

File No. 200968

Committee Item No. 5

Board Item No. \_\_\_\_\_

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date October 21, 2020

Board of Supervisors Meeting

Date \_\_\_\_\_

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- Airport Commission Resolution No. 20-0176
- \_\_\_\_\_
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Completed by: Linda Wong

Date October 15, 2020

Completed by: Linda Wong

Date \_\_\_\_\_

1 [Lease Modification - United States Government - International Terminal, Terminal 2, and  
2 Land at Plot 50-DJ - Annual Rent \$2,590,866.56]

3 **Resolution approving Modification No. 2 of Lease No. GS-09B-03014, between the**  
4 **United States (U.S.) Government and the City and County of San Francisco, acting by**  
5 **and through its Airport Commission, to extend the lease term for an additional three**  
6 **years, for a total term of November 1, 2012, through October 31, 2023, adjust the**  
7 **premises by adding 0.057 acres on Plot 50-DJ, and adjust the annual rent for offices to**  
8 **\$2,590,866.56 occupied by the U.S. Transportation Security Administration at the**  
9 **International Terminal and Terminal 2 and land at Plot 50-DJ, to commence following**  
10 **Board approval.**

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

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

19 WHEREAS, On October 30, 2012, by Resolution No. 399-12, the Board of Supervisors  
20 approved the Lease; and

21 WHEREAS, On September 5, 2017, by Resolution No. 17-0221, the Commission  
22 approved Modification No. 1 to the Lease, extending the term by three years, which expires  
23 October 31, 2020, and modifying the annual rent to \$1,996,111.68; and

24 WHEREAS, On February 6, 2018, by Resolution No. 29-18, the Board of Supervisors  
25 approved Modification No. 1 to the Lease; and

1           WHEREAS, The TSA currently occupies 8,304 square feet of terminal space under the  
2 Lease, expiring on October 31, 2020, after which the Lease will enter a month-to-month  
3 holdover status; and

4           WHEREAS, The TSA wishes to extend the Lease term for an additional three-year  
5 period and add approximately 0.057 acres of land to the premises for the storage of canine  
6 training aids, with a commensurate modification of rent; and

7           WHEREAS, Airport staff negotiated Modification No. 2 to the Lease with the GSA,  
8 acting on behalf of the TSA, to extend the term of the Lease by an additional three years,  
9 expand the premises by approximately 0.057 acres of land on Plot 50-DJ, and increase the  
10 annual rent to \$2,590,866.56; and

11           WHEREAS, On September 15, 2020, by Resolution No. 20-0176, the Commission  
12 approved Modification No. 2, a copy of which is on file with the Clerk of the Board of  
13 Supervisors in File No. 200968, which is hereby declared to be part of this Resolution as if  
14 set forth fully herein; now, therefore, be it

15           RESOLVED, That the Board of Supervisors hereby approves Modification No. 2 of  
16 Lease No. GS-09B-03014, between the United States Government and the City and County  
17 of San Francisco, acting by and through its Airport Commission, to 1) extend the term for an  
18 additional three years, 2) adjust the premises by adding 0.057 acres on Plot 50-DJ, and  
19 3) increase the annual rent to \$2,590,866.56, totaling \$7,772,599.68 for this extension term;  
20 and, be it

21           FURTHER RESOLVED, That within thirty (30) days of Modification No. 2 being fully  
22 executed by all parties, the Airport Commission shall provide a copy of the final Modification  
23 No. 2 to the Clerk of the Board for inclusion into the official file.

