upon the occurrence and during the continuance of an Event of Default, City shall have the following rights and remedies in addition to all other rights and remedies available to City at law or in equity:

(a) City shall have the rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including the right to terminate Tenant's right to possession of the Premises. In the event this Lease is so terminated, City may recover from Tenant the following damages:

- (i) The "**worth at the time of the award**" of the unpaid Rent earned to the time of termination hereunder;
- (ii) The "**worth at the time of the award**" of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided;
- (iii) The "**worth at the time of the award**" of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; and
- (iv) Any other amount necessary to compensate City for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

For purposes of the foregoing, the "**worth at the time of award**" of the amounts referred to in clauses (i) and (ii) above is computed by allowing interest at the lower of 18% per annum and the highest rate legally permitted under applicable law. The "**worth at the time of award**" of the amount referred to in clause (iii) above is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus 1% (one percent). Notwithstanding any other provisions hereof, any efforts by City to mitigate damages caused by Tenant's breach of this Lease shall not constitute a waiver of City's right to recover damages hereunder and shall not affect the right of City to indemnification pursuant to the provisions of Section 12 [Waiver; Indemnity; Insurance] hereof. For purposes of calculating City's damages comprising Base Rent based on Gross Revenues, that amount will be computed by determining the highest Base Rent accruing in any Lease Year during the immediately preceding three Lease Years or such shorter period if the Term prior to termination was less than three Lease Years. Tenant agrees that Tenant's obligations under this Lease, including the payment of Base Rent, are independent covenants and are not conditioned on the covenants or warranties of City.

(b) City shall have the right and remedy described in California Civil Code Section 1951.4. City may elect not to terminate this Lease and let this Lease continue, in which case City may enforce all its rights and remedies under this Lease, including the right to recover Rent as it becomes due under this Lease. Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon the initiative of City to protect City's interest under this Lease shall not constitute a termination of Tenant's right to possession.

(c) City shall have the right and power, as attorney in fact for Tenant, to enter and to sublet the Premises, to collect rents from all subtenants and to provide or arrange for the provision of all services and fulfill all obligations of Tenant (as permitted in accordance with the terms of this Lease) and City is hereby authorized on behalf of Tenant, but shall have absolutely no obligation, to provide such services and fulfill such obligations and to incur all such expenses and costs as City deems necessary in connection therewith. Tenant shall be liable immediately to City for all costs and expenses City incurs in collecting such rents and arranging for or providing such services or fulfilling such obligations. City is hereby authorized, but not obligated, to relet the Premises or any part thereof on behalf of Tenant, to incur such expenses as may be necessary to effect a relet and make said relet for such term or terms, upon such conditions and at such rental as City in its sole discretion may deem proper. Tenant shall be liable immediately to City for all reasonable costs City incurs in reletting the Premises required by the reletting, and other costs. If City relets the Premises or any portion thereof, such reletting shall not relieve Tenant of any obligation hereunder, except that City shall apply the rent or other proceeds actually collected by it as a result of such reletting against any amounts due from Tenant hereunder to the extent that such rent or other proceeds compensate City for the nonperformance of any obligation of Tenant hereunder. Such payments by Tenant shall be due at such times as are provided elsewhere in this Lease, and City need not wait until the termination of this Lease, by expiration of the Term hereof or otherwise, to recover them by legal action or in any other manner. City may execute any lease made pursuant hereto in its own name, and the lessee thereunder shall be under no obligation to see to the application by City of any rent or other proceeds, nor shall Tenant have any right to collect any such rent or other proceeds. City shall not by any reentry or other act be deemed to have accepted any surrender by Tenant of the Premises or Tenant's interest therein, or be deemed to have otherwise terminated this Lease, or to have relieved Tenant of any obligation hereunder, unless City shall have given Tenant express written notice of City's election to do so as set forth herein.

(d) City shall have the right to have a receiver appointed upon application by City to take possession of the Premises and to collect the rents or profits therefrom and to exercise all other rights and remedies pursuant to this Section 15.3.

(e) City shall have the right to enjoin, and any other remedy or right now or hereafter available to a landlord against a defaulting tenant under the laws of the State of California or the equitable powers of its courts, and not otherwise specifically reserved herein.

(f) City may elect to terminate any other agreement between Tenant and City, including the Other Agreements, if any.

15.4 City's Right to Perform. All agreements and provisions to be performed by Tenant under any of the terms of this Lease shall be at its sole cost and expense and without any abatement of Rent. If Tenant shall fail to make any payment or perform any act on its part to be performed hereunder and such failure shall continue for ten (10) days after notice thereof by City, City may, but shall not be obligated to do so, and without waiving or releasing Tenant from

any obligations of Tenant, make any such payment or perform any such other act on Tenant's part to be made or performed as provided in this Lease. All sums so paid by City and all necessary incidental costs shall be deemed additional rent hereunder and shall be payable to City on demand, and City shall have (in addition to any other right or remedy of City) the same rights and remedies in the event of the nonpayment thereof by Tenant as in the case of default by Tenant in the payment of Rent.

15.5 Rights Related to Termination. In the event of any termination based on any breach of the covenants, terms and conditions contained in this Lease, City shall have the option at once and without further notice to Tenant to enter upon the Premises and take exclusive possession of same. City may remove or store any personal property located therein, at the sole cost and expense of Tenant without City being liable to Tenant for damage or loss thereby sustained by Tenant. Upon such termination by City, all rights, powers and privileges of Tenant hereunder shall cease, and Tenant shall immediately vacate any space occupied by it under this Lease, and Tenant shall have no claim of any kind whatsoever against City or any City Entity by reason of such termination, or by reason of any act by City or any City Entity incidental or related thereto. In the event of the exercise by City of such option to terminate, Tenant shall have no right to or claim upon any improvements or the value thereof, which may have been previously installed by Tenant in or on the Premises.

15.6 Cumulative Rights. The exercise by City of any remedy provided in this Lease shall be cumulative and shall in no way affect any other remedy available to City under law or equity.

15.7 Prepayment. As provided in Section 4.14 [Prepay Rent], if Tenant defaults in the payment of Rent, City may require prepayment of Rent. Such right shall be in addition to and not in lieu of any and all other rights hereunder, or at law or in equity.

15.8 Administrative Charges. If Tenant defaults under any of the Lease terms specified below, Director may elect to impose the administrative charges described below on the basis of per violation per day:

<u>Violation</u>	<u>Section</u>	<u>Fine</u>
Violation of Premises Clause	1	\$500
Violation of Use Section	3	\$500
Failure to open Facility by the Rent Commencement Date	2.3	\$500
Failure to cause operations or Premises to comply with Laws	3.13	\$500
Failure to submit required documents and reports, including Sales Reports and Annual Reports	4	\$500
Construction or Alterations without City approval	7	\$500
Failure to submit any as-built drawings on a timely basis	7.1	\$500
Failure to make required repairs	9	\$500

<u>Violation</u>	<u>Section</u>	<u>Fine</u>
Unauthorized advertising or signage	10	\$500
Failure to obtain/maintain insurance	12	\$500
Failure to obtain or maintain Deposit	13	\$500
Failure to abide by any other term in this Lease		\$500
Violation of any covenant affecting safety and security		\$1,000

Director's right to impose the foregoing Administrative Charges shall be in addition to and not in lieu of any and all other rights hereunder, in the Airport Rules, or at law or in equity. City shall have no obligation to Tenant to impose Administrative Charges on or otherwise take action against any other tenant at the Airport. Such Fines shall constitute "**Additional Rent.**"

15.9 City Lien. Tenant hereby grants to City a lien upon and security interest in all fixtures, chattels and personal property of every kind now or hereafter to be placed or installed in or on the Premises, and agrees that in the event of any default on the part of Tenant City has all the rights and remedies afforded the secured party by the chapter on "Default" of the Uniform Commercial Code in the state wherein the Premises are located on the date of this Lease and may, in connection therewith, also (a) enter on the Premises to assemble and take possession of the collateral, (b) require Tenant to assemble the collateral and make its possession available to the City at the Premises, (c) enter the Premises, render the collateral, if equipment, unusable and dispose of it in a manner provided by the Uniform Commercial Code on the Premises. Tenant agrees to execute such instruments as City may request to perfect such lien, and designates also Director his attorney-in-fact for purposes of executing such documents.

15.10 Commencement of Legal Actions. Any legal action by City to enforce any obligation of Tenant or in the pursuit of any remedy hereunder shall be deemed timely filed if commenced at any time prior to one (1) year after the expiration or termination of the Term hereof or prior to the expiration of the statutory limitation period that would be applicable except for this Section 15.10, whichever period expires later.

15.11 Waiver of Notice. Except as otherwise expressly provided in this Section 15, Tenant hereby expressly waives, so far as permitted by law, the service of any notice of intention to enter or re-enter provided for in any statute, or of the institution of legal proceedings to that end, and Tenant, for and on behalf of itself and all persons claiming through or under Tenant, also waives any right of redemption or relief from forfeiture under California Code of Civil Procedure Sections 1174 or 1179, or under any other present or future law, if Tenant is evicted or City takes possession of the Premises by reason of any default by Tenant hereunder.

16. SURRENDER

16.1 Condition of Premises. Subject to the City's rights set forth in Section 16.2 below with respect to Demolition and Removal of the Alterations and other improvements, Tenant shall at the end of the Term surrender to City the Premises in "broom clean" condition with all Alterations, fixtures, additions and improvements thereto in the same condition as when constructed or received, as applicable ordinary wear and tear and damage by fire, earthquake, act of God, or the elements excepted. Tenant shall abide by the vacating instructions in the Tenant Improvement Guide and shall remove all trade dress, signage inserts, equipment and

furnishings not permanently affixed to the Premises. Additionally, Tenant shall be responsible for ensuring that its telecommunications cables and all other low voltage special systems cables are capped off and service discontinued. If Tenant utilized a hood, grease receptacle, or grease interceptor in the operation of its business, all items must be professionally cleaned with a receipt for same submitted to City. Upon the Expiration Date or earlier termination of this Lease, all Alterations, fixtures, and improvements installed in the Premises by Tenant (other than Tenant's trade fixtures), shall, without compensation to Tenant, then become City's property free and clear of all claims to or against them by Tenant or any third person. In the event that Tenant shall fail to remove its personal property, including trade fixtures, on or before the Expiration Date, such personal property shall become City's property free and clear of all claims to or against them by Tenant or any third person. In such event, City shall not be responsible for any Losses related to such personal property, and City may sell or otherwise dispose of such personal property. If any of the surrender requirements of this Section are not met, City may at its sole discretion deduct reasonable costs for the work from the Tenant's Deposit.

16.2 Demolition of Improvements.

(a) At the expiration or earlier termination of this Lease, at City's sole election ("**Demolition Option**"), City may require Tenant, at Tenant's sole cost, to Demolish and Remove (as defined below) all Alterations and other improvements, including the Initial Improvements, and surrender the Premises as a vacant parcel of real property. City will notify Tenant of City's election to exercise the Demolition Option: (i) no later than twelve (12) months prior to the expiration of this Lease, or (ii) within ninety (90) days following termination of this Lease due to an Event of Default. For purposes of this Lease, "**Demolish and Remove**" means the demolition of the Alterations, all other improvements (including the Initial Improvements) and equipment, whether below or underground, and the removal and disposal of all debris in accordance with all Laws. "Demolition and Removal" shall have a correlative meaning.

(b) If City exercises the Demolition Option as set forth above, then if City agrees that Tenant will complete the Demolition and Removal after the expiration or earlier termination of this Lease (or promptly thereafter if the Lease is terminated due to an Event of Default), City and Tenant will enter into City's standard license granting Tenant non-possessory access to the Premises in order for Tenant to perform the Demolition and Removal following the expiration or earlier termination of this Lease; provided, however, City may require insurance, bond, guaranty, additional indemnification, and other requirements that exceed the coverage amounts or licensee obligations set forth in the City's standard license that City determines are reasonably appropriate to protect its interest in light of the risks and liabilities associated with the Demolition and Removal.

(c) Tenant must commence and complete the Demolition and Removal in a timely manner and with due diligence and care, and complete the same within the time period agreed to between the Parties, but in no event later than six (6) months from the Expiration Date or date of earlier termination of this Lease.

17. **HAZARDOUS MATERIALS**

17.1 Definitions. As used herein, the following terms shall have the meanings hereinafter set forth:

(a) “**Environmental Laws**” shall mean any federal, state, local or administrative law, rule, regulation, order or requirement relating to industrial hygiene, environmental conditions or Hazardous Materials, whether now in effect or hereafter adopted, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Resources Conservation and Recovery Act of 1976 (42 U.S.C. Section 9601, et seq.), the Clean Water Act (33 U.S.C. Section 1251, et seq.), the Safe Drinking Water Act (14 U.S.C. Section 401, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.), the Toxic Substance Control Act (15 U.S.C. Section 2601, et seq.), the California Hazardous Waste Control Law (California Health and Safety Code Section 25100, et seq.), the Porter-Cologne Water Quality Control Act (California Water Code Section 13000, et seq.), and the Safe Drinking Water and Toxic Enforcement Act of 1986 (California Health and Safety Code Section 25249.5, et seq.)

(b) “**Hazardous Material**” shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. “Hazardous Material” includes, without limitation, any material or substance defined as a “hazardous substance,” or “pollutant” or “contaminant” pursuant to any Environmental Law; any asbestos and asbestos containing materials; petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids; and any materials listed in the Airport’s TI Guide.

(c) “**Release**” when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside the Building, or in, on, under or about the Property.

(d) “**Pre-Existing Condition**” means the existence of any Hazardous Materials on the Premises immediately prior to the Commencement Date.

17.2 Tenant’s Covenants.

(a) Neither Tenant nor any Tenant Entity shall cause any Hazardous Material to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or the Airport, or transported to or from the Premises or the Airport; provided that Tenant may use such substances as are customarily used in retail sales so long as such use is in compliance with all applicable Environmental Laws.

(b) Tenant shall handle Hazardous Materials discovered or introduced on the Premises during the Term in compliance with all Environmental Laws. Tenant shall protect its employees and the general public in accordance with all Environmental Laws.

(c) In the event Tenant becomes aware of the actual or possible Release of Hazardous Materials on the Premises or elsewhere on the Airport, Tenant shall promptly give notice of the same to City. Without limiting the generality of the foregoing, Tenant shall give notice to City of any of the following: (i) notice of a Release of Hazardous Materials given by Tenant, any subtenant, any contractor, or other occupant to any governmental or regulatory agency; (ii) notice of a violation or potential or alleged violation of any Environmental Law received by Tenant, any subtenant, any contractor, other occupant on the Premises from any governmental or regulatory agency; (iii) any inquiry, investigation, enforcement, cleanup,

removal, other action that is instituted or threatened by a government or regulatory agency; (iv) any claim that is instituted or threatened by a third party against Tenant, any subtenant, or other occupant on the Premises that relates to Hazardous Materials; and (v) any notice of termination, expiration, or material amendment to any environmental operating permit or license necessary for the use of the Premises.

(d) Any items containing Hazardous Materials in use by Tenant, which are customarily used in connection with the Permitted Use, must be disposed of in a manner consistent with all applicable Environmental Laws.

(e) At Director's request, Tenant shall provide information necessary for City to confirm that Tenant is complying with the foregoing covenants.

17.3 Environmental Indemnity. Tenant shall indemnify, defend, and hold harmless City from and against any and all Losses arising during or after the Term as a result of or arising from: (a) a breach by Tenant of its obligations contained in the preceding Section 17.2 [Tenant's Covenants], or (b) any Release of Hazardous Material from, in, on or about the Premises or the Airport caused by the act or omission of Tenant or any Tenant Entity, or (c) the existence of any Hazardous Materials on the Premises, except to the extent that Tenant can demonstrate that such Hazardous Materials constitutes a Pre-Existing Condition.

17.4 Environmental Audit. Upon reasonable notice, Director shall have the right but not the obligation to conduct or cause to be conducted by a firm acceptable to Director, an environmental audit or any other appropriate investigation of the Premises for possible environmental contamination. Such investigation may include environmental sampling and equipment and facility testing, including the testing of secondary contamination. No such testing or investigation shall limit Tenant's obligations hereunder or constitute a release of Tenant's obligations therefor. Tenant shall pay all costs associated with said investigation in the event such investigation shall disclose any Hazardous Materials contamination as to which Tenant is liable hereunder.

17.5 Closure Permit. Prior to the termination or expiration of this Lease, Director shall have the right to require Tenant to file with the City an application for a Closure Permit for decontamination of the site and investigation and removal of all Hazardous Materials in compliance with the Airport Rules, and all Laws. The Closure Permit may require a plan for long-term care and surveillance of any contamination allowed to remain at the Premises or Airport property and an acknowledgment of responsibility and indemnification for any and all Losses associated with any such contamination. Without limiting the foregoing provision, City reserves the right to require Tenant to, and in such event Tenant shall, at Tenant's sole cost and expense, decontaminate the Premises and remove any Hazardous Materials discovered during the Term, except those Hazardous Materials which constitute Pre-Existing Conditions. Such removal shall be performed to the Director's reasonable satisfaction.

17.6 Access for Environmental Inspection. City shall have reasonable access to the Premises to inspect the same in order to confirm that Tenant is using the Premises in accordance with all applicable Environmental Laws or permits. City will, where practical, give Tenant the opportunity to have a Tenant representative present during the inspection. Tenant shall cooperate fully with any such inspections provided that such inspections shall not unreasonably interfere with Tenant's operations.

17.7 Liability. In addition to any remedy provided in this Lease, Tenant shall be solely and fully responsible and liable for costs, including without limitation costs of clean-up or other remedial activities, fines or penalties assessed directly against the Airport, attributable to (a) storage, use or disposal of Hazardous Materials on the Airport by Tenant or any Tenant Entity; or (b) any Hazardous Material release or discharge which is caused or results from the activities of Tenant or any Tenant Entity.

17.8 Notice by Tenant. Tenant shall give City verbal and written notice of any unauthorized Release of any Hazardous Material, except for Releases considered to be de minimis under Environmental Laws, known to Tenant. Such report shall be made in conformance with those procedures established in the Airport Rules. In addition, to the extent known to Tenant, Tenant shall notify City in writing, to the extent related to the Airport, of: (a) a pre-existing condition of contamination other than such conditions previously disclosed to the Tenant by City; (b) any enforcement, clean-up, removal or other government or regulatory action instituted, completed or threatened against Tenant or the Airport pursuant to any Environmental Laws; (c) any claim made or threatened by any person against Tenant or the Airport relating to damage, contribution, cost recovery compensation, loss or injury resulting from or claimed to result from any Hazardous Materials on or about the Premises; and (d) any reports made by Tenant to any environmental agency arising out of or in connection with any Hazardous Materials or pursuant to any Environmental Laws or permits on or about the Premises. Tenant shall also supply to City as promptly as possible, and in any event within ten (10) business days after Tenant first receives or sends the same, with copies of all claims, reports, complaints, notices or warnings of, and any other communications related to asserted violations of Environmental Laws or permits by Tenant relating in any way to the Premises or Tenant's use thereof.

17.9 Stormwater. Notwithstanding any other provisions or terms of this Lease, Tenant acknowledges that certain properties within the Airport are subject to federal and State stormwater rules and regulations. Tenant agrees to observe and abide by such stormwater rules and regulations as may be applicable to City's property and Tenant's use thereof.

(a) City and Tenant both acknowledge that cooperation is necessary to ensure compliance with any stormwater discharge permit terms and conditions, as well as to ensure safety and to minimize cost of compliance. Tenant acknowledges further that it may be necessary to undertake such actions to minimize the exposure of stormwater to "significant materials" generated, stored, handled or otherwise used by Tenant, as such term may be defined by applicable stormwater rules and regulations, by implementing and maintaining "best management practices" as that term may be defined in applicable stormwater rules and regulations.

(b) City will provide Tenant with written notice of any stormwater discharge permit requirements applicable to Tenant and with which Tenant may be obligated to comply from time-to-time, including, but not limited to: certification of non-stormwater discharges; collection of stormwater samples if required by law; preparation of stormwater pollution prevention or similar plans; implementation of best management practices; and maintenance of necessary records. Such written notice shall include applicable deadlines. Tenant shall agree that within thirty (30) days of receipt of such written notice it shall notify City in writing if it disputes any of the stormwater permit requirements it is directed to undertake. If Tenant does not provide such timely notice, Tenant will be deemed to assent to undertake such stormwater permit requirements applicable to Tenant's operations. In that event, Tenant agrees to undertake, at

its sole expense, unless otherwise agreed to in writing between City and Tenant, those stormwater permit requirements applicable to Tenant's operations for which it has received written notice from City, and Tenant agrees that it will hold harmless and indemnify City for any violations or non-compliance with any such permit requirements.

17.10 Tenant Obligations Upon Termination. Prior to vacating the Premises, and in addition to all other requirements under this Lease and without limiting Tenant's indemnification obligations herein, Tenant shall:

(a) Remove any Hazardous Materials on the Premises except (i) to the extent Tenant demonstrates to the reasonable satisfaction of City that said Hazardous Material constitutes a Pre-Existing Condition and Tenant or Tenant Entity did not exacerbate said Pre-Existing Contamination; (ii) to the extent the Tenant can demonstrate to the reasonable satisfaction of City that said Hazardous Material was exclusively caused by City or a third party other than an Tenant Entity; or (iii) said Hazardous Material is addressed pursuant to Section 17.9(b). Moreover, Tenant shall demonstrate to City's reasonable satisfaction that such removal is in compliance with all applicable Environmental Laws and permits, including without limitation conducting any environmental audits and/or site investigations as may be reasonably required by City to demonstrate such removal has been completed according to the terms of this Lease. This removal and demonstration shall be a condition precedent to City's return of the Deposit, if any, to Tenant upon termination or expiration of this Lease.

(b) With respect to any Release of Hazardous Materials on the Premises not removed pursuant to Section 17.10(a) above and not subject to the exceptions therein, Tenant shall promptly investigate and remediate it in accordance with the requirements of all applicable Environmental Laws and permits ("**Tenant's remediation**"). If Tenant's remediation will leave Hazardous Materials at the Airport (including but not limited to in the soil or groundwater), prior to completion of the remediation, the Tenant shall: (i) obtain the City's written determination that such Hazardous Materials will not interfere with any reuse of the Premises reasonably contemplated or anticipated by the City; (ii) provide the City with a plan for long-term care and surveillance of any such Hazardous Material and (iii) provide the City with a written acknowledgement of responsibility and indemnification for any and all losses or disruption associated with such contamination. The Tenant's full compliance with this Section 17.10 shall be a condition precedent to the City's return of the Deposit, if any, to Tenant upon termination or expiration of this Lease.

18. EMINENT DOMAIN

18.1 Definitions. For purposes of this Section 18, the following capitalized terms shall have the following meanings:

(a) "**Award**" means all compensation, sums or value paid, awarded or received for a Taking, whether pursuant to judgment, agreement, settlement or otherwise.

(b) "**Date of Taking**" means the earlier of: (a) the date upon which title to the portion of the Premises taken passes to and vests in the condemnor, and (b) the date on which Tenant is dispossessed

(c) "**Taking**" means a taking or damaging, including severance damage, by eminent domain, inverse condemnation or for any public or quasi-public use under applicable

Laws. A Taking may occur pursuant to the recording of a final order of condemnation, or by voluntary sale or conveyance in lieu of condemnation or in settlement of a condemnation action.

18.2 General. If during the Term or during the period between the execution of this Lease and the Commencement Date, any Taking of all or any part of the Premises or any interest in this Lease occurs, the rights and obligations of the parties hereunder shall be determined pursuant to this Section 18. City and Tenant intend that the provisions hereof govern fully in the event of a Taking and accordingly, the Parties each hereby waives any right to terminate this Lease in whole or in part under Sections 1265.120 and 1265.130 of the California Code of Civil Procedure or under any similar Law now or hereafter in effect.

18.3 Total Taking; Automatic Termination. If a total Taking of the Premises occurs, then this Lease shall terminate as of the Date of Taking.

18.4 Partial Taking; Election to Terminate.

(a) If a Taking of any portion (but less than all) of the Premises occurs, then this Lease shall terminate in its entirety if all of the following exist: (i) the partial Taking renders the remaining portion of the Premises untenable or unsuitable for continued use by Tenant for the Permitted Use; (ii) the condition rendering the Premises untenable or unsuitable either is not curable or is curable but City is unwilling or unable to cure such condition; and (iii) City elects to terminate.

(b) City's elections to terminate this Lease pursuant to this Section 18 shall be exercised by City's giving notice to Tenant on or before the date that is one hundred twenty (120) days after the Date of Taking, and thereafter this Lease shall terminate upon on the thirtieth (30th) day after such notice is given.

18.5 Tenant's Monetary Obligations; Award. Upon termination of this Lease pursuant to an election under Section 18.4 [Partial Taking; Election to Terminate] above, then: (a) Tenant's obligation to pay Base Rent shall continue up until the date of termination, and thereafter shall cease, and (b) City shall be entitled to the entire Award in connection therewith (including any portion of the Award made for the value of the leasehold estate created by this Lease), and Tenant shall have no claim against City for the value of any unexpired term of this Lease, provided that Tenant may make a separate claim for compensation, and Tenant shall receive any Award made specifically to Tenant, for Tenant's relocation expenses or the interruption of or damage to Tenant's business or damage to Tenant's personal property.

18.6 Partial Taking; Continuation of Lease. If a partial Taking of the Premises occurs and this Lease is not terminated in its entirety under Section 18.4 [Partial Taking; Election to Terminate] above, then this Lease shall terminate as to the portion of the Premises so taken, but shall remain in full force and effect as to the portion not taken, and the rights and obligations of the Parties shall be as follows: (a) the MGR shall be proportionately adjusted as reasonably determined by Director to reflect the Taking, and (b) City shall be entitled to the entire Award in connection therewith (including, but not limited to, any portion of the Award made for the value of the leasehold estate created by this Lease). Tenant shall have no claim against City for the value of any unexpired Term of this Lease, provided that Tenant may make a separate claim for compensation. Tenant shall retain any Award made specifically to Tenant for Tenant's relocation expenses or the interruption of or damage to Tenant's business or damage to Tenant's personal property.

18.7 Temporary Takings. Notwithstanding anything to contrary in this Section, if a Taking occurs with respect to all or any part of the Premises for a limited period of time not in excess of one hundred eighty (180) consecutive days, this Lease shall remain unaffected thereby, and Tenant shall continue to pay Rent, and to perform all of the terms, conditions and covenants of this Lease. In the event of such temporary Taking, City shall be entitled to receive any Award.

19. CITY AND OTHER GOVERNMENTAL PROVISIONS

19.1 MacBride Principles - Northern Ireland. Pursuant to San Francisco Administrative Code §12.F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Tenant acknowledges that he or she has read and understood this section.

19.2 Charter. The terms of this Lease shall be governed by and subject to the budget and fiscal provisions of the Charter of the City and County of San Francisco.

19.3 Tropical Hardwood and Virgin Redwood Ban. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product. Except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environmental Code, Tenant shall not provide any items to the construction of Alterations, or otherwise in the performance of this Lease which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Tenant fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environmental Code, Tenant shall be liable for liquidated damages for each violation in any amount equal to Tenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

19.4 No Representations. Tenant acknowledges and agrees that neither City nor any person on behalf of City has made, and City hereby disclaims, any representations or warranties, express or implied, regarding the business venture proposed by Tenant at the Airport, including any statements relating to the potential success or profitability of such venture. Tenant represents and warrants that it has made an independent investigation of all aspects of the business venture contemplated by this Lease and the Permitted Use.

19.5 Effect of City Approvals. Notwithstanding anything to the contrary herein, Tenant acknowledges and agrees that City is entering into this Lease as a landowner, and not as a regulatory agency with police powers. Accordingly, any construction, alterations, or operations contemplated or performed by Tenant hereunder may require further authorizations, approvals, or permits from governmental regulatory agencies, including the Airport's Quality Control Department. Nothing in this Lease shall limit Tenant's obligation to obtain such other authorizations, approvals, or permits. No inspection, review, or approval by City pursuant to this Lease shall constitute the assumption of, nor be construed to impose, responsibility for the legal or other sufficiency of the matter inspected, reviewed, or approved. In particular, but without limiting the generality of the foregoing, in approving plans and specifications for Alterations, City (a) is not warranting that the proposed plan or other action complies with applicable Laws, and

(b) reserves its right to insist on full compliance in that regard even after its approval has been given or a permit has been issued.

19.6 Limitation on Damages. Notwithstanding anything to the contrary herein, in no event will City or any City Entity be liable to Tenant or any Tenant Entity for any consequential, incidental, or special damages, or special damages, or lost revenues or lost profits.

19.7 Sponsor's Assurance Agreement. This Lease shall be subordinate and subject to the terms of any "**Sponsor's Assurance Agreement**" or any like agreement heretofore or hereinafter entered into by City and any agency of the United States of America.

19.8 Federal Nondiscrimination Regulations.

(a) Tenant understands and acknowledges that City has given to the United States of America, acting by and through the Federal Aviation Administration, certain assurances with respect to nondiscrimination, which have been required by Title VI of the Civil Rights Act of 1964, as effectuated by Title 49 of the Code of Federal Regulations, Subtitle A - Office of the Secretary of Transportation, Part 21, as amended, and 28 C.F.R. section 50.3 (U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964) (collectively, the "**Acts and Regulations**"), as a condition precedent to the government making grants in aid to City for certain Airport programs and activities, and that City is required under said Regulations to include in every agreement or concession pursuant to which any person or persons other than City, operates or has the right to operate any facility on the Airport providing services to the public, the following covenant, to which Tenant agrees as follows: "The (grantee, lessee, permittee, etc. as appropriate) for himself, herself, his/her heirs, personal representatives, successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) in the event facilities are constructed, maintained or otherwise operated on the property described in this (deed, license, lease, permit, etc.) for a purpose for which a U.S. Department of Transportation activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Tenant will maintain and operate such facilities and services in compliance with all requirements imposed by the Acts and Regulations (as may be amended) such that no person on the grounds of race, color, or national origin will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities, and (3) that the grantee, licensee, permittee, etc., shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Subtitle A, Office of the Secretary of Transportation, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuations of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended. With respect to this Lease, in the event of a breach of any of the above non-discrimination covenants, City will have the right to terminate this Lease and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if this Lease had never been made or issued."

(b) (i) This agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR part 23. The concessionaire or contractor agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement

covered by 49 CFR part 23. (ii) The concessionaire or contractor agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR part 23 that it enters and cause those businesses to similarly include the statements in the further agreements..

(c) This agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR part 27, which require, among other things, that all televisions and audio-visual displays installed in passenger areas have high-contrast captioning capability, which is at all times enabled.

19.9 Federal Affirmative Action Regulations. Tenant assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Tenant assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Tenant assures that it will require that its covered sub-organizations provide assurances to Tenant that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

19.10 Pertinent Non-Discrimination Authorities. During the performance of this Lease, Tenant, for itself, its assignees, and successors-in-interest (hereinafter referred to as the "contractor" in this Section 18.10) agrees to comply with the following non-discrimination statutes and authorities, including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC §2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation-Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 USC §4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 USC. §794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR §27;
- The Age Discrimination Act of 1975, as amended (42 USC §6101 et seq.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC §471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public

and private transportation systems, places of public accommodation, and certain testing entities (42 USC §12131 - 12189) as implemented by Department of Transportation regulations at 49 CFR §37 and 38 and the Department of Justice regulations at 28 CFR, parts 35 and 36;

- The Federal Aviation Administration's Non-discrimination statute (49 USC §47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 CFR at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC §1681 et seq.).

19.11 City's Nondiscrimination Ordinance.

(a) In the performance of this agreement, Tenant agrees not to discriminate against any employee, City and County employee working with Tenant, applicant for employment with Tenant, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Tenant, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) Tenant shall include in all subleases and other subcontracts relating to the Premises hereunder a nondiscrimination clause in substantially the form of subsection (a) above. In addition, Tenant shall incorporate by reference in all subleases and other subcontracts the provisions of Sections 131.2(a), 131.2(c)-(k), and 132.3 of the San Francisco Labor and Employment Code and shall require all subtenants and other subcontractors to comply with such provisions. Tenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Lease.

(c) Tenant does not as of the date of this Lease and will not during the Term, in any of its operations in San Francisco, where the work is being performed for the City, or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 131.2(b) 12B.2(b) of the San Francisco Labor and Employment Code.

(d) Tenant hereby represents that prior to execution of this Lease (i) Tenant executed and submitted to the Contract Monitoring Division of the City and County of San Francisco (the "**CMD**") the Article 131 Declaration: Nondiscrimination in Contracts and Benefits

form (Form CMD-131-101), with supporting documentation, and (ii) the CMD approved such form.

(e) The provisions of Chapters 131 and 132 of the San Francisco Labor and Employment Code relating to nondiscrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Lease as though fully set forth herein. Tenant shall comply fully with and be bound by all of the provisions that apply to this Lease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Tenant understands that pursuant to Section 131.2(h) of the San Francisco Labor and Employment Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Lease may be assessed against Tenant and/or deducted from any payments due Tenant.

19.12 Conflict of Interest. Through its execution of this Agreement, Tenant acknowledges that it is familiar with the provisions of section 15.103 of City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and sections 87100 et seq. and sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provision and agrees that if it becomes aware of any such fact during the term of this Agreement it shall immediately notify Landlord.

19.13 Prevailing Rates of Wage. Reference is made to Airport Commission Policy No. 80-0031, requiring that Tenant pay prevailing rates of salaries, wages, and employee benefits, to its employees working at San Francisco International Airport pursuant to this Lease. Tenant covenants and agrees to pay the either (i) the prevailing rate of wages required by such Airport Commission Policy or (ii) the rate required by the Minimum Compensation Ordinance, as set forth below, whichever is greater.

19.14 Declaration Regarding Airport Private Roads. Tenant hereby acknowledges and agrees that all roads existing at the date of execution hereof within the boundaries of the Airport, as shown on the current official Airport plan and as it may be revised, are the private property and private roads of the City and County of San Francisco, with the exception of that portion of the old Bayshore Highway which runs through the southern limits of the City of South San Francisco and through the northern portion of the Airport to the intersection with the North Airport Road as shown on said Airport Plan, and with the exception of that portion of the North Airport Road which runs from the off and on ramps of the State Bayshore Freeway to the intersection with said old Bayshore Highway as shown on said Airport Plan. It further acknowledges that any and all roads hereafter constructed or opened by City within the Airport boundaries will be the private property and road of City, unless otherwise designated by appropriate action.

19.15 No Relocation Assistance; Waiver of Claims. Tenant acknowledges that it will not be a displaced person at the time this Lease is terminated or expires by its own terms, and Tenant fully releases, waives, and discharges forever any and all claims or other Losses, against and covenants not to sue City or any City Entity under any Laws, including any and all claims for relocation benefits or assistance from City under federal and state relocation assistance laws. Without limiting Section 5 [Assignment or Subletting], Tenant shall cause any Transferee to expressly waive entitlement to any and all relocation assistance and benefits in

connection with this Lease. Tenant shall indemnify, defend, and hold harmless City for any and all Losses arising out of any relocation assistance or benefits payable to any Transferee.

19.16 Drug-Free Workplace. Tenant acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession or use of a controlled substance is prohibited on City premises. Any violation of this prohibition by Tenant or any Tenant Entity shall constitute a default hereunder.

19.17 Compliance with Americans With Disabilities Act. Tenant acknowledges that, pursuant to the ADA, programs, services and other activities provided by a public entity, whether directly or through a contractor, must be accessible to the disabled public. Tenant shall provide the services specified in this Lease in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation, including but not limited to, Titles II and III of the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794 et seq.), 28 CFR Parts 35 and 36, and 49 CFR Parts 27, 37 and 38. Tenant agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Lease, and further agree that any violation of this prohibition on the part of Tenant, its employees, agents or assigns shall constitute a material breach of this Lease.

19.18 Sunshine Ordinance. In accordance with S.F. Administrative Code Section 67.24(e), contractors' bids, responses to RFPs and all other records of communications between the City and persons or firms seeking contracts shall 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 or other benefits until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

19.19 Pesticide Prohibition. Tenant shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "**Pesticide Ordinance**") which (i) prohibit the use of certain pesticides on City property, (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (iii) require Tenant to submit to the Airport an integrated pest management ("**IPM**") plan that (a) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Tenant may need to apply to the Premises during the terms of this Lease, (b) describes the steps Tenant will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and (c) identifies, by name, title, address and telephone number, an individual to act as Tenant's primary IPM contact person with the City. In addition, Tenant shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

19.20 First Source Hiring Ordinance. Tenant shall comply with the San Francisco First Source Hiring Ordinance (Board of Supervisors Ordinance No. 264-98, as amended by Board of Supervisors Ordinance Nos. 32-09 and 149-09) in cooperation with the Airport Commission Office of Employment and Community Partnerships pursuant to the First Source Hiring Agreement entered into between the Airport Commission and the Tenant concurrently herewith, and incorporated herein by reference.

19.21 Labor Peace/Card Check Rule. On February 7, 2023, by Resolution No. 23-0018, the Airport Commission adopted its current Labor Peace/Card Check Rule (the "**Labor**

Peace Card Check Rule") and Model Form Labor Peace/Card Check Agreement ("**Model Form Card Check Agreement**"), incorporated into the Airport Rules as Rule 12.1 and Appendix C, respectively. All capitalized terms not otherwise defined in this provision shall have the meaning in the Labor Peace Card Check Rule. Without limiting the generality of other provisions herein requiring Tenant to comply with all Airport Rules, Tenant shall comply with the Labor Peace Card Check Rule. To comply with the Labor Peace/Card Check Rule, Tenant shall, among other actions, enter into a Labor Peace/Card Check Agreement with any Registered Labor Organization which requests such an agreement, within thirty (30) days after request. In the event that any such Registered Labor Organization and the Tenant are unable to negotiate a Labor Peace/Card Check Agreement within the 30-day period, the parties shall then be deemed to be bound by the Model Form Check Agreement attached as Appendix C to the Airport Rules, automatically and without any further action required by the parties. Tenant represents and warrants that it has fully reviewed the Labor Peace/Card Check Rule and agrees to be bound by all of its terms and conditions. Tenant acknowledges and agrees that Tenant's compliance with the Labor Peace/Card Check Rule is a material condition of this Lease, and if the Director determines that Tenant shall have violated the Labor Peace/Card Check Rule, the Director shall have the right to terminate this Lease, in addition to exercising all other remedies available to him/her.

19.22 Requiring Minimum Compensation.

(a) Tenant agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance, as set forth in San Francisco Labor and Employment Code Article 111 (**MCO**), including the remedies provided, and implementing guidelines and rules. The provisions of the MCO are incorporated herein by reference and made a part of this Agreement as though fully set forth. A partial listing of some of Tenant's obligations under the MCO is set forth in this Section. Tenant is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

(b) The MCO requires Tenant to pay Tenant's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Tenant is obligated to keep informed of the then-current requirements. Any subcontract entered into by Tenant shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Tenant's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Tenant.

(c) Tenant shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

(d) Tenant shall maintain employee and payroll records as required by the MCO. If Tenant fails to do so, it shall be presumed that the Tenant paid no more than the minimum wage required under State law.

(e) The City is authorized to inspect Tenant's premises and conduct interviews with employees and conduct audits of Tenants.

(f) Tenant's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Tenant fails to comply with these requirements. Tenant agrees that the sums set forth in Section 111.8 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Tenant's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 111.9 of the MCO.

(g) Tenant understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under the MCO (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Tenant fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Tenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 111.7(c) of the MCO. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

(h) Tenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

(i) If Tenant is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Tenant later enters Tenant an agreement or agreements that cause Tenant to exceed that amount in a fiscal year, Tenant shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Tenant and this department to exceed \$25,000 in the fiscal year.

19.23 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 Director's prior consent.

19.24 Requiring Health Benefits for Covered Employees. Tenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Labor and Employment Code Article 121 (HCAO), including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of the HCAO are incorporated by reference and made a part of this Agreement as though fully set forth herein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in the HCAO.

(a) For each Covered Employee, Tenant shall provide the appropriate health benefit set forth in Section 121.3 of the HCAO. If Tenant chooses to offer the health plan option, such

health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if the Tenant is a small business as defined in Section 121.3(g) of the HCAO, it shall have no obligation to comply with part (a) above.

(c) Tenant's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Tenant if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Tenant fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Tenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in Sections 121.5. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

(d) Any Subcontract entered into by Tenant shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Tenant shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Tenant shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Tenant based on the Subcontractor's failure to comply, provided that City has first provided Tenant with notice and an opportunity to obtain a cure of the violation.

(e) Tenant shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Tenant's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Tenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) Tenant shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

(h) Tenant shall keep itself informed of the current requirements of the HCAO.

(i) Tenant shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(j) Tenant shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

(k) Tenant shall allow City to inspect Tenant's premises and have access to Tenant's employees in order to monitor and determine compliance with HCAO.

(l) City may conduct random audits of Tenant to ascertain its compliance with HCAO. Tenant agrees to cooperate with City when it conducts such audits.

(m) If Tenant is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Tenant later enters into an agreement or agreements that cause Tenant's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Tenant and the City to be equal to or greater than \$75,000 in the fiscal year.

19.25 Notification of Limitations on Contributions. By executing this Agreement, Tenant acknowledges its obligations under section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who leases, or seeks to lease, to or from any department of the City any land or building from making any campaign contribution to (a) an individual holding a City elective office if the contract must be approved by that official, the board on which that individual serves, or a state agency on whose board an appointee of that individual serves, (b) a candidate for the office held by such individual, or (c) a committee controlled by such individual or candidate, at any time from the submission of a proposal for the lease until the later of either the termination of negotiations for the lease or twelve (12) months after the date the City approves the lease. Tenant acknowledges that the foregoing restriction applies only if this Agreement or a combination or series of leases or other contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of one hundred thousand dollars (\$100,000) or more. Tenant further acknowledges that (i) the prohibition on contributions applies to each prospective party to the lease; any person on Tenant's board of directors, any of Tenant's principal officers (including its chairperson, chief executive officer, chief financial officer, chief operating officer) and any person with an ownership interest of more than 10 percent (10%) in Tenant; any subtenant listed in the lease or any lease proposal; and any committee that is sponsored or controlled by Tenant; and (ii) within thirty (30) days of the submission of a proposal for the lease, the City department with whom Tenant is leasing is obligated to submit to the Ethics Commission the parties to the lease and any subtenant. Additionally, Tenant certifies that it informed any member of its board of directors and any of its principal officers, including its chairperson, chief executive officer, chief financial officer, chief operating officer, any person with an ownership interest of more than 10% in Tenant, and any subtenant listed herein of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for this Agreement, and has provided the names of the persons required to be informed to the City department with whom it is leasing. Violation of Section 1.126 may result in criminal, civil, or administrative penalties.

19.26 Vending Machines; Nutritional Standards and Calorie Labeling Requirements. Tenant may not install or permit any vending machine on the Premises without the prior written consent of the Airport Director. Any permitted vending machine will comply with the food and beverage nutritional standards and calorie labeling requirements set forth in San Francisco Administrative Code Section 4.9-1(c), as may be amended from time to time (the "**Nutritional Standards Requirements**"). Tenant will incorporate the Nutritional Standards Requirements into any contract for the installation of a vending machine on the Premises or for the supply of food and beverages to that vending machine. Failure to comply with the Nutritional Standards Requirements or to otherwise comply with this Section 18.25 will be a material breach of this

Lease. Without limiting City's other rights and remedies under this Lease, City will have the right to require the immediate removal of any vending machine on the Premises that is not permitted or that violates the Nutritional Standards Requirements.

19.27 Food Service Waste Reduction Ordinance. San Francisco's Food Service Waste Reduction Ordinance, Ordinance No. 295-06, SF Environment Code Chapter 16 (Ordinance) requires restaurants, retail food vendors, City departments, City contractors and City lessees to use biodegradable/compostable or recyclable disposable food service ware when selling or distributing prepared foods, unless there is no "affordable" alternative. The Ordinance also prohibits such businesses and the City from using disposable food service ware made from polystyrene (Styrofoam™). Violation of the Ordinance may result in contractual damages, a criminal fine, administrative penalty, or other civil enforcement action.

19.28 Multi-Employer Bargaining Group Participation. Tenant agrees and acknowledges that a multi-employer bargaining group is an established mechanism for employers to bargain collectively with any lawful labor organization representing its employees in an appropriate bargaining unit. In the event that Tenant's employees elect to be represented by a lawful labor organization, by majority determination through the labor peace/card check process or otherwise, Tenant agrees to join the relevant multi-employer bargaining group at the Airport, and become a party to, and be bound by, a collective bargaining agreement for its operations under this Agreement in the event a collective bargaining agreement is then in effect or is negotiated on behalf of Tenant's employees. In order to demonstrate compliance with the Airport's labor harmony commitment, Tenant agrees that membership in a multi-employer bargaining group includes attendance at group meetings and participation in its business activities.