24

25

<b>Item 5</b> <b>File 20-0968</b>	<b>Department:</b> San Francisco International Airport (Airport)
<b>EXECUTIVE SUMMARY</b>	
<b>Legislative Objectives</b>	
<ul style="list-style-type: none"> <li>The proposed resolution approves the second modification to the existing lease between the Airport and U.S. Transportation Security Administration (TSA), extending the lease term for three years to October 31, 2023. Under the proposed second modification, the leased space used for canine training aids storage would be added to the lease for TSA's use of administrative space in the International Terminal and Terminal 2.</li> </ul>	
<b>Key Points</b>	
<ul style="list-style-type: none"> <li>The Board of Supervisors approved a lease between the Airport and TSA, an agency of the U.S. Department of Homeland Security, in 2012 for administrative space in the International Terminal and Terminal 2 (File 12-0986). In 2018, the Board of Supervisors approved the first modification to the lease extending the lease to October 31, 2020 (File 17-1242). The administrative space is used by TSA for the TSA Coordination Center and for staff overseeing security measures at the Airport. In addition, TSA has a lease with the Airport for Plot 50-DJ, consisting of 0.057 acres, used by TSA for storing canine training aids, which expires in December 2020.</li> </ul>	
<b>Fiscal Impact</b>	
<ul style="list-style-type: none"> <li>The Airport Commission approves the Airport's rates annually for use of Airport space. In FY 2020-21, the annual rate for Category II space in the Airport terminals is \$255.21 per square foot and for Category III space in the Airport terminals is \$170.14 per square foot. TSA would pay a flat rent of \$310.61 per square foot in the International Terminal, and \$207.08 per square foot in Terminal 2, which is the estimated average rate per square foot for each category over the three-year lease term.</li> <li>In addition, TSA would pay rent of \$10,045 for Plot 50-DJ, which would remain fixed over the three-year term. According to the Airport staff, this rent is based on the average fair market value of land of approximately \$175,029 per acre.</li> <li>Under the proposed lease terms, the annual rent, operating costs, and fees paid to the Airport are \$2,590,867, which totals \$7,772,600 over three years.</li> </ul>	
<b>Recommendation</b>	
<ul style="list-style-type: none"> <li>Approve the proposed resolution.</li> </ul>	

**MANDATE STATEMENT**

Section 2A.173 of the City's Administrative Code authorizes the Airport to execute leases of Airport lands and space in Airport buildings to any agency of government, without undergoing a competitive bid process, if the original term of the lease does not exceed 50 years.

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

**BACKGROUND**

The Board of Supervisors approved a lease between the Airport and the U.S. Transportation Security Administration (TSA), an agency of the U.S. Department of Homeland Security, in 2012 for administrative space in the International Terminal and Terminal 2 (File 12-0986). In 2018, the Board of Supervisors approved the first modification to the lease extending the lease to October 31, 2020 (File 17-1242). The administrative space is used by TSA for the TSA Coordination Center and for staff overseeing security measures at the Airport. In addition, TSA has a lease with the Airport for Plot 50-DJ, consisting of 0.057 acres, used by TSA for storing canine training aids, which expires in December 2020.<sup>1</sup>

In September 2020, the Airport Commission approved the second modification to the existing lease between the Airport and TSA for administrative space in the International Terminal and Terminal 2, as discussed further below.

**DETAILS OF PROPOSED LEGISLATION**

The proposed resolution approves the second modification to the existing lease between the Airport and TSA, extending the lease term for three years to October 31, 2023. Under the proposed second modification, the leased space used for canine training aids storage would be added to the lease for TSA's use of administrative space in the International Terminal and Terminal 2.

The proposed second modification terms are shown in the table below:

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<sup>1</sup> The current lease rent is \$7212 per year. The lease was not subject to Board of Supervisors approval because the total rent was less than \$1 million.

**Table 1: Summary of Lease Provisions**

Tenant	Transportation Security Administration (TSA)
Lease Term	November 2020 to October 2023 3 Years
Options to Extend	None
International Terminal 5 <sup>th</sup> Floor	7,200 square feet
Terminal 2 1 <sup>st</sup> Floor	1,104 square feet
Plot 50-DJ	0.057 acre (approximately 2,500 square feet)
International Terminal Annual Rent & Operating Expenses	\$2,333,960 (\$324.16 sf/year)
Terminal 2 Annual Rent & Operating Expenses	\$243,568 (\$223.61 sf/year)
Annual Surcharge Fee for Terminal 2	\$3,294 (\$2.98 sf/year for Terminal 2)
Plot 50-DJ Annual Rent	\$10,045

Source: Draft Lease Amendment No. 2 to GSA Lease No. GS-098-03014.

As noted above, TSA's current lease for Plot 50-DJ terminates in December 2020. Under the proposed lease modification, the lease for Plot 50-DJ would terminate two months early, and the use of leased space would be incorporated into the proposed second modification.