19.29 Worker Retention Policy. Tenant acknowledges the Airport's Worker Retention Policy and agrees to comply with its requirements.

19.30 Local Hire Policy. Any undefined, initially-capitalized term used in this Section shall have the meaning given to such term in San Francisco Labor and Employment Code Article 101.1 (the "**Local Hiring Requirements**"). All Alterations under this Lease are subject to the Local Hiring Requirements unless the cost for such work is (a) estimated to be less than \$1,000,000 per building permit or (b) meets any of the other exemptions in the Local Hiring Requirements. Tenant agrees that it shall comply with the Local Hiring Requirements to the extent applicable. Before starting any Alteration, Tenant shall contact City's Office of Economic Workforce and Development ("**OEWD**") to verify if the Local Hiring Requirements apply to the work (i.e., whether the work is a "Covered Project"). Tenant shall include, and shall require its subtenants to include, a requirement to comply with the Local Hiring Requirements in any contract for a Covered Project with specific reference to San Francisco Labor and Employment Code Article 108. Each such contract shall name the City and County of San Francisco as a third party beneficiary for the limited purpose of enforcing the Local Hiring Requirements, including the right to file charges and seek penalties. Tenant shall cooperate, and require its subtenants to cooperate, with City in any action or proceeding against a contractor or subcontractor that fails to comply with the Local Hiring Requirements when required. Tenant's failure to comply with its obligations under this Section shall constitute a material breach of this Lease. A contractor's or subcontractor's failure to comply with this Section will enable City to seek the remedies against the breaching party specified in San Francisco Labor and Employment Code Article 108.

19.31 Consideration of Salary History. Tenant shall comply with Article 141 of the San Francisco Labor and Employment Code ("**Article 141**"), the Consideration of Salary History Ordinance or "Pay Parity Act." Tenant is prohibited from considering current or past salary of an applicant in determining whether to hire the applicant or what salary to offer the applicant to the extent that such applicant is applying for employment to be performed on this Lease or in furtherance of this Lease, and whose application, in whole or part, will be solicited, received, processed or considered, whether or not through an interview, in the City or on City property. The ordinance also prohibits employers from (1) asking such applicants about their current or past salary or (2) disclosing a current or former employee's salary history without that employee's authorization unless the salary history is publicly available. Tenant is subject to the enforcement and penalty provisions in Article 141. Tenant shall comply with all of the applicable provisions of Article 141, irrespective of the listing of obligations in this Section. Tenant shall include this obligation in all subleases, licenses, sublicenses and any other contracts for work performed in furtherance of this Lease (including all amendments of the same), and failure to do so shall constitute a material breach of this Lease.

19.32 All Gender Toilet Facilities. If applicable, Tenant will comply with San Francisco Administrative Code Section 4.1-3 requiring at least one all-gender toilet facility on each floor of the Premises in any building where extensive renovations are made by Tenant. An "all-gender toilet facility" means a toilet that is not restricted to use by persons of a specific sex or gender identity by means of signage, design, or the installation of fixtures, and "extensive renovations" means any renovation where the construction cost exceeds 50% of the cost of providing the toilet facilities required by Administrative Code Section 4.1-3. If Tenant has any question about applicability or compliance, Tenant should contact Building Inspection and Code Enforcement (BICE) for guidance

19.33 Federal Fair Labor Standards Act. This Lease incorporates by reference the provisions of 29 USC §201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers. Tenant has full responsibility to monitor compliance to the referenced statute or regulation. Tenant must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

19.34 OSHA. This Lease incorporates by reference the requirements of 29 CFR §1910 with the same force and effect as if given in full text. Tenant must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Tenant retains full responsibility to monitor its compliance and their contractor's and subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (29 CFR §1910). Tenant must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

19.35 Green Building Requirements. Tenant acknowledges that the City and County of San Francisco has enacted Chapter 7 of the San Francisco Environment Code relating to green building requirements. Tenant hereby agrees that it shall comply with all applicable provisions of Chapter 7, including but not limited to those relating to Leadership in Energy and Environmental Design (LEED) certification.

19.36 Plastic Beverage Container Restrictions. Tenant shall comply with Airport Rule 8.2(B), which prohibits Airport tenants, vendors, and permittees from providing or selling beverages in containers that contain plastic or aseptic paper packaging, including in vending machines. The Airport has compiled a list of compliant beverage container packaging available on <https://www.flysfo.com/approved-bottled-water-list>".

20. GENERAL PROVISIONS

20.1 Notices. Except as otherwise specifically provided in this Lease, any notice, consent, request, demand, or other correspondence given under this Lease shall be in writing and given by delivering the notice in person or by commercial courier, or by sending it by first-class mail, certified mail, return receipt requested, or overnight courier, return receipt requested, with postage prepaid or by electronic mail (if an electronic mail address is provided), to: (a) Tenant at Tenant's Notice Address; or (b) City at City's Notice Address; or (c) such other address as either Tenant or City may designate as its new address for such purpose by notice given to the other in accordance with this Section. Any notice hereunder shall be deemed to have been given and received and effective two (2) days after the date when it is mailed, if sent by first-class, certified mail, one day after the date when it is mailed if sent by overnight courier, or upon the date personal or electronic mail delivery is made. For convenience of the parties, copies of notices may also be given by facsimile to the number set forth in the Summary or such other number as may be provided from time to time; provided, however, neither party may give binding notice by facsimile.

20.2 No Implied Waiver. No failure by either party to insist upon the strict performance of any obligation of the other party under this Lease or to exercise any right, power or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such term, covenant or condition. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver.

20.3 Entire Agreement. The parties intend that this Lease (including all of the attached exhibits, which are made a part of this Lease) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The parties further intend that this Lease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts hereof and changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Lease.

20.4 Amendments. Except as specifically provided herein, neither this Lease nor any term or provisions hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the party against which the enforcement of the change, waiver, discharge or termination is sought.

20.5 Interpretation of Lease. The captions preceding the articles and sections of this Lease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Lease. This Lease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the parties, without any presumption against the party responsible for drafting any part of this Lease. Provisions in this Lease relating to number of days shall be calendar

days. Use of the word **“including”** shall mean “including, without limitation.” References to statutes, sections, ordinances or regulations are to be construed as including all statutory, ordinance, or regulatory provisions consolidating, amending, replacing, succeeding or supplementing the statute, section, ordinance or regulation. Whenever the singular number is used in this Lease and when required by the context, the same includes the plural, the plural includes the singular, and the masculine gender includes the feminine and neuter genders, and the word **“person”** shall include corporation, partnership, firm, limited liability company, and association.

20.6 Successors and Assigns. Subject to the provisions of Section 5 [Assignment or Subletting], the terms, covenants and conditions contained in this Lease shall bind and inure to the benefit of Tenant and City and, except as otherwise provided herein, their personal representatives and successors and assigns.

20.7 No Third-Party Beneficiaries. There are no third-party beneficiaries to this Lease.

20.8 No Joint Venture. It is expressly agreed that City is not, in any way or for any purpose, a partner of Tenant in the conduct of Tenant’s business or a member of a joint enterprise with Tenant, and does not assume any responsibility for Tenant’s conduct or performance of this Lease.

20.9 Brokers. Neither party has had any contact or dealings regarding the leasing of the Premises, nor any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder’s fee in connection with the lease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder’s fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his/her claim shall be responsible for such commission or fee and shall indemnify, defend, and hold harmless the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination or expiration of this Lease.

20.10 Severability. If any provision of this Lease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Lease shall be valid and be enforceable to the full extent permitted by law.

20.11 Governing Law. This Lease shall be construed and enforced in accordance with the laws of the State of California and the Charter of the City and County of San Francisco.

20.12 Attorneys’ Fees. In the event that either City or Tenant fails to perform any of its obligations under this Lease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Lease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys’ fees. For purposes of this Lease, reasonable fees of attorneys of City’s Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney’s services were rendered who practice in the City of San Francisco in law firms with

approximately the same number of attorneys as employed by the Office of the City Attorney. Without limiting the generality of the foregoing, Tenant shall also pay all costs and expenses incurred by City related to City's participation in or monitoring of any Tenant bankruptcy, insolvency, or similar proceeding involving creditors' rights generally and any proceeding ancillary thereto. This Section shall survive expiration or earlier termination of this Lease.

20.13 Cumulative Remedies. All rights and remedies of either party hereto set forth in this Lease shall be cumulative, except as may otherwise be provided herein.

20.14 Time of Essence. Time is of the essence with respect to all provisions of this Lease in which a definite time for performance is specified.

20.15 Reservations by City. City may (a) at any time, upon reasonable advance written or oral notice, enter the Premises to show the Premises to prospective tenants or other interested parties, to post notices of non-responsibility, to re-measure the Premises, to repair any part of the Premises or adjoining areas, to install equipment for adjoining areas, and for any other lawful purpose; (b) without advance notice, enter the Premises to conduct an environmental audit, operational audit, or general inspection, or in an emergency. City shall use reasonable efforts to minimize disruption in Tenant's business. Such entry shall not constitute a forcible or unlawful entry into or a detainer of the Premises, or an eviction, actual or constructive of Tenant from the Premises. City reserves the exclusive right to use all areas of the Airport not comprising the Premises, and the exterior walls and roofs the Premises. City reserves the exclusive right to use such areas together with the right to install, maintain, use, repair, and replace pipes, ducts, conduits, wires, columns, and structural elements serving other parts of the Airport in and through the Premises. This reservation in no way affects maintenance obligations imposed in this Lease.

20.16 Survival of Indemnities. Expiration or termination of this Lease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Lease, nor shall it effect any provision of this Lease that expressly states it shall survive termination hereof. Each party hereto specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Lease, the indemnitor has an immediate and independent obligation to defend the indemnitees from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to the indemnitor by the indemnitee. Further, Tenant's obligation to make payments to City in respect of accrued charges (including those which have not yet been billed) and to make repairs (including those relating to the return of the Premises to City) which are accrued at the expiration or earlier termination of this Lease shall survive the expiration or earlier termination of this Lease.

20.17 Quiet Enjoyment and Title. Tenant, upon paying the Rent hereunder and performing the covenants hereof, shall peaceably and quietly have, hold and enjoy the Premises and all appurtenances during the full Term as against all persons or entities claiming by and through City. Tenant expressly acknowledges that Tenant's right to quiet possession of the Premises does not preclude City's right to make changes and additions to the Airport, including the Premises, and to do work in the Premises as permitted by this Lease.

20.18 No Right of Redemption. Tenant waives any right of redemption or reinstatement of Tenant under any present or future case law or statutory provision (including Code of Civil

Procedure Sections 473 and 1179 and Civil Code Section 3275) in the event Tenant is dispossessed from the Premises for any reason. This waiver applies to future statutes enacted in addition or in substitution to the statutes specified herein.

20.19 Accord and Satisfaction. The payment by Tenant or the receipt by City of a lesser amount than the rent stipulated in this Lease may be, at City's sole option, deemed to be on account of the earliest due stipulated rent, or deemed to be on account of rent owing for the current period only, notwithstanding any instructions by or on behalf of Tenant to the contrary, which instructions shall be null and void, and no endorsement or statement on any check or any letter accompanying any such check or payment will be deemed an accord and satisfaction, and City may accept such check or payment without prejudice to City's right to recover the balance of such rent or payment or pursue any other remedy available in this Lease, at law or in otherwise, including possession of the Premises. City may accept any partial payment from Tenant without invalidation of any contractual notice required to be given herein (to the extent such contractual notice is required) and without invalidation of any notice given or required to be given pursuant to applicable law. In such event, if City shall receive any such partial payment after it shall have commenced an action against Tenant, City may amend its action as contemplated by Section 1161.1(c) of the California Civil Code to reflect any such partial payment, and no such payment shall limit any of City's rights to continue the action.

20.20 Joint and Several Liability. The liabilities hereunder of the entities and/or person(s) comprising Tenant shall be joint and several.

20.21 Estoppel Statements. Within ten (10) days after request therefor by City, Tenant shall deliver, in recordable form, an estoppel statement certifying that this Lease is in full force and effect; the date of Tenant's most recent payment of Rent, and that Tenant has no defenses or offsets outstanding, or stating those claimed, and any other information reasonably requested. Failure to deliver said statement within the specified period shall be conclusive upon Tenant that: (i) this Lease is in full force and effect, without modification except as may be represented by City; (ii) there are no uncured defaults in City's performance and Tenant has no right of offset, counterclaim or deduction against Rent hereunder; and (iii) no more than one month's Base Rent has been paid in advance. Notwithstanding the conclusiveness of Tenant's failure to deliver such statement, Tenant's failure shall constitute a breach of this Lease.

20.22 Authority. If Tenant signs as a corporation, a limited liability company, or a partnership, each of the persons executing this Lease on behalf of Tenant does hereby covenant and warrant that Tenant is a duly authorized and existing entity, that Tenant has and is duly qualified to do business in California, that Tenant has full right and authority to enter into this Lease, and that each and all of the persons signing on behalf of Tenant are authorized to do so. Upon City's request, Tenant shall provide City evidence reasonably satisfactory to City confirming the foregoing representations and warranties.

20.23 Consents. If City is required to reasonably grant consent or approval, but does not do so, Tenant's sole and exclusive remedy is to seek specific performance and in no event will City be liable for any monetary damages.

20.24 Options Personal. If and to the extent Tenant has an option to extend the Term of this Lease, such option is personal to the original Tenant and may be exercised only by the original Tenant while occupying the Premises who does so without the intent of thereafter making any Transfer, and may not be exercised by or assigned, voluntarily or involuntarily, by or

to any person or entity other than Tenant, unless the foregoing prohibition is waived by Director. The options, if any, herein granted to Tenant are not assignable separate and apart from this Lease, nor may any option be separated from this Lease in any manner, either by reservation or otherwise.

20.25 Counterparts. This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

///

///

IN WITNESS WHEREOF, the parties have executed this Lease as of the Effective Date.

TENANT: SkyChargers, LLC,

a Delaware limited liability company

By: 
DocuSigned by:
AD499C40811A46B...

Name: Andrew Karetsky

Title: Chief Executive Officer

CITY: CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation,
acting by and through its Airport
Commission

Mike Nakornkhet
Airport Director

AUTHORIZED BY
AIRPORT COMMISSION

Resolution No. 25-0061

Adopted: April 15, 2025

Attest: _____

Secretary
Airport Commission

APPROVED AS TO FORM:
DAVID CHIU,
City Attorney

By: _____
Deputy City Attorney

X:\TENANTS\SkyChargers LLC\Agreements\DCFC Hub Lease - SkyChargers, LLC (to be signed by tenant).docx

LIST OF EXHIBITS

EXHIBIT A – Description of Premises

EXHIBIT B – Use and Operational Requirements

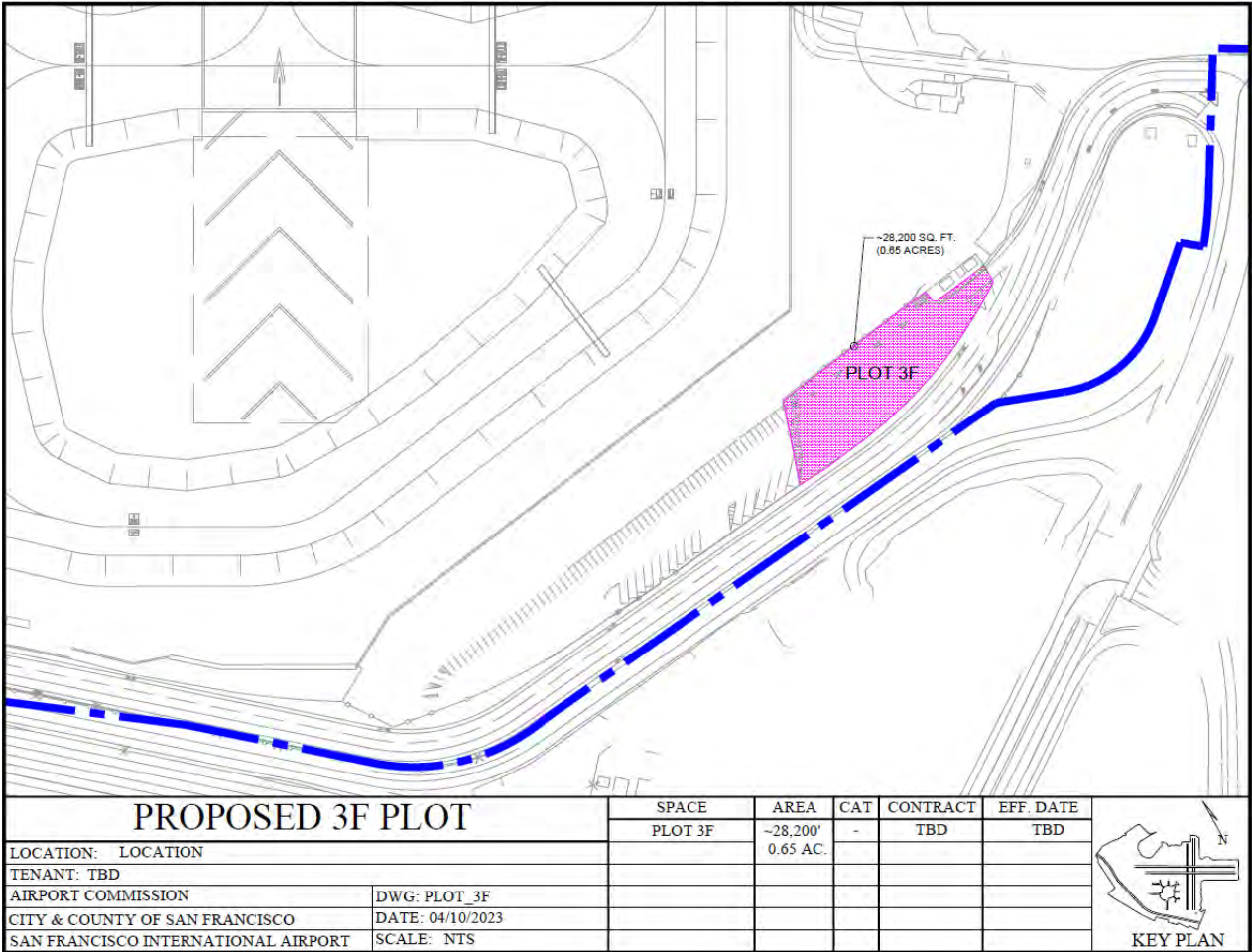
EXHIBIT C-1 – Form of Performance Bond

EXHIBIT C-2 – Form of Letter of Credit

EXHIBIT D – Tenant Work Letter

EXHIBIT A
PREMISES

A total of approximately 28,200 square feet parcel located on South McDonnell Road at San Francisco International Airport known as Plot 3F



<p style="text-align: center;">EXHIBIT B USE AND OPERATIONAL REQUIREMENTS</p>

- 1) **GENERAL REQUIREMENTS:** All products are sold on a non-exclusive basis, and Airport reserves the right to sell and to permit other Airport tenants to sell the same or similar products and services. Tenant may not display, sell, rent, or otherwise offer any product or service without Director's written prior consent.
- 2) **REQUIRED/OPTIONAL PRODUCTS AND OPERATIONS:** In the event Director permits any services and/or product to be sold or offered that is not listed below, changes the required or optional offerings listed below, or otherwise modifies the Permitted Use or operational requirements under this Lease, this Exhibit shall be deemed amended without need for a formal amendment of this Lease.

Relevant portions of Tenant's proposal dated January 29, 2025 regarding required products and operations and required site improvements are included beginning on the next page of this **Exhibit B** and incorporated into this Lease. If there is any conflict or inconsistency between the terms of this Lease and such proposal, the term of this Lease shall prevail.



SkyChargers, LLC
SFO Request for Proposals
Direct Current Fast Charging Hub Lease
January 29, 2025

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease

1 Proposed Concept

SKYCHARGERS, LLC (“SkyCharger”) (developer) in collaboration with Skyview Ventures (station owners), and Warren’s News & Gift, Inc. (a SBE and ACDBE business), Burns & McDonnell, Kempower, EV Connect, and Amazon, proposes an expansive direct current fast charging (DCFC) hub at San Francisco International Airport (SFO) – the SFO EV Hub (Hub / Hub at SFO). This ambitious project will deploy the latest in DCFC technology and customer convenience to deliver a state-of-the-art EV refueling experience reflective of the city’s status as California’s technology capital and emblematic of the city’s and state’s leadership in clean transportation technologies. The Hub will occupy Plot 3F at SFO. It will replace a decommissioned compressed natural gas refueling site and parking lot. The site, located on South McDonnell Road, immediately adjacent to the TNC Holding Lot, comprises approximately 28,200 square feet of space. This project will support and align with SFO’s sustainability work, advancing its zero net carbon operations goal and delivering extensive co-benefits to the region. SkyCharger, with the project partners, will design, develop, finance, construct, operate, and maintain the Hub. Given its location, the Hub will be designed with Transportation Network Companies (TNC) in mind, offering TNC drivers a fast, streamlined, convenient, and cost-effective solution to refuel their EVs, while reducing congestion on adjacent DCFC infrastructure. This will also increase the capacity for EV TNC drivers to serve the airport and its high demand for TNC-based trips while offering drivers greater comfort as they serve travelers.

As proposed, the Hub will deliver 24 electrified parking spaces capable of charging EVs at up to 400 kW, dependent on vehicle state-of-charge and maximum charging rate. This ensures that a driver of nearly any EV can add 80% of their battery capacity in fewer than 30 minutes and can add meaningful range in 15 minutes or less. These 24 spaces will be served by dual-handle EVSE cabinets designed by Kempower. Designed to serve a multitude of vehicle configurations and charging port placements, any EV today and in the future will find charging easy. This high-power level will future-proof the site as more vehicles become capable of charging at a rate over 200 kW, and larger vehicles with large battery packs demand high power to keep dwell time on par with more modest EV batteries.

This expansive charging infrastructure deployment will be paired with a high-quality, high-tech convenience store, operated by Warren’s News & Gift, Inc. (WNG) and deployed using Amazon’s “Just Walk Out” (JWO) technology. This store will enrich the longer visit time typical of EV refueling by giving drivers cost-effective and plentiful food, beverage, sundries, health and comfort retail options; clean, sanitary, and modern restroom facilities; and a safe, tidy, modern environment to spend time. WNG specializes in airport convenience retail and will operate and stock this store to match the unique needs of both TNC drivers and airport visitors. The JWO concept will allow the store to operate and offer retail and restroom facilities 24/7 with streamlined, simple payment.

1.1 Overall Appeal of the Proposal

This proposal includes key differentiators that ensure alignment and high appeal under the terms of the request for proposals. These include:

Advances SFO Goals and Policies, Aligning with City and State Mandates: The Hub at SFO aligns with SFO’s sustainability goals and initiatives and enables extensive electrification of key ground transportation solutions in the air travel sector – TNC-based trips and rental cars. It also supports the CPUC’s Clean Miles Standard for TNC services and, overall, California’s

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease

economy-wide decarbonization priorities. In addition, SFO will benefit from WNG's role in the project contributing to its ACDBE goals.

High Capacity at Launch: The Hub as proposed offers over 70% more charging spaces than the minimum requirements of the RFP, ensuring drivers are well served for years to come and have an abundance of stalls at launch. This helps eliminate or reduce wait times for charging, reduces traffic congestion related to the lot, and enhances the customer experience. It also embraces a “dig once” approach, by maximizing the build and deployment the first time, eliminating any future disruption for expansion or updating.

Cutting-Edge Convenience Retail: Amazon's JWO technology coupled with WNG's prowess and expertise for airport retail will offer consumers an exceptional, streamlined experience. The store will offer fresh foods sourced from local San Francisco and Northern California vendors, premium coffee and pastries, as well as other typical convenience store items, snacks, and foods. The store will offer an enjoyable user experience without the need for checkout due to JWO technology, improving congestion and idling in the lot during high times of use. The store and chargers will interact with charging customers so that they will be able to claim offers on discounts or free items within the store, while also encouraging off-peak use of the EVSE to lower overall costs to drivers and reduce strain on the local utility grid. The convenience store will also have well cleaned bathrooms available as an amenity to customers of the chargers and store.

High Reliability: Kempower and EV connect are well-established, trusted names in the EVSE sector. They share an understanding of the essential nature of EVSE and are committed to providing high reliability in hardware, operations, and maintenance. Thanks to real-time reporting and monitoring coupled with local electricians, technicians, and experts to resolve issues, the Hub will offer an uptime of no less than 95%.

Emissions Avoided: The Hub will significantly improve air quality in the vicinity by reducing toxic emissions including annual reductions of 9,350 metric tons of CO₂, 1.8396 metric tons of NO_x, 0.5256 metric tons of PM_{2.5}, and 2.1024 metric tons of ROG.¹

The collaboration between SkyCharger, the proposal partners, and SFO will serve as a model of innovation, sustainability, and prudent investment in advanced EV refueling infrastructure. By deploying this cutting-edge, state-of-the-art zero emission fueling plaza, SFO will take a giant leap toward meeting its sustainability goals, reduce greenhouse gas emissions, improve air quality, reduce congestion, and expand the capacity for TNC drivers, EV rental cars, residents, and other drivers to refuel.

As the HUB thrives, other airports will look to SFO as a model for developing and actionizing their own sustainability initiatives. The success of this project will demonstrate that with a clear vision, strategic partnerships, and a commitment to transportation electrification at all levels, it is

¹ Based on an analysis of an EV charging hub used by 360 EVs daily, assuming each EV drives an average of 200 miles per day and using the emissions factors for conventional gasoline vehicles averaging 25 miles per gallon with an emissions factor of 8,887 grams of CO₂ per gallon, the hub avoids approximately 9,351.475 metric tons of CO₂ annually. Additionally, using typical emissions factors for gasoline vehicles—0.07 grams of NO_x, 0.02 grams of PM_{2.5}, and 0.08 grams of ROG per mile—the hub avoids approximately 1.8396 metric tons of NO_x, 0.5256 metric tons of PM_{2.5}, and 2.1024 metric tons of ROG annually. These calculations assume the EVs have an average efficiency of 3 miles per kWh and the electricity used is 100% renewable, resulting in zero CO₂ emissions from electricity consumption.

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease

possible to revolutionize the transportation industry and create a better tomorrow for generations to come.

1.2 Charging Capability, Ease of Use, and Number of Chargers

- Overview of all equipment end-to-end
- Consumer interface and payment
- Total charger count + dispenser count if multi dispenser

Electric Vehicle Service Equipment (EVSE) Overview

The Hub at SFO will deploy EVSE hardware from Kempower, enabled by a suite of software solutions from EV Connect. In total, Kempower will supply 12 Power Units, each powering two DCFC handles, one handle per space. Each of the 24 handles is capable of charging at a rate up to 400 kW, assuming vehicle support. Kempower deploys their EVSE with an Adaptive Voltage System, fully supporting 800v and 400v voltage architectures – ensuring maximum compatibility now and into the future.

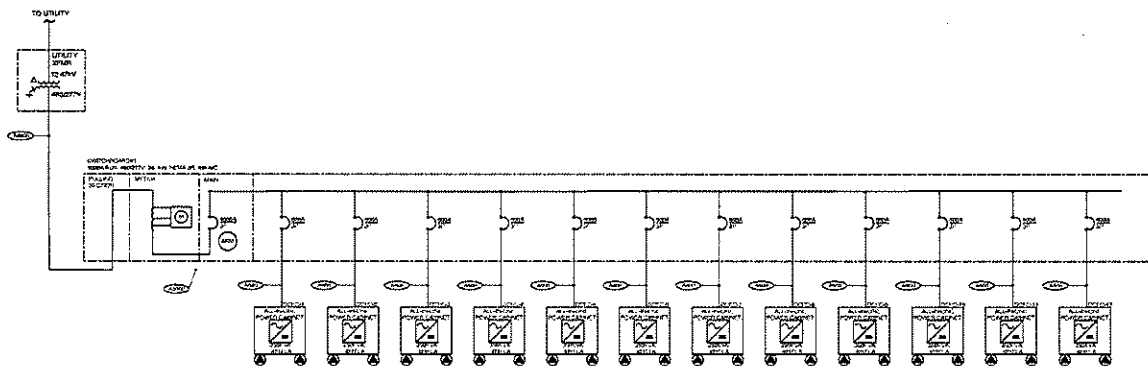


Figure 1: Power level and distribution details for the SFO EV Hub.

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease

Kempower is a leading provider of DCFC EVSE, dedicated to revolutionizing the sector. Their cutting-edge products are renowned for reliability, efficiency, and user-friendliness, making them a top choice for EV drivers and fleet operators alike. Kempower's advanced engineering leverages a robust modular architecture, which allows for scalable solutions tailored to various power requirements and user needs. This modularity ensures easy maintenance and upgrades, reducing downtime and operational costs. Their DCFC systems are equipped with dynamic power distribution capabilities, enabling optimal charging speeds for multiple vehicles simultaneously. This intelligent power management maximizes efficiency and minimizes charging time, providing a seamless experience for users.

Kempower places a strong emphasis on connectivity and smart technology integration. Their EVSEs are designed with comprehensive monitoring and remote management features, allowing operators to oversee performance, troubleshoot issues, and implement software updates in real-time. This connectivity ensures that the charging infrastructure remains up-to-date and efficient. Safety and durability are paramount in Kempower's designs. Their chargers are built to withstand extreme weather conditions and heavy usage, ensuring reliable performance in diverse environments. Kempower also adheres to stringent safety standards, incorporating multiple layers of protection to safeguard both users and vehicles during the charging process.



Figure 2: The Kempower Satellite DC charging system is the optimal solution for public charging and other sites that need multiple fast charging outputs.

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease



Figure 3: The Kempower Power Unit is the heart of Kempower's flexible, modular and scalable DC charging system with dynamic power management.

EVSE Connector Standards

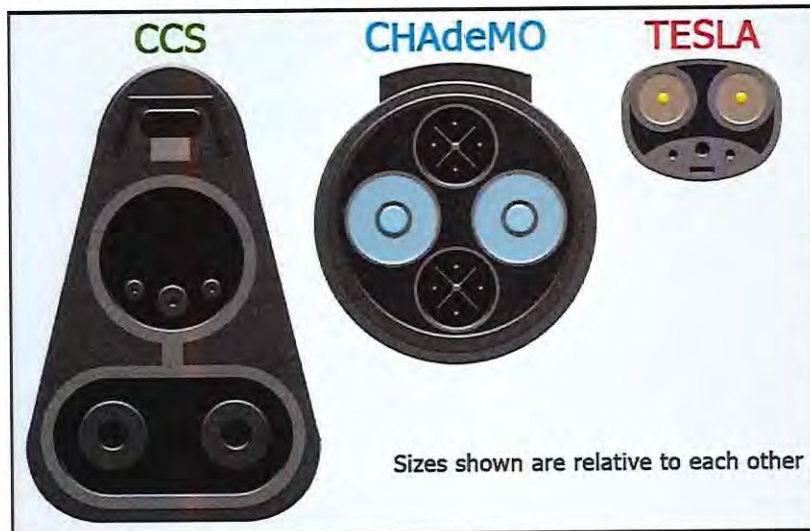


Figure 4: A comparison of the three DCFC connector standards, accurate in relative scale

All proposed EVSE will have permanently attached handles with unassigned parking spots. They will have adaptor compatibility for consumer's adaptors to expand functionality across EVs and maximize usability of all stations, as well as adaptors for all connector types available in the convenience store as to enable any vehicle to charge at any charger. The proposed connector and adaptor standards across the site represent the current standards of today's EV adoption while recognizing that broad standardization is

on the horizon thanks to the North American Charging Standard (NACS)/J3400. This standard was originally developed by Tesla and used exclusively in their vehicles but gained popularity thanks to brand awareness, high sales, consumer familiarity, ease of use, high reliability, greater accessibility thanks to size and weight, better ergonomics, and combined alternating current and direct current charging. With SAE's approval of the J3400 connector standard, and as all major automakers in the US having announced that they will phase out the current de-

SKYCHARGER | SFO Request for Proposal
Direct Current Fast Charging Hub Lease

facto standard – Combined Charging Standard One (CCS/CCS1), nearly all new EV's produced after 2025 will use NACS.

Electric vehicles with DCFC have been on California roads since 2010 and before CCS, EVs were served by the CHARge de MOVE (CHAdeMO) DCFC standard. This standard was installed in vehicles in the US as late as 2024 despite the adoption and proliferation of CCS in 2015. CCS is currently used by about 45% of EVs in California and will be for some time as the average age of vehicle retirement in the US is 12 years.

The Hub will account for this period of standard plurality and serve all vehicles on the road today and into the future. Standards can be easily swapped out in the future as legacy DCFC standards are phased out. The table below lists the different charging standards at commencement of operations and the associated maximum charging rate, as limited by the standard and available EV hardware technology.

Table 1: Charging levels with DCFC connector standards and adaptors.

Connector Standard	Maximum Charging Rate
NACS / J3400	400 kW
CCS	400 kW
CHAdeMO	120 kW

EVSE Conformance and Compliance

All EVSE will be sufficiently weatherized to withstand the extremes of the region's weather, including frequent intense heat, heavy rains, and intrusions from natural and human-made contaminants. When possible, the EVSE will be deployed in areas shaded from direct sunlight and covered by rainfall which will be accomplished via the use of canopies covering the parking and EVSE. These measures will offer protection from extremes and a long equipment lifecycle, minimizing replacement downtime and premature failure. As described in the proposed operations and maintenance plan, comprehensive operations and maintenance work will ensure proactive remediation of damages, minimizing or eliminating failure and downtime from weather damage. EVSE will be installed by professional, licensed electricians and technicians. Full code compliance will ensure safe, rapid de-energization, and grounding in the event of failure or damage stemming from catastrophic events. All DCFC stations and supporting cabinets and equipment will be securely and sturdily installed.

Kempower solutions are UL listed and Build America, Buy America Act (BABA) compliant, underscoring a commitment to safety, quality, and adherence to regulatory standards. All charging equipment has been rigorously tested and certified, meeting stringent safety standards for electrical safety, fire hazards, and overall product integrity. This certification provides assurance to customers that Kempower's products are safe, reliable, and compliant with essential safety regulations.

BABA compliance meets a standard for use of American-made materials and products in federally funded infrastructure projects. This compliance supports domestic manufacturing, ensures the quality of materials, and contributes to the U.S. economy by promoting local jobs and industries. Together, UL listing and BABA compliance enhance the reliability, marketability, and regulatory adherence of Kempower's EV charging solutions, positioning them as a trusted and preferred choice for the SFO Hub.

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease

EVSE will feature durable, robust, tamper-resistant enclosures, cut-resistant cabling, and ruggedized handles to deter and prevent vandalism. The project team will install tools to make the site well-lit and secure including but not limited to good lighting, security cameras, and security patrols.

All EVSE will have signage and labeling to give clear and comprehensible instructions on operation along with contact information for customer support. This includes signage as required by applicable laws, ordinances, regulations, and standards, compliant with leasing agreement, city, county, and state standards. Signage will indicate property owner's operational standards, indicating active-charging parking, time limits, restriction to EV-only access, and any other relevant statutes and rules.

To ensure a long and useful service life, EVSE will be future-ready, compliant with California's robust existing and forthcoming EVSE standards. This includes AB 2061's record keeping and reporting standards; full certified support for the latest Open Charge Point Protocol, currently 1.6; and be ISO 15118-2 ready.

Network connectivity is integral to this project as all EVSE will be integrated into SkyCharger EV Connect white labeled mobile application, enabling key benefits such as charging rates, charge session management, monitoring, and notification and payment processing. Continuous remount monitoring and response, enabled by network connectivity, is a bedrock component of planned operations and maintenance work. All EVSE deployed will meet standards described in Senate Bill 454, the California Air Resources Board EVSE Standards, and the California Department of Food and Agriculture Division of Measurement Standards. This includes at least one connectivity solution of wireless networking (IEEE 802.11n), wired networking (IEEE 802.3) for Ethernet for local- or wide-area network applications, or 4G (long-term evolution/LTE) cellular networking. Additional and redundant connectivity will be considered during deployment, including 5G ultra-wideband technology.

Ease of Use

The Kempower satellite offers drivers an easy, understandable, and accessible charging experience. The handles across all standards are lightweight and ergonomic and reachable from a seated height. The cord management system that keeps the system visually and practically tidy also manages the weight of the cable, allowing it to be moved with very little resistance and to account for a variety of abilities and vehicle configurations.

SKYCHARGER | SFO Request for Proposal
Direct Current Fast Charging Hub Lease

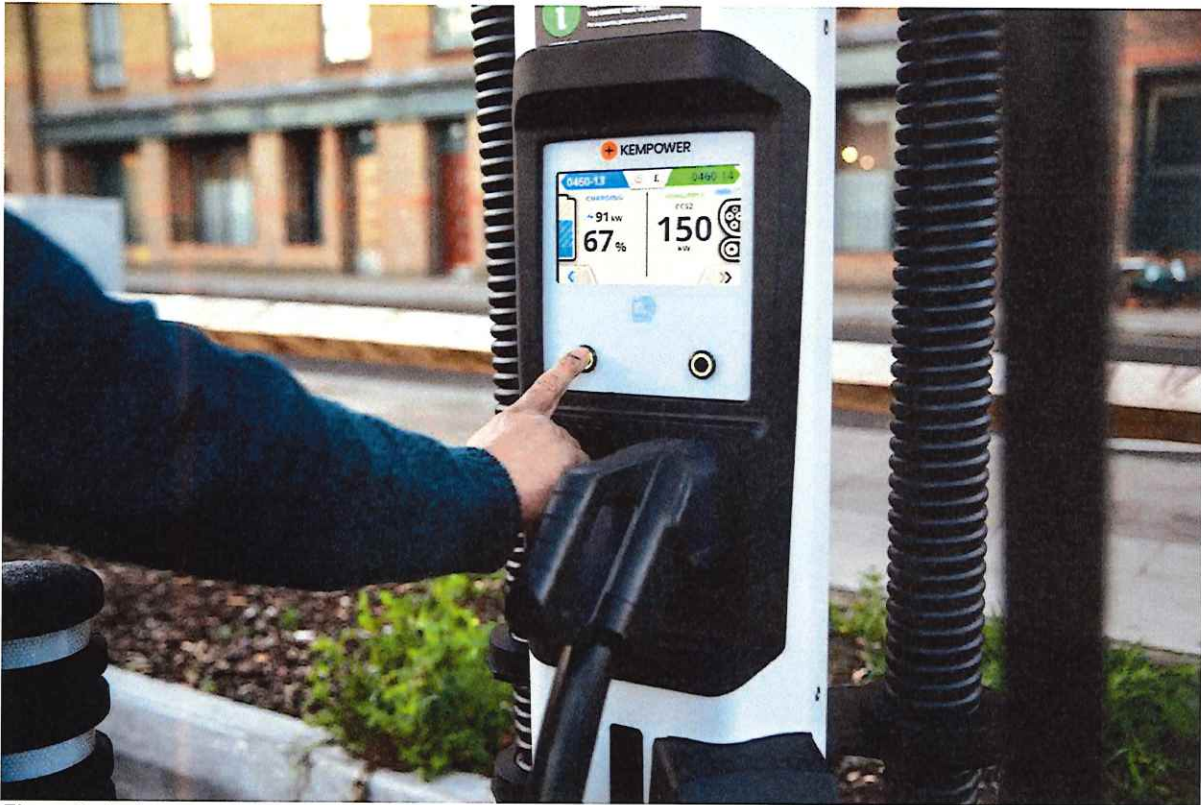


Figure 5: A close up of the Kempower EVSE user interface.



Figure 6: An example of a Kempower EVSE deployment

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease

evconnect

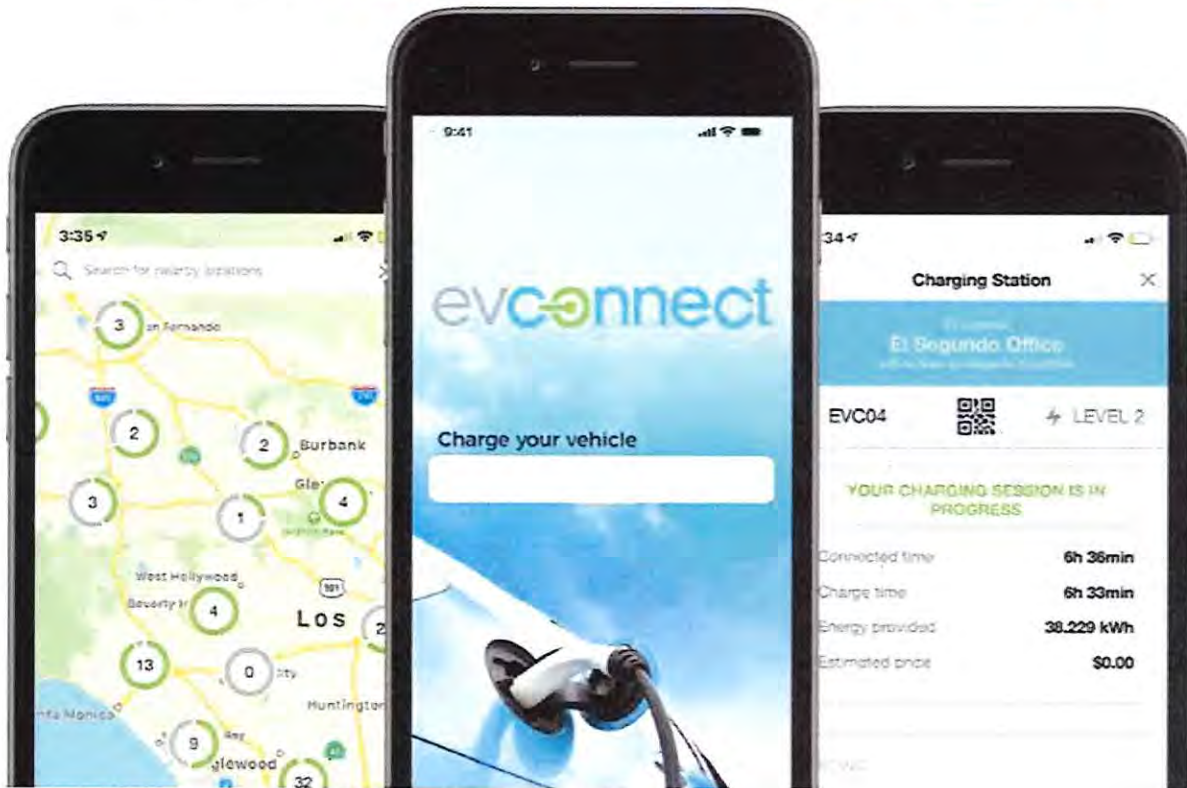


Figure 7: Various screens in the EV Connect consumer mobile application.

The EV Connect App for drivers is a powerful tool that enables a seamless, stress-free refueling experience and bridges the gap in finding and managing EV charging. Designed with user convenience in mind, it offers a range of features that enhance efficiency and enrich the charging experience.

Key features of the EV Connect app include real-time updates on charger availability and wait times, allowing drivers to plan their charging sessions with precision. The app also manages virtual queues for peak demand periods, enabling users to reserve their spot in line and receive notifications when a charging station becomes available. Additionally, the app supports multiple payment options, including the ability to pay directly at the EVSE using a payment terminal that accepts contactless payments, chip cards, and card swipes, providing flexibility and convenience for all users.

The app's interface is user-friendly, guiding drivers through the process of locating available charging stations, starting and stopping charging sessions, and managing payments. For example, a driver arriving at the Hub can open the app to find the nearest available charger, join a virtual queue if all stations are occupied, and receive an alert when a station is free. Once they

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease

connect their vehicle, the app tracks the charging progress and sends a notification when the session is nearing completion, encouraging efficient use of the charging resources.

In addition to app-based payments, the EV Connect system at the SFO EV Hub offers the option to pay directly at the charging station. Payment terminals are equipped to accept contactless payments, chip cards, and card swipes, ensuring that all drivers, regardless of their preferred payment method, can easily complete their transactions. This dual payment approach enhances accessibility and user satisfaction, catering to a diverse range of consumer preferences.

EV Connect is a leading provider of comprehensive software and management platforms that optimize the EV charging experience for both operators and drivers. Founded in 2009, the company is dedicated to advancing EV infrastructure through innovative technology, ensuring reliable, efficient, and user-friendly charging services. With a focus on enhancing accessibility and convenience, EV Connect empowers businesses, municipalities, and utilities to effectively manage and expand their EV charging networks.