Also, the proposed second modification would allow TSA to surrender up to 4,700 square feet of administrative space in the International Terminal, with a commensurate reduction in rent.

### Parking

The proposed lease modification reduces the number of parking spaces provided for in the current TSA lease by 20, going from 52 parking spaces to 32 parking spaces for TSA staff.

### FISCAL IMPACT

The Airport Commission approves the Airport's rates annually for use of Airport space. In FY 2020-21, the annual rate for Category II space in the Airport terminals is \$255.21 per square foot and for Category III space in the Airport terminals is \$170.14 per square foot. Under the proposed second modification to the lease between the Airport and TSA for administrative space, TSA would pay rent of:

- \$310.61 per square foot in the International Terminal, which according to Airport staff is the estimated average rate per square foot for Category II space over the three-year lease term. Total annual rent and operating costs per square foot are \$324.16 per square foot as noted in the Table above.
- \$207.08 per square foot in Terminal 2, which according to Airport staff is the estimated average rate per square foot for Category III space over the three-year lease. Total annual rent and operating costs per square foot are \$223.61 per square foot as noted in

the Table above, which includes \$13.55 per square foot for operating charges and \$2.98 per square foot to recover costs associated with improvements made during the Airport's Terminal 2 Renovation Project.

According to Steve Lash, Senior Property Manager at the Airport, the average three-year rent of \$207.08 for Category III space in Terminal 2 for the proposed lease modification with TSA (File 20-0968) is greater than the average three-year rent of \$204.87 for Category III space in Terminal 3 for the proposed lease modification with DEA (File 20-0967) because the TSA lease modification is effective one month later. This difference increases the number of months at the highest projected rental rate at the end of the term for the proposed TSA lease modification.

In addition, TSA would pay rent of \$10,045 for Plot 50-DJ, which would remain fixed over the three-year term. According to the Airport staff, this rent is based on the average fair market value of land of approximately \$175,029 per acre.

Under the proposed lease terms, if the TSA does not downsize the administrative space in the International Terminal, the annual rent, operating costs, and fees paid to the Airport are \$2,590,867. Over the entire term of the lease, the Airport would receive \$7,772,600.

## RECOMMENDATION

Approve the proposed resolution.

<b>GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE</b>	LEASE AMENDMENT No. 2
	TO LEASE NO. GS-09B-03014
<b>LEASE AMENDMENT</b>	
ADDRESS OF PREMISES: San Francisco International Airport San Francisco, CA 94128	PDN Number: N/A

**THIS AMENDMENT** is made and entered into between:

**AIRPORT COMISSION – SAN FRANCISCO INTERNATIONAL AIRPORT  
ADMINISTRATIVE OFFICES  
BUILDING 100 – INTERNATIONAL TERMINAL**

whose address is: P.O. BOX 8097  
San Francisco, CA 94128

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

**WHEREAS**, the parties hereto desire to modify the above Lease for the purpose of extending said Lease for a period of 3 years / 1 year firm, modifying the rent, expanding the lease to include the magazine pad, and reserving the right to decrease space once a reduction project is completed.

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

**Paragraphs 1.01, 1.02A, and 1.03A is here by amended and Paragraphs 5.01 and 5.02 is here by added:**

This Lease Amendment contains 3 pages.

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

**FOR THE LESSOR:**

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Entity: \_\_\_\_\_  
Date: \_\_\_\_\_

**FOR THE GOVERNMENT:**

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

**WITNESSED FOR THE LESSOR BY:**

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**1.01 THE PREMISES**

The Premises are described as follow:

Office and Related Space: 8,304 rentable square feet (RSF), yielding 8,304 ANSI/BOMA office area (ABOA) square feet (sq. ft.) of office and related space (based upon a common area factor (CAF) of 1.00, 7,200 sq. ft. of which is located on the 5<sup>th</sup> floor of the International Terminal, South Shoulder Building (Room 1.5.116) and 1,104 sq. ft. of which is located on the 1<sup>st</sup> floor of Terminal 2 (Room T2.1011/11D), as depicted on the floor plan(s) attached here to as Exhibit A-1 and A-2.

The Magazine Pad 2,500 sq. ft of land, which is depicted on the attached Exhibit A-4.