1.3 Maximizing Sales and Revenue

SkyCharger has partnered with WNG and Amazon to reimagine and build the Hub's convenience store. This design reconsiders how public fueling changes with EVs, considering the dwell time and lack of a centralized, pull-through layout. The store will be 2,500 square feet (sqft) with 2,000 sqft dedicated to convenience store concessions space, and 500 sqft of space for restroom and storage facilities. The Amazon Just Walk Out technology will allow consumers to grab items and go, creating an easy-to-use and quick consumer experience that will result in higher sales and revenues from the concession store.

SkyCharger will maximize sales and revenue from the sale of electricity to vehicles through ease of use via credit card readers, app-based payments, and tap-to-pay. In addition, SkyCharger is engaged with transport network companies (TNCs) to contract use of its network to drive further utilization. On-screen customer engagement is also a tool SkyCharger is beginning to use, which offers additional opportunities to get drivers from their vehicle into the convenience store to drive and maximize sales and revenue.

1.4 Pricing

Pricing per kWh of electricity charged to the consumer will vary based on the Time of Use (TOU) rate from the Hub's electric utility, Hetch Hetchy Power. Final pricing is still under consideration but will be cost-effective for public DCFC and maintain the cost savings inherent in driving electric vs. gas or diesel. SkyCharger is exploring the viability of special TNC rates, especially during off-peak and super-off-peak times, as an incentive to drive traffic during low energy cost periods, and to build loyalty. Other charges such as idle fees or fee structures related to over-staying a charging session maximum is still in development. Driver fees will be accessible via app and publicly listed EV charging platforms such as Plug Share. SkyCharger will engage with its regular users to encourage off-peak charging for users of the station to reduce pricing to consumers and aid in grid stability.

SKYCHARGER | SFO Request for Proposal
Direct Current Fast Charging Hub Lease

Large General Service

Schedule B-20: Service to Customers with Maximum Demands of 1000 Kilowatts or More

Rate Component	FY 2024-25 Effective 7/1/24	Time-of-Use
Summer Energy Charge		June 1—September 30
Peak - Energy		4:00 pm to 9:00 pm, every day
Secondary	\$0.12091/kWh	
Primary	\$0.11792/kWh	
Transmission	\$0.09917/kWh	
Part-Peak - Energy		2:00 pm to 4:00 pm and 9:00 pm to 11:00 pm, every day
Secondary	\$0.09327/kWh	
Primary	\$0.08855/kWh	
Transmission	\$0.08106/kWh	
Off-Peak - Energy		All other hours
Secondary	\$0.07145/kWh	
Primary	\$0.06805/kWh	
Transmission	\$0.06083/kWh	
Summer Demand Charge		June 1—September 30
Peak - Demand		4:00 pm to 9:00 pm, every day
Secondary	\$26.97/kW	
Primary	\$29.73/kW	
Transmission	\$33.64/kW	
Part-Peak Demand		2:00 pm to 4:00 pm and 9:00 pm to 11:00 pm, every day
Secondary	\$3.92/kW	
Primary	\$4.08/kW	
Transmission	\$8.01/kW	

Figure 8: Rate Schedule, Large General Service, Hetch Hetchy Power

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease

keen to be a partner who demonstrates a deep understanding, and contributes to, the priorities and values of SFO, the region, and the state. This includes:

- *San Francisco International Airport*
 - Sustainability Goals
 - Zero Net Carbon Operations
- *San Francisco City and County*
 - City Climate Action Plan, net-zero emissions by 2040
 - Electric Vehicle Roadmap
 - Electric Vehicle Readiness Ordinance
- *The Bay Area Region*
 - Bay Area Air Quality Management District
 - Bay Area EV Coordinating Council
 - EV Acceleration ILan
 - Metropolitan Transportation Commission
 - Plan Bay Area 2050
- *The State of California*
 - Clean Miles Standard Program
 - Zero-Emission Vehicle (ZEV) Sales Mandate, no new internal combustion sales by 2035
 - Executive Order B-55-18, carbon neutrality by 2045

2 Design Intention and Capital Investment

Design Intention

SFO's aesthetics are a harmonious blend of modern architectural principles, the city and region's cultural vibrancy, and environmental sustainability. The airport's design is characterized by sleek, clean lines and the extensive use of glass and steel, creating bright, open spaces that welcome travelers with an airy ambiance. Embracing green building practices reflecting shared sustainability values, SFO features energy-efficient systems, sustainable materials, and LEED-certified structures, underscoring its commitment to environmental stewardship. Cultural influences are prominently displayed through a robust public art program and rotating exhibitions, reflecting the diverse heritage of the San Francisco Bay Area. Functional design elements ensure a passenger-friendly experience, with intuitive layouts, clear signage, and integrated modern technologies enhancing convenience and efficiency. The airport also incorporates natural elements, such as indoor gardens and water features, and offers stunning views of the Bay, connecting travelers to the local landscape and environment.

Aligning with SFO's aesthetic and design language, the proposed EV Hub will seamlessly integrate into the airport's environment. The hub will feature sleek, modern structures utilizing glass and steel, echoing the airport's contemporary architectural elements. The inclusion of sustainable materials and energy-efficient technologies will reinforce SFO's green building practices, while the layout of the charging stations will be designed for easy navigation and accessibility, ensuring a safe, user-friendly experience for drivers. Additionally, the Hub will incorporate public art and cultural references, celebrating the region's heritage and adding to the airport's vibrant cultural tapestry. Natural elements, such as landscaped areas, will be included to create a calming and visually appealing space that resonates with the overall aesthetic of SFO. By mirroring the airport's commitment to environmental sustainability and cultural richness, the Hub will not only serve a functional purpose but also enhance the travel experience for visitors to San Francisco International Airport.

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease

The proposed design is a human-first approach that appreciates the changing nature of public refueling with EVs, especially for TNC drivers and travelers. With more demand on time, it is crucial that drivers find comfort where they can and meet needs as quickly as possible, returning agency in how they use their time. The Hub will have abundant outdoor seating, pleasant landscaping, be clean and tidy and visually appealing. The restroom facilities will be large and built for high-volume periods while maximizing privacy and comfort.

In the event that bringing water and sewer utilities to the project site is too costly and makes the project not viable, SkyCharger will work with SFO to adapt the site to high-end bathroom facilities without utility water and sewer as well as vending machines which present healthy and diverse options to customers. SkyCharger will work with SFO to make the design and final layout and architecture of the project in line with the aesthetic and quality of the SFO terminal.

Capital Investment

SkyCharger's proposed DCFC Hub will result in a total expected capital investment in the property of approximately \$11.85 million.

2.1 Overall Appeal and Quality

The proposed project will have lighting, general appeal, and quality commiserate with SFO. The convenience store will style the curvature and styling of SFO with a modern glass and metal design.

2.2 Images and Renderings

Figures 10 through 14 below show preliminary renderings of the proposed Plot 3F.



Figure 10: Ground level view looking east on property from entrance to exit

SKYCHARGER | SFO Request for Proposal
Direct Current Fast Charging Hub Lease

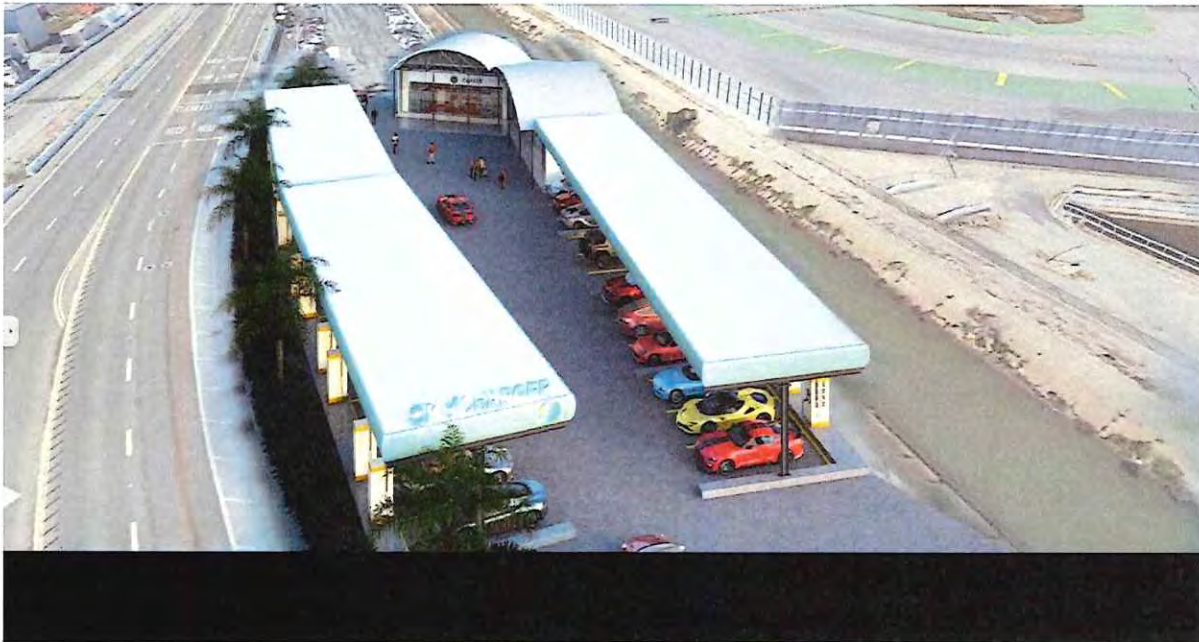


Figure 11: Aerial view of proposed DCFC Hub



Figure 12: Proposed conceptual rendering of convenience store operated by WNG

SKYCHARGER | SFO Request for Proposal
Direct Current Fast Charging Hub Lease



Figure13: Pictured canopies and DCFC HUB



Figure 14: Kempower charging solution

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease



Figure 15: Live example of 1,200 sqft Amazon Just Walk Out facility at an airport in London U.K. – SkyCharger's facility will be 2,500 sqft total with 2,000 sqft for retail.

2.3 Architectural Planning

SkyCharger and WNG will work with its Architectural firm to design a building in keeping with the greater style of SFO, and engage with its EPC, Burns & McDonnell to engineer and build the site.

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease

2.4 Site Layout and Queuing Management

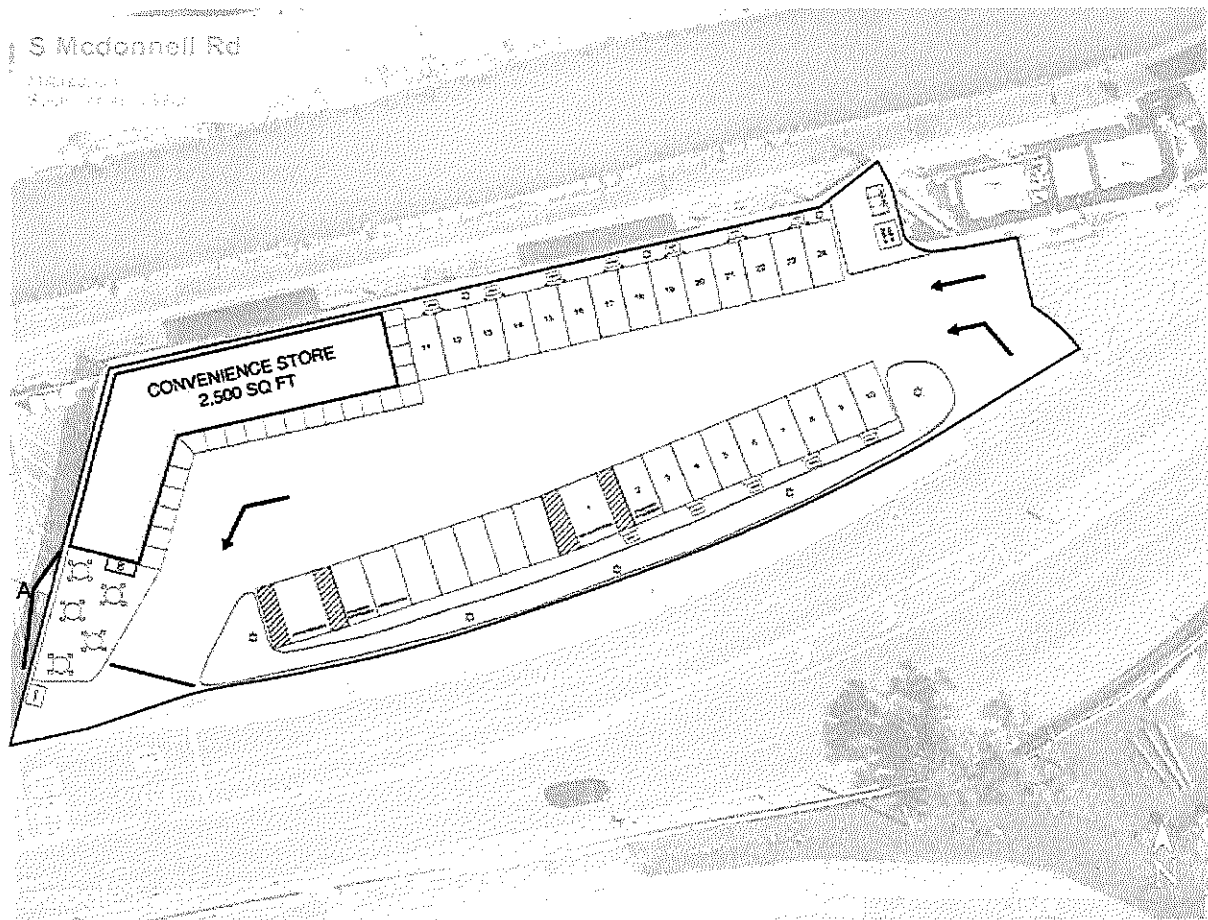


Figure 106: A map of the proposed SFO EV HUB showing all charging spaces and incorporated convenience store. The seating area for Hub and convenience store customers is indicated as A. Refuse collection (waste and recycling) is indicated by B. Proposed landscaping can be seen in renderings above (Figures 10-14).

The proposed site layout makes judicious use of the existing space, acting as a value-adding infill to modernize services to SFO passengers and the nearby community. The DCFC Hub adds significantly more utility than its current application as a standard parking lot while not disrupting existing road layouts and neighbors. It builds in efficiency by using existing layouts and traffic flows, reducing remediation and resources needed to alter the built environment and minimizing deployment time. The layout prioritizes pedestrian safety and smooth traffic flow by having a single exit and entrance, leaving space for vehicles to maneuver and negotiate entering and exiting spaces safely and without haste. This is critical as, depending on the vehicle, some need to pull forward, and others backward to safely connect with a charger. During high-traffic times when vehicles queue, one-way traffic flow reduces confusion and delay and makes queuing decisions apparent.

Queuing Management

The SFO HUB will integrate seamlessly into the EV Connect network. EV Connect provides EV drivers a mobile application that enables them to locate stations managed by them, stations on 3rd party networks, and even some non-networked stations. Drivers can view charging rates, and real-time availability, navigate to any station using their preferred mobile navigation tool,

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease

authorize and pay for sessions, view real-time charging status, and receive alerts on charging events. Drivers can also use the app to view status and initiate charging on several other charging networks through which EV Connect has implemented roaming agreements. The app supports many languages, ensuring a more accessible experience for users.

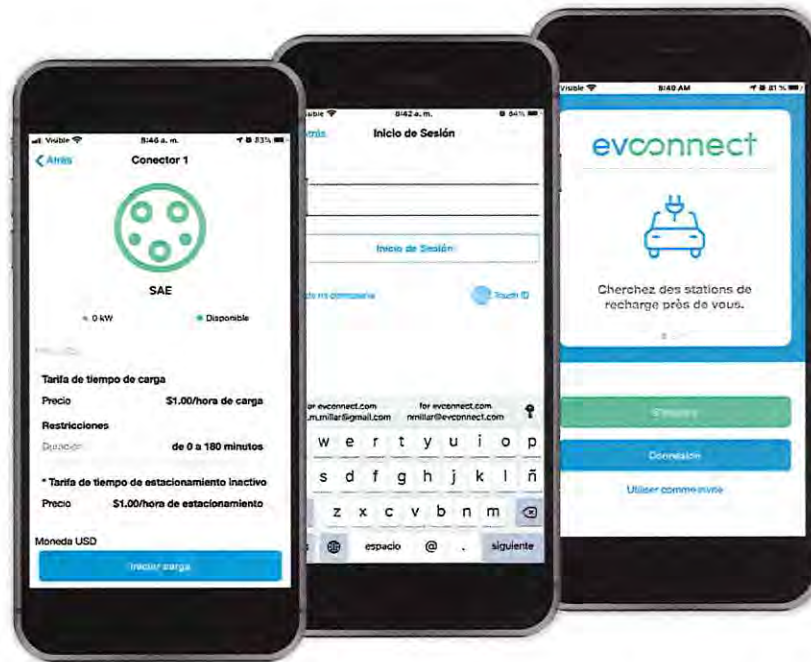


Figure 117: The EV Connect mobile app, available on iOS and Android devices, empowers consumers with choice and ease of use - breaking down barriers to EV adoption and improving the ownership experience.

The Hub is designed to maximize throughput, minimize congestion, and provide idling space for at least eight additional vehicles to wait for open charging stalls within a fully occupied facility. Digital signage at the entrance to the facility on S McDonnell Rd will indicate real-time stall availability including, in the case where all chargers are being used, the estimated remaining time until a charging spot is available. Charging time will be limited to 45 minutes per vehicle, per session but may change over time as data enables evaluation of customer preferences. Video feeds will monitor vehicle dwell times, and drivers who block a space beyond their allotted dwell time may pay an additional fee.

2.5 Consumer Satisfaction and Experience

Prioritizing TNC Drivers

TNC drivers, such as those working for Uber or Lyft, have unique challenges and needs. With millions of TNC-based trips to-and-from SFO each year, it is crucial to enable electrification in this sector. Indeed, the California Public Utilities Commission has called for the phased adoption of EVs as the state works toward carbon neutrality – the Clean Miles Standard. For the drivers themselves, they typically spend long hours on the road, providing rides to passengers, which requires a reliable, cost-effective, safe place to refuel themselves and their EV. To be plain, time is money and TNC drivers need to make the most of any downtime. Stops should be efficient and meet multiple needs. Challenges and needs for these drivers include:

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease

- **High Mileage Driving:** TNC drivers often cover substantial distances daily, leading to high mileage accumulation and frequent need for recharging.
- **Lack of Efficient Charging:** To maximize their earning potential, drivers need quick and convenient access to charging stations, minimizing downtime.
- **Variable Cost Efficiency:** Charging costs should be kept low to ensure that operating an EV remains economically viable compared to traditional gasoline vehicles.
- **Accessibility:** Charging stations need to be readily accessible, sited where TNC drivers often pick up and drop off passengers.
- **Reliability:** Reliable and well-maintained charging infrastructure is essential to avoid unexpected breakdowns and delays.
- **Amenities:** Drivers need co-located such as restrooms, food, and seating areas during charging periods is highly beneficial.

The Hub is designed to cater specifically to the needs of TNC drivers, offering a range of features to enhance their work experience:

- **Fast Charging Stations:** Equipped with ultra high-speed chargers, the Hub enables TNC drivers to recharge their vehicles quickly, adding meaningful range in 15 – 30 minutes. This minimizes downtime and ensures that drivers can get back to work or wrap up their day without delay.
- **Strategic Location:** Located at SFO, the Hub is in a prime position for TNC drivers who frequently service airport passengers. This reduces the need for detours to find charging stations and allows drivers to stay within a high-demand area.
- **Cost-Effective Charging:** The Hub offers competitive pricing for charging services, making it economically attractive for TNC drivers. This helps maintain the cost advantage of operating an EV compared to gasoline vehicles.
- **24/7 Availability:** Recognizing that TNC drivers work around the clock, the Hub provides 24/7 access to charging stations. This ensures that drivers can charge their vehicles whenever necessary, without restrictions.
- **Driver Amenities:** While charging, drivers have access to a range of amenities, including restrooms, seating areas, and vending machines. This makes the charging period more comfortable and allows drivers to take necessary breaks.
- **Real-Time Monitoring and Support:** The Hub includes a real-time monitoring system to ensure that all chargers are functioning properly. Additionally, onsite support staff are available to assist with any issues, providing peace of mind for drivers.

By addressing these specific needs, the Hub at SFO significantly improves the working experience for TNC EV drivers. The combination of efficient charging, strategic location, and supportive amenities enables drivers to maintain high productivity while reducing operational stress and costs.

2.6 Capital Investment

2.6.1 Investment Level and Preparedness

The proposed DCFC Hub will result in approximately \$11.85 mln in total capital investment detailed in Figure 18 below. Assumptions regarding project costs include the following:

- 4' raised concrete pad for the switchgear
- The demolition of the existing CNG station
- The concrete pad, utility connections/drop

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease

- Minor grading/earthwork around the infill of the demolished CNG station
- Engineering fee and construction management fee are based on the total construction cost. These are estimated numbers and will change.
- No required soil or site remediation

Item	Estimated Cost
Electrical Excavation and Bollards	\$ 113,733
Grounding	\$ 21,911
Underground Raceway	\$ 695,142
Electrical Equipment	\$ 255,269
Cable & Terminations	\$ 804,954
Parking Lot	\$ 546,754
Convenience Store	\$ 1,537,500
Demo	\$ 100,000
Allowances (Landscape)	\$ 89,578
Engineering	\$ 146,367
Construction Management	\$ 214,914
EPC Fees	\$ 330,862
Charger Hardware	\$ 1,080,000
Utilities to Site (Electrical, Sewer, Water)	\$ 5,914,785
Total	\$ 11,851,769

Figure 128: Break down of proposed project budget Capital Investment.

Skyview Ventures is able to fund the development and construction activities from its own balance sheet.

SkyCharger and WNG will work independently and with SFO if awarded to secure grant and rebates to the extent available with its partner Momentum. See below list of grants currently available for this site identified initially.

Opportunity	Maximum Award Size
Strengthening Mobility and Revolutionizing Transportation (SMART) Grants Program - Implementation	\$2,000,000
Charging and Fueling Infrastructure	No maximum for corridor grants, \$15,000,000 maximum for community grants
EnergIIZE EV Jump Start Funding Lane - Round 3	Up to 75% of eligible costs, with a maximum of \$750,000
EnergIIZE EV Fast Track Lane	Up to 50% of project costs, with a maximum of \$750,000
EnergIIZE EV Public Charging Station Funding Lane	Up to 50% of project costs, with a maximum of \$500,000
National Electric Vehicle Infrastructure Program	\$12,150,000
CALeVIP 2.0	\$100,000 per active connector
Communities in Charge	\$3,500 per eligible connector
Clean Heavy Duty Vehicle Program	Dependent on vehicle

Figure 139: Available grant funds currently.

Sources	Amount
Grants & Rebates	\$5,100,000
Federal ITC	\$0
30C Tax Credit	\$840,000
Debt	\$0
Sponsor Equity	\$5,911,769
Total	\$11,851,769

Figure 20: Funding sources.

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease

SkyCharger and WNG are prepared to execute a lease after negotiating a definite award and build the proposed project.

3 Operation of Concept

3.1 Customer Service and Interaction

SkyCharger is an EVSE infrastructure developer, owner, and operator with 11-years of experience. Warren's News & Gift (WNG) is a retailer with a 30-year history of excellence. SkyCharger and WNG are now poised to partner and grow to the future of transportation refueling with integrated technology enabled street-side convenience marketplace. By seamlessly integrating data-driven decision making and advanced technology with everyday shopping needs and pairing it with electric vehicle next generation (EV) charging stations, we offer a unique and compelling customer experience that leverages wait times associated with EV charging. This strategic approach targets a captive audience of tech-savvy EV drivers, enhancing their overall journey.

Technological Innovation

SkyCharger and WNG are pioneers in checkout-free shopping. WNG launched the world's first wine and spirits store powered by Amazon's Just Walk Out technology through its subsidiary, Downtown Spirits. This technology ensures a quick and seamless shopping experience, allowing customers to exit without waiting, thus enhancing customer satisfaction. SkyCharger was awarded an RFP with the Port of San Diego to develop, own, operate a DCFC Hub for class 8 drayage trucks with seventy charging ports and an Amazon JWO store on site, which will be one of the first couplings of JWO technology in an e-fueling environment.

Payment Flexibility and Pricing Accuracy

We accept multiple forms of payment, including cash and credit cards, to cater to a wide range of customer preferences. Our use of Electronic Shelf Labels ensures pricing accuracy, aids in compliance with street pricing guidelines, and maintains adequate margins, providing transparency and reliability.

Diverse Product Offering

Our proposed convenience retail includes:

- Locally sourced fresh foods
- Premium coffee bar and pastries
- Traditional convenience store items
 - Cold beverages, snacks.
 - Ice cream, cleaning products, pantry necessities, eggs/dairy, personal care, vehicle maintenance goods, lottery, and toiletries

Enhanced Customer Experience

We aim to create an enticing retail atmosphere with guest seating and offer a personalized shopping experience through advanced AI and machine learning for loss prevention and store security. Our mobile app integration allows customers to manage shopping lists, track spending, and receive real-time promotions.

Operational Flexibility and Health-Conscious Design

Our proposed store includes normal business operating hours, but can be expanded to 24/7 operating hours to adequately address customer needs, catering to various customer

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease

schedules, especially benefiting EV drivers charging at odd hours. Emphasizing contactless and hygienic shopping, we address post-pandemic health concerns.

Real-Time Inventory and Accessibility

Utilizing real-time data analytics ensures popular items are always in stock, reducing wait times for out-of-stock products. Our store layout and technology are designed to be accessible to all customers, including those with disabilities.

Community Engagement and Education

We feature interactive displays educating customers about EV technology and sustainable practices, fostering community engagement and awareness.

Flexible and Future-Ready

Our store design uses modular fixtures and flexible layouts to adapt quickly to changing consumer preferences and trends. Additionally, our capabilities include the ability to offer curbside pickup for customers preferring not to enter the store as well as providing an online shopping platform with in-store pickup options through our partnership with City Hive Inc.

WNG is committed to delivering a cutting-edge, customer-centric retail experience that aligns with the evolving needs of today's consumers.

3.2 Traffic Planning and Management

SFO, as a major national and regional transportation hub that experiences significant traffic. Efficient traffic management is crucial to ensure safe operations, minimize congestion, and provide a positive experience for EV drivers. The implementation of advanced strategies, including the use of the EV Connect App, will be instrumental in achieving these goals. The app provides real-time updates on charger availability and wait times, manages virtual queues during peak time, and supports multiple payment options, streamlining the charging process and reducing wait times.

To enhance throughput and reduce congestion, the Hub employs several strategies. The Hub is designed with a one-way traffic flow, simplifying navigation and reducing the risk of confusion. This layout ensures smooth and continuous movement of vehicles, preventing bottlenecks and improving overall efficiency. Additionally, charging sessions are limited to 45 minutes, encouraging faster turnover of charging stalls and allowing more vehicles to access the chargers throughout the day. Most sessions are complete, as a practical matter, in 15 – 30 minutes. This policy helps prevent long wait times and ensures efficient use of charging resources.

Designated idling spaces are provided for vehicles waiting for an available charging stall, keeping waiting vehicles from backing up on McDonnell Road, and reducing congestion. Dynamic scheduling and alerts from the app notify drivers when their charging session is nearing completion, encouraging prompt vehicle movement and minimizing idle time at charging stations. During peak times, additional measures such as dynamic pricing and idle fees may be deployed to manage traffic and notify drivers, quickly address any issues, and keep the Hub operating smoothly. Stalls that need maintenance or are not operational will be identified and taken out of commission. These stalls will be indicated with a red light on the charging equipment/stall, an onscreen notification, as well as on the app. This will help keep drivers updated in real-time.

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease

Further enhancements to the SFO EV Hub's efficiency include advanced signage that is clear and visible throughout the Hub to guide drivers and reduce confusion, as well as data analytics from the EV Connect App to identify usage patterns and peak times for better operational planning. Regularly gathering feedback from drivers also provides insights into areas for improvement, helping to refine traffic management strategies. By maximizing throughput and minimizing congestion, the Hub ensures a safe, seamless, and efficient experience for EV drivers.

A seamless Amazon Just Walk Out technology-enabled convenience store experience will also eliminate bottlenecks at checkout during periods of high traffic, allowing for quicker movement in and out of the store which will result in potentially reduced idling and congestion.

3.3 Emergency Preparedness and Response

Staff will be trained on-site for all emergency procedures and muster points. In addition, they will be trained in the safe interaction of power electronics including the EVSE.

As part of the engineering and design process, SkyCharger will work with the AHJ fire marshal and local fire department to ensure there is alignment and an Emergency Preparedness Plan for any battery fires that may potentially occur onsite in compliance with SB38.

3.4 Staffing Plan

Below in Figure 20 please see staffing for a typical week of operations in the convenience store.

Schedule for EV Convenience Market							
Team member Name	Sunday Aug 25	Monday Aug 26	Tuesday Aug 27	Wednesday Aug 28	Thursday Aug 29	Friday Aug 30	Saturday Aug 31
Associate 1 (Total Hours : 40)	06:45 AM - 12:45 PM Sales Associate	07:00 AM - 03:59 PM Sales Associate	07:00 AM - 04:00 PM Sales Associate	07:00 AM - 04:00 PM Sales Associate	07:00 AM - 04:00 PM Sales Associate		
Associate 2 (Total Hours : 25.75)	07:00 AM - 04:00 PM Sales Associate					07:00 AM - 04:00 PM Sales Associate	05:05 AM - 02:30 PM Sales Associate
Associate 3 (Total Hours : 31.5)	02:00 PM - 10:00 PM Sales Associate		01:00 PM - 10:00 PM Sales Associate	01:00 PM - 10:00 PM Sales Associate	01:00 PM - 10:00 PM Sales Associate		
Associate 4 (Total Hours : 17)						01:00 PM - 10:00 PM Sales Associate	01:00 PM - 10:00 PM Sales Associate
Associate 5 (Total Hours : 16.5)		01:00 PM - 10:00 PM Sales Associate					07:58 AM - 04:00 PM Sales Associate
Manager 1 (Total Hours : 40)		08:00 AM - 02:00 PM Manager	08:00 AM - 02:00 PM Manager	08:00 AM - 02:00 PM Manager	08:00 AM - 02:00 PM Manager	08:00 AM - 02:00 PM Manager	

Figure 21: Typical Staffing Plan

Staff will clean the facility and restrooms three times daily.

EVSE operations and maintenance will be monitored in multiple ways to provide visibility and prompt repair of any issues:

1. Remote monitoring and alerts from EV Connect Software
2. Alert to onsite staff who will be trained in basic troubleshooting steps
3. On call service via EV Connect Shield

SKYCHARGER | SFO Request for Proposal
Direct Current Fast Charging Hub Lease

3.5 Maintenance, Repair, Remediation

SkyCharger will contract with EV Connect to provide their operations and maintenance package called Sheild.

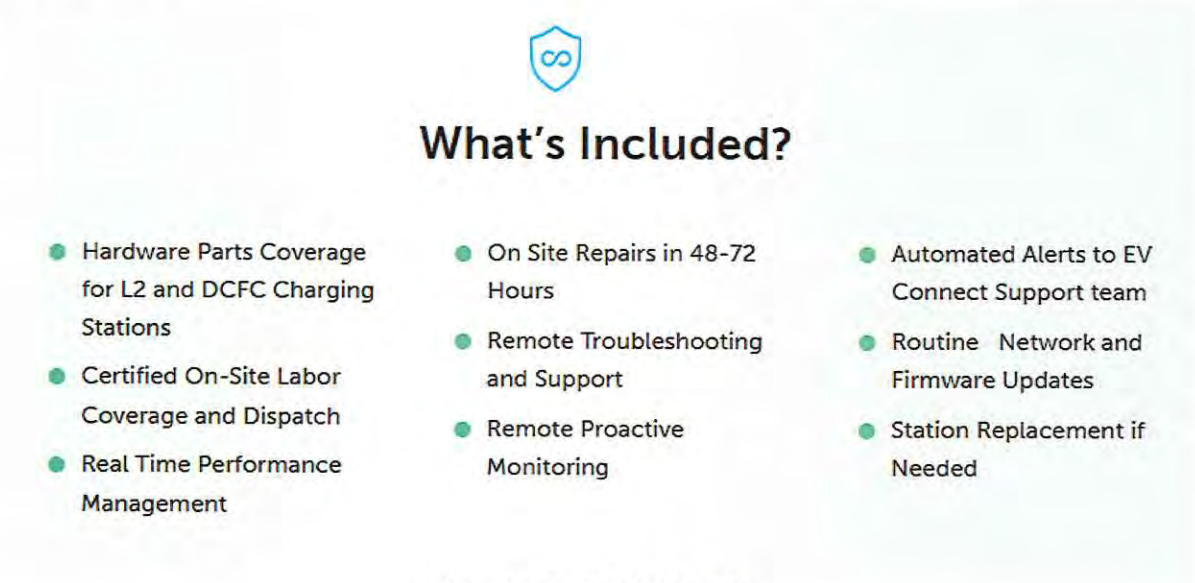


Figure 22: Sheild O&M Overview

The response time varies by the severity level of the charging station. Most repairs are made within 24-48hrs*. The table to below lists the levels and site visit time SLAs:

Severity Level	Description of Error	Site Visit Time*
1	More than 50% of the Connectors at a particular location are failing.	3 Business Days
2	50% or less of the Connectors at a particular location are failing.	5 Business Days
3	Error that does not significantly impact a Charging Station's functionality.	10 Business Days
4	Error that is minor or cosmetic in nature and does not materially impact a Charging Station's functionality.	30 Business Days

Figure 23: Sheild SLA Figure

The Site Visit Time may be extended for (a) any failure of Licensee to provide timely access to the location or timely responses to Licensor's requests for information necessary to resolve the Error and (b) the delivery of any parts required to resolve the Error. If the field service representative determines during the initial Site Visit that a return Site Visit is required to resolve the Error, EV Connect will use commercially reasonable efforts to schedule a return Site Visit within three (3) business days after the initial Site Visit, subject to the availability and delivery of any parts required to resolve the Error. EV Connect will provide the Licensee with periodic updates regarding the resolution of an Error.

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease

Due to EV Connect's large network of onboarded and trained service partners, we have expanded our reach on field deployment of technicians and also can locally stock parts, such that we can deploy replacement parts expeditiously.

Feature	Description
Hardware Parts Coverage	Included and coordinated by EV Connect
Certified On-Site Labor Coverage and Dispatch	Included and coordinated by EV Connect
Real Time Performance Management	Yes
Uptime Guarantee	Estimate 98% Uptime
Labor Dispatch/Repair Turnaround	48 – 72h (business days)
Remote Troubleshooting and Support	Yes
Remote Proactive Monitoring	Yes
Automated Alerts to EV Connect Support team	Yes
Routine Network and Firmware Updates	Yes
Driver Support	24/7
Technical Support	5am-5pm PST M-F
In-depth Consultative Quarterly Review	Optimize Clients Only

Figure 24: Shield Table of included services review

3.6 Outages and Demand Management

SkyCharger tracks uptime, reliability, and outages through monitoring and ticketing on the EV Connect Platform.

SKYCHARGER | SFO Request for Proposal
Direct Current Fast Charging Hub Lease

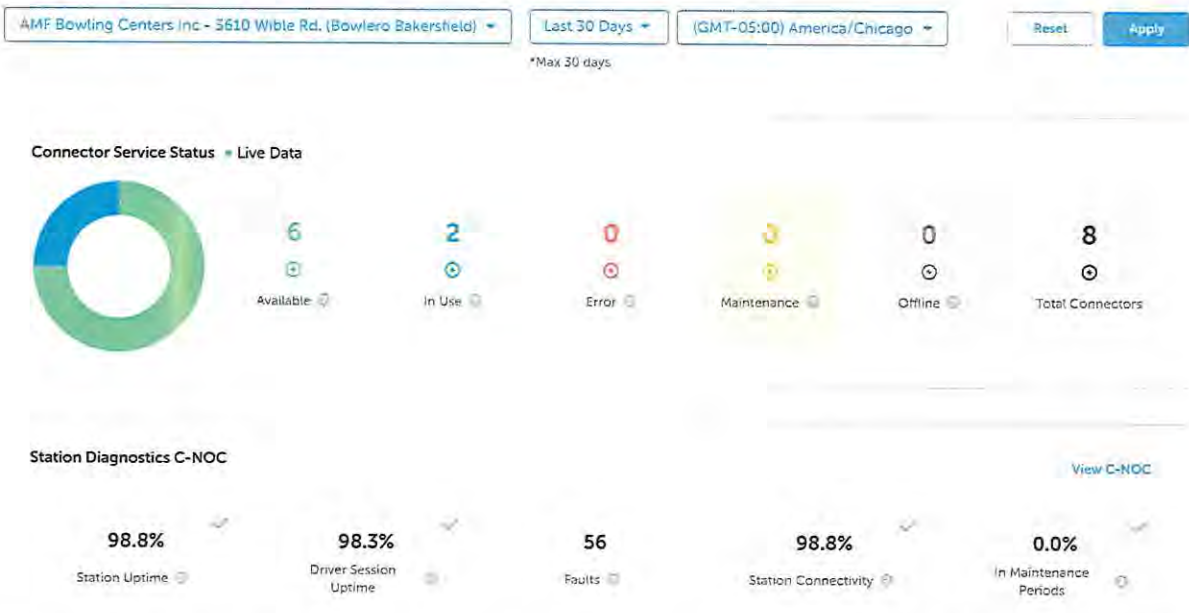


Figure 25: Live view from SkyCharger's EV Connect platform of simplified metrics for their site of (4) 180 kW DCFC in Bakerfield, CA.

Reporting on downtime, faults and tickets, and all session details are recorded and can be reported via the EV Connect platform.

SkyCharger has provided resiliency on site in Torrance with PepsiCo and is developing a site at the Port of San Diego with Battery Energy Storage with resiliency and grid islanding capabilities. This helps with demand charge management, as well as providing power when the grid is down. We would like to discuss the potential implementation of a BESS at the DCFC Hub if economically viable and/or if it creates a resiliency value proposition.

SkyCharger will utilize software to manage demand charges during peak TOU periods and allow for interconnection to the grid via software limiting in the event there is not sufficient power available to the site in the immediate term. SkyCharger will also look to utilize demand response programs to support grid stability and drive value to the Hub. We will give drivers the option to charge at peak times of use but look to incentivize the use of the station during off-peak times through a TOU pricing policy and incentives such as free items within the convenience store.

3.7 EVSE Compliance

SkyCharger and its charging hardware and software suppliers are aware of all open OCPP protocols and requirements under state law and local programs. We will install hardware and software which meets or exceeds requirements and use best practices and monitor changes to ensure compliance with consumer information security and other standards.

4 Business Plan

SkyCharger and WNG have partnered in this response to propose, design, own, and operate a compressive solution for an economically viable DCFC Hub and Amazon JWO convenience store, giving customers a next generation user refueling experience that will be utilized and profitable.

SKYCHARGER | SFO Request for Proposal Direct Current Fast Charging Hub Lease

4.1 Market Understanding

SkyCharger has owned and operated EVSE since 2013. Through its operating history and data set of DCFC utilization as the 4th largest network of fast chargers in California, SkyCharger is able to understand the dynamics of initial utilization and long-term growth to underwrite the financials of the station. SkyCharger also has the experience to own and operate the DCFC Hub. In addition, SkyCharger, through its parent Skyview Ventures, is an expert in the Low Carbon Fuel Standard markets and is able to internally manage, underwrite, and hedge risk as it applies to those incentives. With its partner, Momentum, a grant writing and management firm, SkyCharger is experienced and successful in securing grants and rebate incentives through the CEC, Center for Sustainable Energy ("CSE"), and others, with over \$22 mln in grant proposed awards or secured grant funds over the past 12 months.

WNG is an experienced convenience store operator with 30 years of experience and on the cutting edge of AI and technology in the convenience store space.

Together, SkyCharger and WNG have the experience and market understanding to build and operate a profitable successful DCFC Hub.

4.2 Financial Pro Forma and Profitability

Proforma is attached in Submittal D.

SkyCharger and WNG project 7.26 years of operations until payback and a 14-year lifetime Multiple or Invested Capital (MOIC) of 1.70.

Over the lifetime of the project, we project \$6,518,127 in Modified Adjusted Gross Receipts (MAG) and revenue share payment to San Francisco International Airport.

4.3 Daily Charging Forecast

Daily vehicle charging sessions per day are estimated to be the following in the first 5 years of operation:

Year	1	2	3	4	5
Daily Vehicles Charged	379	454	545	689	856

Figure 26: Daily EV Charging Sessions estimated during first 5-years

4.4 Funding and Revenue Generation

SkyCharger and its parent company Skyview Ventures will fund the site through a combination of grants and rebates, the sale of 30C tax credits, and equity. It will generate revenue through the sale of electricity, the sale of LCFS credits, and the sale of concessions from the convenience store.

4.5 Risk Planning & Management

SkyCharger will manage the risk of the cost of electricity through the use of software and a TOU pricing policy, as well as incentivizing drivers to charge at off peak times and potentially the use of a BESS or software to manage peak demand charges.

4.6 Deployment Plan and Timeline

Find below the preliminary calendar for the construction of the DCFC Hub.

SKYCHARGER | SFO Request for Proposal
Direct Current Fast Charging Hub Lease

Project Task	Start Date	End Date
Pre-Design - Project Development Activities	2/28/2025	8/17/2025
Design - Project Development Activities	4/30/2025	1/27/2026
Equipment Procurement	9/30/2025	6/8/2026
Phase 1 Permitting and Entitlements	9/30/2025	2/19/2026
Pre-Construction Development Activities	11/14/2025	2/7/2026
Phase 1 Construction and Commissioning	3/20/2026	8/30/2026

Figure 27: Preliminary Construction schedule

3) **AIRPORT MATERIALS MANAGEMENT PROGRAM:** Tenants must comply with Airport Commission Rules and Regulations, which require the separation of all materials into recyclables, compostables and landfill materials. All tenants are required to minimize materials going to landfill and place source separated materials in the Materials Recovery Area receptacle designated for that type of compostable (green bin), recyclable (blue bin) or landfill (black bin) material. Via lease agreements, tenant must use certified compostable to-go containers and utensils. Tenant must donate un-used food that is fit for human consumption to the Airport's food donation program to the fullest extent possible.

4) **OTHER OPERATIONAL REQUIREMENTS:**

None.

5) **PAYMENT CARD INDUSTRY (PCI) DATA SECURITY STANDARD REQUIREMENTS:**

A. For purposes of this subsection, the term "Cardholder Data" means personally identifiable data about the cardholder (i.e. the plastic card number, card expiration date in combination with the plastic card number, cardholder name in combination with the plastic card number and/or sensitive authentication data (track data/magnetic stripe, verification numbers CVV2, CVC2, CID, and PIN Block). This term also accounts for other personal insights gathered about the cardholder (i.e., addresses, telephone numbers, and so on), assigned by the card issuer that identifies the cardholder's account or other cardholder personal information. For purposes of this section, a "Tenant" means any person or entity that stores, processes, transmits or otherwise is permitted access to Cardholder Data, while performing the Permitted Uses authorized in this Lease. Customer Information shall include cardholder data and such other customer information as may be defined elsewhere in this Lease.

B. As a Merchant or Service Provider as defined by the PCI Security Council, Tenant must be familiar with and adhere to the Payment Card Industry Data Security Standards (PCI DSS). This requirement includes, but is not limited to, full compliance with the twelve (12) DSS Security Standards as published by the PCI Security Standards Council at all times. The current standards may be found at <https://www.pcisecuritystandards.org/index.php>. Tenant is responsible for keeping informed about any and all modifications to the PCI DSS, and shall validate yearly compliance with PCI DSS by completing the appropriate Self-Assessment Questionnaire (SAQ) or Report On Compliance (ROC) and accompanying Attestation of Compliance (AOC). Tenant must provide copy of the compliance validation documentation to San Francisco International Airport Revenue Development and Management office every 12 months. Should any assessment result in evidence of non-compliance with PCI DSS standards, Tenant shall immediately: (1) provide written notification to the Airport regarding the specific compliance failures and a Remediation Action Plan Tenant intends to undertake to come into compliance; and (2) immediately remediate operations to come into compliance.

i. Tenant represents and warrants that it shall implement and maintain Payment Card Industry Data Security Standard Requirements ("PCI Data Security Standard Requirements") for Cardholder Data, as they may be amended by the PCI Security Standards Council from time to time. The current PCI Data Security Standard Requirements are available on the following internet site; <https://www.pcisecuritystandards.org/>. As evidence of compliance with PCI DSS, Tenant shall provide current evidence of compliance with these data security standards certified by a third party authority recognized by the payment card industry for that purpose.

ii. Tenant shall maintain and protect in accordance with all applicable federal, state, local and PCI laws, rules and regulations the security of all Cardholder Data when performing the Permitted Uses under this Lease. Tenant will use reasonable precautions, including but not limited to, physical, software and network security measures, employee screening, training, and supervision and appropriate agreements with employees, to prevent anyone other than City or its authorized employees from monitoring, using, gaining access to or learning the import of the Cardholder Data; protect appropriate copies of Cardholder Data from loss, corruption or unauthorized alteration; and prevent the disclosure of passwords and other access control information to anyone.

iii. Tenant shall indemnify, defend, protect and hold City harmless from and against any and all claims, losses, damages, notices and expenses, including without limitation, any fines which City may be required to pay, which result from Tenant's breach of the provisions of this Section. Without limiting the generality of the foregoing, it is expressly agreed that if City pays any fine in connection with a breach by Tenant of the provisions of this Section, the foregoing indemnity obligation shall require Tenant to reimburse City the full amount of such fine within thirty (30) days of City delivering written notice to Tenant of City's payment of such fine. Tenant, at its sole cost and expense, shall fully cooperate with any investigation of any data loss or other breach of Tenant's obligations under this Section.

iv. The use of Cardholder Data is specifically restricted to only those applications directly pertaining to payments, including transaction authentication, or as required by applicable law.

v. If there is a breach or intrusion of, or otherwise unauthorized access to Cardholder Data stored at or for Tenant, Tenant shall immediately notify City and the acquiring financial institution, in the manner required by the PCI Data Security Standard Requirements, and provide City and the acquiring financial institution and their respective designees access to Tenant's facilities and all pertinent records to conduct an audit of Tenant's compliance with the PCI Data Security Standard Requirements. Tenant shall fully cooperate with any audits of their facilities and records provided for in this paragraph. Any costs incurred as a result of the breach or audit shall be the responsibility of Tenant.

vi. Tenant shall maintain appropriate business continuity procedures and systems to ensure availability and security of Cardholder Data in the event of a disruption, disaster or failure of Tenant's primary data systems.

vii. Tenant's and its successors' and assigns' compliance with the PCI Data Security Standard Requirements expressly survives termination or expiration of this Lease.

viii. Destruction of Cardholder Data must be completed in accordance with section 9 of the PCI DSS.