**1.02A PARKING**

A. Parking: Thirty-Two (32) parking spaces which shall be structured inside spaces for use of the Government for employee parking. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

**1.03A RENT AND OTHER CONSIDERATION:**

To extend the term of the lease 3 years/ 1 year firm. The extension shall be from November 1, 2020 to October 31, 2023

<b>Room I.5.116 Parcel A</b>	<b>11/1/2020 – 10/31/2023</b>	
	Annual Rent	Rate per RSF
Shell Rental Rate	\$2,236,424.00	\$310.61
Operating Costs	\$97,535.83	\$13.55
<b>Full Service Rate</b>	<b>\$2,333,959.83</b>	<b>\$324.16</b>
<b>Room T2.1.011/11D Parcel B</b>	<b>11/1/2020 – 10/31/2023</b>	
	Annual Rent	Rate per RSF
Shell Rental Rate	\$231,906.24	\$210.06
Operating Costs	\$14,955.49	\$13.55
<b>Full Service Rate</b>	<b>\$246,861.73</b>	<b>\$223.61</b>
<b>Magazine Pad</b>	<b>11/1/2020 – 10/31/2023</b>	
	Annual Rent	Rate per RSF
Shell Rental Rate	\$10,045.00	\$4.018
Operating Costs*	\$0.00	\$0.00
<b>Full Service Rate</b>	<b>\$10,045.00</b>	<b>\$4.018</b>

\*Paragraph 5.02 defines Magazine Pad Services.

The total amount of annual rent is **\$2,590,866.56**

**5.01 RIGHT TO DECREASE SPACE**

Provided that Government is not then in default under the terms of this Lease beyond any applicable notice or cure periods, at any time during the Term, Government shall have one right upon 45 days' written notice to Lessor (a "Surrender Notice"), to surrender a portion of the Premises (the "Surrender Premises"), on the further terms and conditions set forth in this Section. The Surrender Notice shall set forth (i) the square footage of the Surrender Premises, which shall be a minimum

INITIALS: \_\_\_\_\_ & \_\_\_\_\_  
LESSOR GOV'T

of 1,000 square feet and a maximum of 4,700 square feet, be limited to the portions of the Premises set forth on Exhibit A-3 attached to this Lease and otherwise shall be of shape and dimension of ordinary configuration such that it may be marketable for use by other tenants or Lessor for a similar use as under this Lease, in the reasonable discretion of Lessor; and (ii) the date upon which the Surrender Premises shall be delivered to City (which shall be no earlier than the expiration of such 45 day written notice period) (the "Surrender Premises Effective Date"). As a condition to delivering the Surrender Premises, Government shall construct, at its sole cost and expense, demising walls separating the final designated Surrender Premises from the remaining Premises, in a condition reasonably acceptable to Lessor, and the Surrender Premises shall be delivered on the Surrender Premises Effective Date in broom clean condition in good order and repair, reasonably wear and tear excepted. Upon the Surrender Premises Effective Date, all terms and conditions under this Lease which are based on the Rentable Square Feet of the Premises shall be adjusted accordingly to reflect the reduction of the Premises hereunder, and which may be set forth in a written notice from Lessor to Government.

**5.02 MAGAZINE PAD SERVICES**

A. TSA shall pay for the whole cost for all utilities invoiced to the Airport and for other special services, which TSA may require at the premises. TSA waives any and all claims for damages against the Airport arising or resulting from failures or interruptions of utility services to the premises

B. TSA shall at all times during the Term and at TSA's sole cost and expense, keep the premises, access roadway, and every part thereof in good condition and repair, and in compliance with applicable laws and the Airport's TI Guide. TSA hereby waives all right to make repairs at the expense of the Airport. Airport shall have no maintenance and repair responsibilities with respect the premises or roadway, the TSA shall be solely responsible.

C. Notwithstanding any other provision in this Agreement to the contrary, TSA, at its sole cost, shall comply with all applicable laws, statutes, ordinances, regulations, rules and other governmental requirements collectively, referred to as "laws"), in performing or observing its obligations under this Agreement.