EXHIBIT C-1
FORM OF PERFORMANCE BOND FOR AIRPORT LEASES (TEMPLATE)

_____ (Surety)

KNOW ALL MEN BY THESE PRESENT:

That we, _____, as Principal, and _____, a corporation duly organized and existing under and by virtue of the laws of the State of _____, as Surety, are held and firmly bound unto the City and County of San Francisco, acting by and through its Airport Commission, as Obligee, in the sum of _____ Dollars (\$_____) lawful money of the United States of America, to be paid to the City and County of San Francisco, acting by and through its Airport Commission, for which payment, well and truly to be made, we bind ourselves, our heirs, executors and successors, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into one or more leases, permits, or agreements with the City and County of San Francisco, Airport Commission (collectively, the **"Agreements"**).

NOW, THEREFORE, the condition of this obligation is such that if the Principal shall perform all terms of the Agreements (which by reference are made a part hereof), including the payment of rent or fees, in accordance with the terms of such Agreements, then this obligation shall be null and void, otherwise to remain in full force and effect; and shall be effective _____.

This bond may be called upon by Obligee by a notice sent to the Surety in person or by registered mail, overnight mail, overnight courier service, or other courier service sent to our offices at: _____.

Any such call by Obligee shall include a statement signed by the Airport Director of the Airport Commission of the City and County of San Francisco, or his/her designee, to the effect that any of the following events has occurred or is continuing:

- a) Principal has defaulted under one or more of the Agreements; or
- b) Principal has become insolvent, or has taken the benefit of any present or future insolvency statute, or has made a general assignment for the benefit of creditors, or has filed a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or any state thereof, or any jurisdiction available to Principal, or has consented to the appointment of a receiver, trustee, or liquidator of any or substantially all of its property; or
- c) A petition under any of the federal bankruptcy laws or an action under any present or future insolvency law or statute has been filed against Principal.

We shall honor and pay on such call within ten (10) days after receipt.

We shall give you notice in writing by registered mail at least forty-five (45) days prior to the cancellation date, termination date or expiration date of this bond, if any is stated, of our intention to cancel, terminate, or non-renew this bond. In the event we fail to give such notice promptly, then this bond shall be deemed renewed for an additional one-year period.

Signed, sealed and dated this ____ day of _____, 20__.

Principal: By: _____

Title: _____

Seal: _____

Surety By: _____
Company:

Title: _____

Seal:

(MUST be signed by financial institutions. Notary Public Certificate and Attorney-in-Fact form must be submitted.)

<p style="text-align: center;">EXHIBIT C-2 FORM OF LETTER OF CREDIT FOR AIRPORT LEASES (TEMPLATE)</p>

Date _____

Irrevocable Letter of Credit No. _____

Airport Commission
City and County of San Francisco
Attn: Chief Business and Finance Officer
Revenue Development and Management
San Francisco International Airport
International Terminal, No. Shoulder Bldg., 5/F
PO Box 8097
San Francisco, CA 94128

Ladies and Gentlemen:

We hereby establish an irrevocable letter of credit in your favor in the amount of _____ United States Dollars
(US\$ _____) for the account of _____ ("**Account Party**"), available by your draft at sight, when accompanied by the following document:

A statement signed by the Airport Director of the Airport Commission of the City and County of San Francisco, or his/her designee, to the effect that any of the following events has occurred or is continuing:

- a) Account Party has defaulted under the one or more agreements with the City and County of San Francisco, acting by and through its Airport Commission at San Francisco International Airport; or
- b) Account Party has become insolvent, or has taken the benefit of any present or future insolvency statute, or has made a general assignment for the benefit of creditors, or has filed a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or any state thereof, or any jurisdiction available to Account Party, or has consented to the appointment of a receiver, trustee, or liquidator of any or substantially all of its property; or
- c) A petition under any of the federal bankruptcy laws or an action under any present or future insolvency law or statute has been filed against Account Party.

Drafts drawn under and in compliance with the terms of this letter of credit will be duly honored by us upon presentation and delivery of the statement specified above. Partial draws are permitted. Such drafts may be presented in person or by registered mail, overnight mail, overnight courier service, or other courier service sent to our offices at:

_____.

We shall give you notice in writing by registered mail at least forty-five (45) days prior to the cancellation date or expiration date of this letter of credit, if any is stated, of our intention to cancel or non-renew this letter of credit. In the event we fail to give such notice promptly, then this letter of credit shall be deemed renewed for an additional one-year period. Subject to the foregoing, this letter of credit shall expire on _____, 20__.

Sincerely,

(MUST be signed by financial institutions)

EXHIBIT D TENANT WORK LETTER

Table of Contents

- A. General Information
 - 1. Governing Codes and Requirements
 - 2. Rights of Way
 - 3. Existing Abandoned Utilities Responsibility

- B. Utilities
 - 1. Plumbing
 - a. Domestic Cold Water
 - b. Sanitary Sewer
 - c. Grease Waste
 - 2. Fire Sprinklers
 - 3. HVAC Systems & Controls
 - a. Grease Exhaust
 - 4. Electrical
 - 5. Fire Alarm
 - 6. Telecommunications & Data
 - 7. Solid Waste Management
 - 8. Tenant Doors and Locks

- C. Tenant Leasehold Design and Construction
 - 1. General
 - 2. Design - Plan Development and Approvals
 - a. Lease Outlines
 - b. Tenant Verification of Existing Conditions
 - c. Tenant Signage Requirement
 - d. Design Review and Permitting Workshop
 - e. Infrastructure Review Committee
 - f. Design Review Meetings
 - g. Design Review Committee Approval
 - h. Tenant Security Camera System
 - i. BICE Review and Permitting
 - j. San Mateo County Health Permit
 - 3. Construction
 - a. Notice That Premises are Ready for Tenant's Work
 - b. Tenant Contractor Insurance
 - c. Local Hiring Ordinance
 - d. Preconstruction Meeting
 - e. Construction Coordination Meetings
 - f. Construction Safety
 - g. Deliveries
 - h. Airport ID Badging
 - i. Tenant Construction Schedule
 - j. Security
 - k. As-Built Drawings
 - l. Indemnity

D. Sustainability Requirements

1. General
2. Base Building
3. Tenant's Work
 - a. ZERO Committee Process
 - b. Green Building Standards and Codes
 - c. Green Business Program
 - d. Construction and Demolition Debris Management
 - e. Toxics Reduction and Pollution Prevention
 - f. Green Cleaning
 - g. Green Business Certification, Inc. (GBCI)
 - h. LEED Scorecard for Projects of 10,000 Gross Square Feet or More
 - i. LEED Scorecard for Projects Less Than 10,000 Gross Square Feet
 - j. PG&E Tracking of Natural Gas Use
 - k. Building Electrification
 - l. Energy Efficiency

A. GENERAL INFORMATION

1. Governing Codes and Requirements

All Construction work performed at the San Francisco International Airport (SFO) must comply with the requirements of the current California Code Regulations (CCR) Title 24, the San Francisco Environment Code, the Airport Building Regulations (attached as Appendix F to the Airport Rules and Regulations, the Americans with Disability Act (ADA) and all other applicable local, state, and federal laws. Tenant must have sole responsibility to ensure and confirm with all relevant government authorities having jurisdiction over the premises that all construction work performed by Tenant at the premises (Tenant Work) complies with all applicable building codes and standards. The Tenant Work must also comply with all the requirements of the SFO Tenant Improvement Guide (TIG), the California Uniform Retail Food Facilities Law (CURFFL) and the terms and conditions of the Lease, including but not limited to Section 7 [Investments; Alterations].

Tenants must obtain approval from the SFO Infrastructure Review Committee (IRC) and a building permit from SFO Building Inspection and Code Enforcement (BICE). Any food and beverage operation may require plan review and a Health Permit from the San Mateo County Environmental Health Department. Tenants are encouraged to secure a Green Business Certificate from the County of San Mateo. All Tenant Work must be reviewed and approved by the Airport's Design Review Committee and be consistent with the Design Review Committee Guidelines.

2. Rights of way

Tenant will need to obtain approval from any other tenants (as applicable) and the Airport to accommodate Tenant's installation of utilities in any rights of ways or other areas serving the Premises. These paths of travel will need to be reviewed with BICE for acceptance.

3. Existing Abandoned Utility Responsibility

Tenant is responsible to remove any and all abandoned or no longer in use utilities within or around the premises.

B. UTILITIES

Tenant must accept full responsibility for the condition of all existing utilities related to the premises. Tenant may reuse existing utilities but must demonstrate to BICE inspectors the functionality of said equipment for approval.

1. Plumbing

a. Domestic Cold Water

Tenant water usage is metered by the Airport and the meter is provided and maintained by the Airport. Tenant must extend water service to and within the demised premises as needed. Tenant's domestic water system must be chlorinated and approved prior to receiving Temporary Certificate of Occupancy from BICE. Hot water must be provided by Tenant.

b. Sanitary Sewer

Tenant is responsible for replacing all piping from every fixture connection to the wye connection of the main branch line. All new piping must be of materials that will not be adversely affected by waste being introduced into the system, special

consideration must be given to all waste from bars, soda fountain and juicers. All piping must be labeled with the premises name & number every 10 feet and at point of connections.

c. Grease Waste

If a quick serve operation is included in the premises which generates cooking grease waste, Tenant is responsible for installing and maintaining a complete grease waste interceptor system. There are two locations for the interceptor; within the kitchen using model (Thermaco Big Dipper System or approved equal) or at an SFO approved location. Tenant contractor must perform confirmation dye testing for any interceptor installations at locations where aboveground sanitary connections are not present. The Airport will determine which type of interceptor is required depending on the anticipated grease production of the quick serve operation. New piping must be of materials that will not allow grease to coat the interior of the pipe. The GI unit itself must have a plaque with the space name & number including a 24-hour contact number attached to it.

2. Fire Sprinklers

Tenant must install a hydraulically calculated fire sprinkler system throughout the leased premises, reviewed and approved by the Airport Fire Marshal. Sprinklers must be concealed or flush pendant quick response type heads. Tamper switches must be provided for all valves normally in the open position and must be PPDT self-storing type devices. All components of the fire sprinkler system must be UL listed.

3. HVAC Systems & Controls

Tenant's HVAC design must comply with the A&E and building codes. Tenant must also be responsible for compliance with SFO sustainable goals and objectives. HVAC design must comply with LEED standards and California Title 24 for energy efficiency and air quality. Tenant's mechanical equipment must be sound, and vibration attenuated. Tenant must submit plans, specifications, and load calculations to BICE for permitting. Tenant must prepare an Air Balance Report for its mechanical systems as part of the required BICE permit closeout submittals. Tenant is required to use a licensed air balancing subcontractor.

a. Grease Exhaust

If premises include a quick serve operation producing grease exhaust, Tenant must provide documentation to BICE that the system complies with NFPA 96, CBC, CMC and CHC requirements, including hood design, duct design, equipment mounting requirements and fire extinguishing system. The hoods must be UL rated; IR approved capable of capturing 90% of the grease from the exhaust air at the hood. Tenant is responsible for the maintenance of the grease exhaust systems. As part of the BICE permitting process, the system manufacturer must warrant in writing that the proposed system will extract, at a minimum, 90% of the air laden grease prior to the issuance of a building permit.

4. Electrical

Electrical connection shall be made to the site by the Tenant from an Airport electrical substation located adjacent to SFO Fire House #3 at 12 South McDonnell Road. New infrastructure will include approximately 2,400 linear feet of duct bank from the electric (12 kV) substation to a set of sectionalizing cabinets in the northwest corner of the premises. The duct bank is to be buried along South McDonnell Road and would be sized to accommodate foreseeable medium-term loads of up to 17.5 megawatts.

Within the duct bank, Tenant will be required to install only the electrical cabling necessary for its operation. All the foregoing electrical shall be performed by Tenant at Tenant's expense.

5. Fire Alarm

Every premises must have a fire alarm system monitored by an SFO Fire Alarm Control Panel (FACP). Tenant is required to design towards the latest NFPA 72 requirements and the same fire alarm system as the fire alarm system (Simplex) for the Terminal buildings and must be able to communicate with the Terminal buildings network fire alarm system. Tenant must use the Airport's fire alarm subcontractor (currently Simplex) for all FA tie-ins and FA network programming changes that would involve download changes to the FACP panel and the TSW network to the communications center. All fire alarm systems will require pretesting with Tenant Coordinator and a final test by BICE & SFFD for a Temporary Certificate of Occupancy (TCO). Both tests will be conducted during off hours. 0100 to 0300. Time is subject to change. Johnson Controls Fire Protection - Fred Toste, (510) 750 3918 cell fred.toste@jci.com

6. Telecommunications & Data

The Airport's Information Technology and Telecommunication Department (ITT) provide a multitude of Shared Tenant Services (STS) via Airport Infrastructure and Network Transport. Services including voice grade services, DS1 to OC12 SONET Transport, Ethernet Connectivity, Common Use Connectivity and DirecTV and/or Comcast Cable TV Services throughout the Airport Campus.

For all Tenant IT service requests (Move, Ads or Changes) contact the Airport ITT Provisioning Group at 650-821-HELP (4357) Option 1, or sfohelpdesk@flysfso.com.

Tenant needs to provide the following Communication Drawings within their BICE Submittal package:

- The location of Tenant Communications Backboard, Voice, Data and Cable TV outlets with callouts inside of their proposed space.
- A single line riser diagram showing the conduit(s) run from the premises to the designated Airport TWC and/or SSR, including what will be installed in the conduit.

7. Solid Waste Management

The Airport has set a goal to achieve zero waste by 2030, which is defined as a 90% diversion from landfills, incinerators and the environment and a commitment to reducing, upstream, the amount of materials discarded. SFO has committed to conduct the following: 1) reduce landfill-bound municipal solid waste generated per passenger by 70% by 2028 from 2022 levels, 2) achieve a 90% waste diversion rate by 2028, and 3) achieve contamination of less than 5% across waste streams by 2028.

Tenant must design the space for source separation of the following minimum materials (during construction and throughout operations): (a) Compost; (b) Recycling; (c) Cardboard; and (d) Landfill. Tenant must provide separate recycling, composting and landfill receptacles within its premises and must ensure source separated materials are deposited in the appropriate collection container. Cardboard must be separated, boxes broken down, and disposed of in the appropriate cardboard compactor.

Tenants must work with both the Airport's Sustainability Projects Specialist and the Environmental Operations Team to comply with Airport Rules and Regulations and

applicable laws regarding waste. The Airport provides resources and training to guide and support tenants to achieve zero waste. Cooking Oil Waste

The Airport provides a cooking oil storage tank serviced under contract to the Airport. Food and Beverage Tenants are required to purchase model 2500C Oil Caddy from Darling International to transport cooking oil waste from their kitchens to the storage tanks. Tenants must be responsible for transporting caddy oil material from their kitchen to the storage tank location. Caddies are available from Darling International at (415) 647-4890, or <http://www.darlingii.com/UsedOilStorage.aspx>.

8. Tenant Doors and Locks

Tenant is responsible for maintaining the rating of all their doors. Cylindrical and tubular locks, or any lock requiring an ANSI 161 prep, are prohibited. Only mortise locks are permitted.

Locks must conform to the SFO standard:

- SCHLAGE L-9000 Series, with 17A lever trim and 630 or 318 finish
- VON DUPRIN 98, 98XP or 35 Series panic devices
- SARGENT S2 Series mortise cipher locks

No SFO lock or security device must be removed or altered in any way without the written consent of the SFO Lock shop (650) 821-5939. Installation of doors and locks will follow the standards established by the Airport Carpenter and Locksmith Shops. It is Tenant's responsibility to inform your locksmith contractors of the standards.

C. TENANT LEASEHOLD DESIGN AND CONSTRUCTION

1. General

Tenant must design, engineer and construct, at its sole expense, all Tenant Work necessary for Tenant to conduct the Permitted Use in the premises, in accordance with all applicable laws, codes and other legal and lease requirements. Workshops and meetings are delineated herein that will provide information about the process, criteria and schedule that should enable Tenants and their consultants to accomplish their responsibilities in a timely, cost-effective manner. It is Tenant's responsibility to manage their project, consultants, and contractors. Attendance at all workshops and meetings is mandatory.

2. Design – Plan Development and Approvals

Plan Development and Approvals. Tenant must engage architectural/engineering professionals licensed by the State of California to prepare plans for all Tenant Work. Tenant is responsible for obtaining all necessary approvals including the IRC, DRC and BICE. BICE will not accept an application for a building permit without prior design approval by the Airport's IRC and DRC.

a. Lease Outlines.

The Airport will distribute a map of the Premises to enable Tenant's design consultants to prepare the Tenant Work.

b. Tenant Verification of Existing Conditions.

Tenant must physically survey the premises at the earliest opportunity after signing of its lease to verify existing conditions and acknowledge the results in writing on an Airport-provided form.

c. Tenant Signage Requirements.

Tenants must submit to the DRC for review all signage on the outside of any structure on its premises.

- d. Design Review and Permitting Workshop.
A Revenue Development and Management (RDM) Property Manager will host an informational workshop to provide insight into the DRC Design Review and BICE Permitting process. The presentation includes an opportunity for questions and answers.
- e. Infrastructure Review Committee.
Concurrent with the DRC review process, Tenant must submit a scope of work to the IRC on the appropriate form. The IRC will review Tenant infrastructure projects for compliance with Airport standards, rules, and regulations to ensure the protection of the Airport's infrastructure.
- f. Design Review Meetings.
Tenant must complete the design review process in a timely manner and the Airport will provide Tenant with the estimated opening date upon signing of Tenant's lease and will inform Tenant in writing of any changes to said date.
- g. Design Review Committee Approval.
Upon completion of Tenant's schematic leasehold design, Tenant must submit plans for review by the RDM Property Manager. Property Manager will review plans to ensure Tenant's design meets all lease requirements, including the Permitted Use. If plans meet lease requirements and have met project sustainability requirements described in the Design Review Committee Guidelines the RDM Property Manager will schedule a Preliminary Review with the DRC. Tenant must submit six copies of plans for preliminary and subsequent DRC reviews. Full material boards, renderings, plans and elevations are required for DRC meetings. Additional DRC Reviews may be required to obtain final design approval. In the event Tenant needs to change the design after DRC approval has been given, Tenant must return to the DRC for approval of any changes, including substitutions of materials.
- h. Tenant Security Camera System.
Any Tenant furnished and installed security camera system must submit a camera point of view plan for approval by the Aviation Security Operations team prior to installation.
- i. BICE Review and Permitting.
Tenant must submit complete Construction Documents to BICE for review and permitting. BICE will review Tenant's plans for conformance with local, state, and federal code requirements as defined in Part 1 A. Governing Codes. Upon satisfaction of BICE reviews and requirements, including submittal of the "Conformed Drawings" in AutoCAD.DWG version 2002 or higher, Tenant will be issued building permit. Construction inspection requirements will be defined in the Building Permit. Tenant must provide Tenant Coordinator with one electronic set of permit drawings prior to starting construction on site.
- j. San Mateo County Health Permit.
If necessary for its food and beverage operation, Tenant must submit an application to the County of San Mateo for a Health Permit, concurrent with their BICE review.

San Mateo County Health Permit requirements and processes can be found at www.co.sanmateo.ca.us.

3. Construction

a. Notice That Premises Are Ready for Tenant's Work.

The Airport will provide written notification to Tenant that the premises are ready for Tenant's Work. Tenant will physically survey the premises with a representative of the Airport and acknowledge in writing to the Airport that the space is acceptable.

b. Tenant Contractor Insurance.

i. Insurance. Prior to the issuance of a building permit from BICE, Tenant's Contractor must provide proof of the following insurance:

1. Workers' Compensation Insurance with Employer's Liability limits not less than \$1,000,000 for each accident, illness, or injury.
2. Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products Liability and Completed Operations Coverage's.
3. Commercial Automobile Liability Insurance with limits not less than \$2,000,000 for each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Employer's non-ownership liability and hired auto coverages.
4. Builder's Risk Insurance on an all-risk form, with coverage and limits equal to one hundred percent (100%) of the completed value to date of the work to be completed under this Tenant Work Letter.

c. Local Hiring Ordinance. Per the San Francisco Local Hiring Ordinance (LHO), construction cannot start on any projects with an estimated cost of \$1,000,000 or more, until Tenant has submitted the appropriate forms to the Airport Employment Quality & Standards office.

d. Preconstruction Meeting. Tenant and Tenant's contractor must attend a preconstruction meeting on site prior to beginning construction.

e. Construction Coordination Meetings. Tenant and/or Tenant's contractor is required to attend construction coordination meetings to ensure coordination of Tenant work and SFO operations.

f. Construction Safety. Tenant's contractors will comply with all local, state, and federal OSHA guidelines to support the Airport's core value "Safety and Security is our first priority." All tenant contractors must present a jobsite construction safety program to Tenant coordinator prior to starting any work at SFO and have a SDS binder on site at all times with up-to-date chemical information on all products being installed in case of an emergency.

g. Deliveries. Deliveries that may temporarily impede operations on South McDonnell Road must be coordinated with the Tenant Coordinator.

- h. Tenant Construction Schedule. Tenant must submit a construction schedule at the preconstruction meeting. Tenant must submit schedule updates to Tenant Coordinator monthly until completion of Tenant Work.
- i. Security. Tenants and Tenant contractors are responsible for storing and security of all equipment and materials within the construction site.
- j. As-Built Drawings. One (1) set of as-built drawings depicting the fire sprinkler and fire alarm system must be submitted in electronic AutoCAD.DWG format to BICE within 30 days of issuance of the Temporary Certificate of Occupancy (TCO). One (1) set of all discipline as-built drawings must be submitted in electronic PDF & CAD format to the designated Airport Property Manager within ninety (90) days of issuance of TOC. Electronic files on either a CD or Travel Disk should be mailed to Tenants' Property Manager at: Revenue Development and Management, San Francisco International Airport, 575 North McDonnell Road, Suite 3-329, San Francisco, CA. 94128
- k. Indemnity. For the avoidance of doubt, Tenant's release and indemnification of City as provided in the lease also apply with respect to any and all Losses related in any way to any act or omission of Tenant, its contractor, subcontractor, engineer, consultant, employee or agent, or anyone directly or indirectly employed by any of them, with respect to Tenant's Work, or in connection with Tenant's non-payment of any amount arising out of or related to Tenant's Work.

D. SUSTAINABILITY REQUIREMENTS

- 1. General. SFO is committed to prudent environmental stewardship and has integrated sustainable planning, design, construction, and operational strategies into its physical facilities. It is anticipated that this process will result in exceptional project outcomes that provide long-term positive environmental, social, and financial benefits to Tenant. Tenant is encouraged to contribute to these sustainable development efforts, and to use creative and innovative design, construction, and operational strategies to create aesthetically pleasing and environmentally responsible space in alignment with SFO's sustainability goals.
- 2. Buildings on the Site. The premises must be constructed to: (i) be energy and water efficient, (ii) use materials and products that are environmentally preferable and that support improved indoor environmental quality, (iii) comply with the current version (at time of design and construction) of California Building Code Title 24, CALGreen, the SF Environment Code, and (iv) designed to achieve a LEED BD+C or C+S minimum Gold certification. Tenant should confirm with the Airport the current LEED certification status of the premises.
- 3. Tenant's Work. In connection with the planning, design and construction of Tenant's Work, Tenant is required to comply with the following:
 - a. ZERO Committee Process: Tenant must review SFO's sustainability goals and standards. Tenant must submit to ZERO Committee (and/or ZERO Tenant Subcommittee) for its review and approval a narrative and PowerPoint presentation describing how Tenant's design and operations will meet these goals and standards. For projects >10,000 gross square feet in area, Tenants must provide a presentation to the ZERO Committee at the Schematic Design, Design Development, and Construction Documents phases; for projects <10,000 gross square feet in Area, Tenant must provide a presentation to the ZERO Committee towards the end of the

Design phases. The ZERO Committee review should take place after the Design Review. Relevant Airport documents include:

- Guiding Principles of Sustainability as described in San Francisco International Airport's Delivering Exceptional Projects – Our Guiding Principles (pg. 48-52), located at https://www.sfoconnect.com/sites/default/files/2021-03/final_delivering_exceptional_projects_7.21.14.pdf
- SFO Sustainable Planning, Design and Construction Standards located [at https://www.sfoconnect.com/abr-ae-standards-tenant-improvement-guide](https://www.sfoconnect.com/abr-ae-standards-tenant-improvement-guide) .
- Tenant Sustainability Guide and Checklist, available during project initiation meeting to be held with the ZERO Committee representative or upon email request at sustainability@flysfo.com

- b. Green Building Standards and Codes. Tenant must provide documentation to the ZERO Committee to demonstrate compliance with the California Building Standards Code (California Code of Regulations (CCR) Title 24) Part 6 (Energy) and Part 11 (CALGreen) and the applicable provisions of the San Francisco Environment Code. In addition to, and without limiting the foregoing sustainability requirements, Tenant must comply with all applicable green building laws, codes, ordinances, rules and regulations, including but not limited to, those required under the current version of the San Francisco Environment Code (https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_environment/0-0-0-8) and the 2016 current version of the California Building Standards Code (Title 24 of the California Code of Regulations), Part 6 (Energy Code) and Part 11- (CALGreen). Compliance with these codes must be demonstrated through submission of the SFO Standard Form for the CALGreen Checklist (obtainable from sustainability@flysfo.com) and the SF Environment "GS6: San Francisco Green Building Submittal Form for Municipal Projects." (obtainable from sustainability@flysfo.com)
- c. Green Business Program. Tenant must register its business with the California Green Business Program (<http://greenbusinessca.org/>), complete all applicable requirements for certification, including but not limited to those related to energy conservation and performance, and provide a checklist to the ZERO Committee. Tenants that are certified through the Green Business Program will be recognized on program websites, receive a certificate to display and electronic logo for use, will receive a trash permit fee discount, and be recognized at an annual Airport event.
- d. Construction and Demolition Debris Management. Tenant's General Contractor must plan to divert the maximum possible construction and demolition debris from landfill and must not generate more than 10 lbs./sq. ft. of waste. Tenant's Contractor must be required to prepare a Material Reduction and Recovery Plan (MRRP), submit monthly Material Reduction and Recovery Reports, and submit a Final Material Reduction and Recovery Summary Report consistent with the standards set forth in Chapters 7 and 14 of the San Francisco Environment Code along with providing copies to the ZERO Committee.

Tenant must utilize the Green Halo System online web-based tool (available here: <http://sfgov.wastetracking.com/>) to submit the MRRP, monthly reports and final report for Airport and City approval. The Airport Sustainability Representative will create an account in the Green Halo System for use by Tenant's Contractor. The "Green Halo Systems User Guide for General Contractors" can be found here:

https://sfenvironment.org/sites/default/files/fliers/files/sfe_zw_cd_municipalghs_userguide_generalcontractor.pdf.

Tenant's Contractor must coordinate the location of the construction and demolition debris bins with the Airport's Tenant Coordinator.

Tenant's Contractor must sort, and self-haul waste generated by their office and construction site staff. Contractor must provide waste bin trios (Compost, Recycling, and Landfill) throughout the construction site for workers' personal waste. Personal waste may not be disposed of with construction and demolition debris.

- e. Toxics Reduction and Pollution Prevention. All projects that include furniture and/or interior surfaces (e.g., countertops, doorknobs, handles, wall paints, carpet) within the project scope must comply with the attributes defined within the Chapter 7 of the San Francisco Environment Code (e.g., emission of volatile organic compounds, fluorinated chemicals, antimicrobial chemicals, required ecolabels, etc.).
<http://sfapproved.org/sites/default/files/files/general-files/2020-12-23%20Green%20Purchasing%20Regulations%20-%20FINAL%20Signed.pdf>:
 - o Paints: <http://sfapproved.org/greener-greenwise-gold-certified-architectural-paints-interior-latex-wall-ceiling-paints-primers>
 - o Resilient Flooring: <http://sfapproved.org/flooring-resilient-flooring-adhesives>
 - o Upholstered Furniture: <http://sfapproved.org/furniture-upholstered>
 - o Non-upholstered furniture: <http://sfapproved.org/furniture-non-upholstered>
- f. Green Cleaning: Tenant's Contractor must use green cleaning methods in conformance with the product manufacturers' recommendations and in compliance with the Airport's Green Cleaning Program. For Tenant's normal operations in the premises, Tenant must develop a Green Cleaning Plan in compliance with the Airport's Green Cleaning Program and must provide regular staff training in the implementation of this program. A detailed reference copy of the Program will be provided during ZERO Committee and/or Green Business consultation and is accessible upon request by emailing sustainability@flysf.com.
- g. Green Business Certification, Inc. (GBCI). The Airport has been registered with U.S. Green Building Council and the Green Business Certification Inc. ("GBCI") to create a SFO LEED® Campus Master Site Program. The Airport will provide Tenant with access to the SFO LEED® Campus Master Site Program online website for use by Tenant in registering and certifying its project. Tenant must be responsible for adding its team to this website and for providing LEED administration for its project on this website. Once Tenant has registered the project on this website, it will be able to utilize a number of pre-approved LEED v4 ID+C pre-requisites and credits.
- h. LEED Scorecard for Projects of 10,000 Gross Square Feet or More. Tenant must coordinate with BICE, San Francisco Department of the Environment ("SF Environment") and the ZERO Committee on the preparation and submission of the "GS6: San Francisco Green Building Submittal Form for Municipal Projects" and a "LEED Scorecard" to demonstrate compliance of Tenant's Work with the San Francisco Environment Code requirements. For tenant improvement projects of 10,000 gross square feet or more LEED v4 or current version ID+C minimum Gold level certification is required. In connection with such certification, Tenant is advised of the following:

- Tenant must be responsible for all work and costs related to the LEED certification.
 - Tenant must present all required materials to the ZERO Committee at regularly scheduled meeting during the design process prior to the approval by the ZERO Committee.
 - The LEED Scorecard must be submitted at the conclusion of each design phase and at project close-out, along with required documentation and a copy of the project LEED certificate.
 - Tenant must demonstrate that the project achieves the LEED credits required by Chapter 7 of the San Francisco Environment Code.
- i. LEED Scorecard for Projects Less than 10,000 Gross Square Feet. For tenant improvement projects less than 10,000 gross square feet, Tenant is not required to achieve LEED certification but is required to submit the LEED Scorecard that demonstrates the maximum LEED credits and points that are practicable for Tenant's Work and pursue these credits through the design and construction process as required by Chapter 7 of the San Francisco Environment Code. The LEED Scorecard is to be submitted to SFO BICE, SF Environment and ZERO Committee during the conceptual design phase and as a final as-built indicating all LEED credits that would be achieved if the project had been certified.
- j. Building Electrification. [SF Environment Environment Code and Electrification Ordinance](https://sfgov.legistar.com/View.ashx?M=F&ID=8062116&GUID=28265371-C9E0-4C31-A206-50B53BA48D7E) confirms the requirement that all new construction and major renovations that require LEED certification must be all electric (<https://sfgov.legistar.com/View.ashx?M=F&ID=8062116&GUID=28265371-C9E0-4C31-A206-50B53BA48D7E>). The Airport is advancing 100% building electrification by eliminating natural gas throughout its entire infrastructure. Natural gas usage introduces a fire risk to the Airport and affects healthy indoor air quality while contributing to greenhouse gas emissions. The Airport, via its ZERO Committee, will work with tenants to migrate existing gas uses like cooking, water heating, and other processes to zero-carbon equipment and ensure the adequacy of building base loads to enable an all-electric transition.
- k. Energy Efficiency. Tenant must whenever practically reduce lighting power density below code required levels; purchase only ENERGY STAR rated equipment and appliances; purchase and install lamps that are light emitting diode (LED); purchase closed refrigerated merchandisers as opposed to energy intensive open refrigerated merchandisers; and specify heat pump water heaters (HPWH) whenever feasible:

Storage Water Examples by Type	Capacity (gal)	Efficiency (UEF)	Input (btu/hr)	Recovery (gal/hr)	FHR (gal)
Resistance Electric	45	.93	15k	20	61
Electric Heat Pump*	45	3.4	15k	20	65

RRHPWH (theoretical)	30	3	9k	12	25
-------------------------	----	---	----	----	----

* With resistance electrical element.

END OF DOCUMENT

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 25-0061

**AWARD OF THE DIRECT CURRENT FAST CHARGING HUB LEASE TO
SKYCHARGERS, LLC**

WHEREAS, on September 17, 2024, by Resolution No. 24-0207, the Airport Commission (Commission) authorized Staff to commence the competitive process and issue a Request for Proposals (RFP) for the Direct Current Fast Charging Hub Lease (Lease); and

WHEREAS, Staff issued the RFP and conducted a virtual informational conference, and received no feedback or request for changes; and

WHEREAS, on January 29, 2024, Staff received one proposal from SkyChargers, LLC; and

WHEREAS, Staff determined SkyChargers, LLC to be a responsive and responsible proposer; now, therefore, be it

RESOLVED, that this Commission hereby awards the Direct Current Fast Charging Hub Lease to SkyChargers, LLC, with a Base Rent of the higher of a Minimum Annual Guarantee of \$190,000 or Percentage Rent of 5% of Gross Revenues achieved up to and including \$5,000,000, plus 7% of Gross Revenues achieved over \$5,000,000, and for a term of 14 years plus one 2-year option, exercisable at the sole discretion of the Airport Commission, and on the other terms set forth in the Director's memorandum on file with the Director of Commission Affairs; and, be it further

RESOLVED, that the Director of Commission Affairs is hereby directed to request approval of the Lease by resolution of the Board of Supervisors pursuant to Section 9.118 of the Charter of the City and County of San Francisco.

I hereby certify that the foregoing resolution was adopted by the Airport Commission
at its meeting of APR 15 2025


Secretary

MEMORANDUM

April 15, 2025

TO: AIRPORT COMMISSION
Hon. Malcolm Yeung, President
Hon. Jane Natoli, Vice President
Hon. Jose F. Almanza
Hon. Mark Buell
Hon. Susan Leal

25-0061

APR 15 2025

FROM: Airport Director

SUBJECT: Award of the Direct Current Fast Charging Hub Lease to SkyChargers, LLC

DIRECTOR'S RECOMMENDATION: (1) AWARD THE DIRECT CURRENT FAST CHARGING HUB LEASE TO SKYCHARGERS, LLC, AND (2) DIRECT THE DIRECTOR OF COMMISSION AFFAIRS TO REQUEST APPROVAL OF THE LEASE FROM THE BOARD OF SUPERVISORS PURSUANT TO SECTION 9.118 OF THE CHARTER OF THE CITY AND COUNTY OF SAN FRANCISCO.

Executive Summary

The competitive selection process for the Direct Current Fast Charging Hub Lease (Lease) has concluded and award is recommended to SkyChargers, LLC (SkyChargers). The Lease requires SkyChargers to construct and operate an electric vehicle charging station capable of simultaneously charging up to 24 vehicles. The Lease has a 14-year term, plus one 2-year option to extend exercisable at the sole discretion of the Commission. The Premises is comprised of approximately 28,200 square feet of space on Plot 3F, located on South McDonnell Road. Rent will be the greater of the Minimum Annual Guarantee (MAG) of \$190,000 or Percentage Rent. Staff recommends awarding the Lease to SkyChargers.

Background

On September 17, 2024, by Resolution No. 24-0207, the Airport Commission (Commission) authorized Staff to commence the competitive selection process and issue a Request for Proposals (RFP) for the Lease for the construction and operation of an electric vehicle charging facility. The site is currently occupied by Trillium, a compressed natural gas fueling facility, the lease for which has expired and has continued on a month-to-month basis. The Lease has a 14-year term, plus one 2-year option to extend the term exercisable at the sole and absolute discretion of the Commission. The Base Rent shall be the higher of the MAG of \$190,000 or Percentage Rent, as follows: 5% of gross revenues achieved up to and including \$5,000,000, plus 7% of gross revenues achieved over \$5,000,000.

THIS PRINT COVERS CALENDAR ITEM NO. 8

On November 12, 2024, Staff conducted an informational conference. Ten persons representing seven interested companies attended the conference. There were no material changes to the proposed business terms. The Airport received one proposal from SkyChargers, LLC by the submittal deadline. Staff determined that SkyChargers met the RFP's minimum qualifications.

Recommendation

I recommend that this Commission (1) award the Direct Current Fast Charging Hub Lease to SkyChargers, LLC, and (2) direct the Director of Commission Affairs to request approval of the Lease from the Board of Supervisors pursuant to Section 9.118 of the Charter of the City and County of San Francisco.

Sincerely,



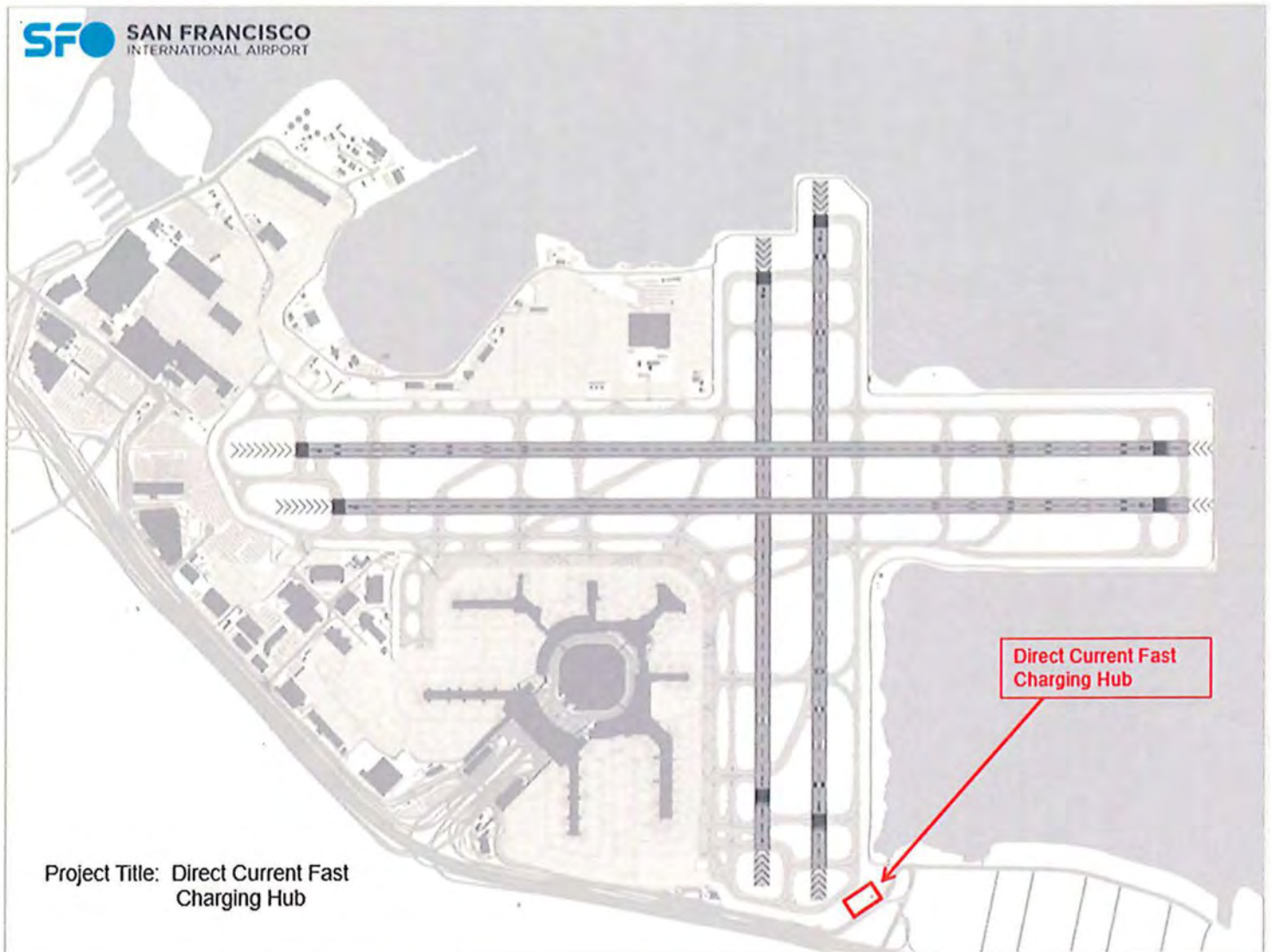
Mike Nakornkhet
Airport Director

Prepared by: Kevin Bumen
Chief Financial and Commercial Officer

Attachments

Attachment 1

Direct Current Fast Charging Hub Lease





San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 250483

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

1. FILING INFORMATION

TYPE OF FILING	DATE OF ORIGINAL FILING (for amendment only)
Original	
AMENDMENT DESCRIPTION – Explain reason for amendment	

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Angela Calvillo	415-554-5184
FULL DEPARTMENT NAME	EMAIL
Office of the Clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
Cheryl Brennan	650-821-4500
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
AIR Airport Commission	Cheryl.nashir@flysfso.com

5. CONTRACTOR	
NAME OF CONTRACTOR SkyChargers, LLC	TELEPHONE NUMBER 203-253-7699
STREET ADDRESS (including City, State and Zip Code) 801 K street, Suite 2800, Sacramento, CA 95814	EMAIL Andy.Karetsky@skyviewventures.co

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 250483
DESCRIPTION OF AMOUNT OF CONTRACT Minimum Annual Guarantee \$190,000		
NATURE OF THE CONTRACT (Please describe) Direct Current Fast Charging Hub Lease at SFO		

7. COMMENTS

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Skyview Ventures, LLC		Shareholder
2	Karetsky	Andrew	CEO
3	Copelan	Johannes	COO
4	O'Donnell	Timothy	Other Principal Officer
5	Burns & McDonnell Western		Subcontractor
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50			

☐ Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.

10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK

DATE SIGNED

BOS Clerk of the Board

April 29, 2025

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: Award of the Direct Current Fast Charging Hub Lease – between Sky Chargers, LLC and the City and County of San Francisco, acting by and through its Airport Commission

Dear Ms. Calvillo:

Pursuant to Section 9.118 of the City Charter, I am forwarding for the Board of Supervisors' approval the proposed Resolution, which approves the award of the Direct Current Fast Charging Hub Lease, Lease No. 25-0061 between the City and County of San Francisco, acting by and through its Airport Commission, and Sky Chargers, LLC.

The following is a list of accompanying documents:

- Board of Supervisors Resolution;
- Approved Airport Commission Resolution No. 25-0061;
- Memorandum accompanying Airport Commission Resolution No. 25-0061
- SFEC-126(f)4 (Board of Supervisors) for Sky Chargers, LLC, and;
- A copy of Lease for the Automated Teller Machine Service Lease A, Lease No. 25-0061 executed by Sky Chargers, LLC, as tenant.

The following person may be contacted regarding this matter:

Cheryl Brennan
Director, Revenue Development and Management
(650) 821.4500
cheryl.nashir@flysfso.com

Very truly yours,

Kantrice Ogletree /s/

Kantrice Ogletree
Director, Commission Affairs

Enclosures

cc: Cheryl Brennan, Revenue Development and Management
Dyanna Volek, Governmental Affairs Manager