INITIALS: \_\_\_\_\_ & \_\_\_\_\_  
LESSOR GOV'T

This Lease is made and entered into between

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

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

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

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

The United States of America

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

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

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

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

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

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

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

FOR THE LESSOR:

*John L. Martin*

Name: John L. Martin  
Title: Airport Director  
Date: \_\_\_\_\_

FOR THE GOVERNMENT:

*Peter Shteyn*

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

WITNESSED BY:

*Diane Artz*

Name: Diane Artz  
Title: Senior Property Manager  
Date: 11.28.12

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## SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

### 1.01 THE PREMISES

The Premises are described as follows:

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

### 1.02 EXPRESS APPURTENANT RIGHTS

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

A. Parking: Fifty two (52) parking spaces which shall be structured inside spaces for use of the Government for employee parking. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

B. Antennae, Satellite Dishes and Related Transmission Devices: With prior written approval of Lessor, which shall not be unreasonably withheld, Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof and use of, all building areas (e.g., chases, plenums) necessary for the use, operation, and maintenance of such equipment at all times during the term of this Lease.

### 1.03 RENT AND OTHER CONSIDERATION

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

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

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

B. Rent for Parcel A will commence on November 1, 2012. Rent for Parcel B will commence the earlier of the date that the Government completes its tenant improvements or March 1, 2013. Rent is subject to adjustment based upon a physical mutual measurement of the space upon acceptance, not to exceed 8,304 ABOA sq. ft. based upon the methodology outlined under the "Payment" clause of GSA Form 3517

C. If the Government occupies the Premises for less than a full calendar month, then rent shall be pro-rated based on the actual number of days of occupancy for that month.

D. Rent shall be paid to the Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration.

E. The Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in "Clause 1.01, THE PREMISES," created herein;

2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses;
3. Performance or satisfaction of all other obligations set forth in this Lease; and
4. All services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

**1.04 TERMINATION RIGHTS (ON-AIRPORT APR 2011)**

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

**1.05 RESERVED**

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

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

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

**1.07 OPERATING COST BASE**

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

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## SECTION 2 GENERAL TERMS, CONDITIONS, AND STANDARDS

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### 2.01 DEFINITIONS AND GENERAL TERMS (SEPT 2011)

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

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

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

### 2.02 AUTHORIZED REPRESENTATIVES (APR 2011)

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

**2.03 WAIVER OF RESTORATION (APR 2011) (DELETED)**

**2.04 RESERVED**

**2.05 RELOCATION RIGHTS (ON-AIRPORT APR 2011)**

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

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

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

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

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

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

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

**2.07 ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY SEPT 2011)**

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

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

**2.08 ALTERATIONS (APR 2011)**

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

**2.09 CENTRAL CONTRACTOR REGISTRATION (APR 2011)**

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

**2.10 SECURITY UPGRADES DUE TO IMMEDIATE THREAT (APR 2011)**

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

**SECTION 3 CONSTRUCTION STANDARDS AND SHELL COMPONENTS**

**3.01 BUILDING SHELL REQUIREMENTS (APR 2011)**

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

**3.02 FIRE PROTECTION AND LIFE SAFETY (SEPT 2011)**

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

**3.03 MEANS OF EGRESS (SEPT 2011)**

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

**3.04 AUTOMATIC FIRE SPRINKLER SYSTEM (SEPT 2011)**

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

**3.05 FIRE ALARM SYSTEM (SEPT 2011)**

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

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

**3.06 ENERGY INDEPENDENCE AND SECURITY ACT (AUG 2011)**

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

**3.07 ACCESSIBILITY**

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

**3.08 TOILET ROOMS (ON-AIRPORT APR 2011)**

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

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

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

**3.10 MECHANICAL, ELECTRICAL AND PLUMBING (APR 2011)**

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

**3.11 TELECOMMUNICATIONS (ON-AIRPORT APR 2011)**

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

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

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

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

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

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

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

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

**4.03 MAINTENANCE AND TESTING OF SYSTEMS (APR 2011)**

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

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

**4.04 HAZARDOUS MATERIALS (APR 2011)**

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

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

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

1. Actionable mold is mold of types and concentrations in excess of that found in the local outdoor air.

2. The Lessor shall be responsible for conducting the remediation in accordance with the relevant provisions of the document entitled "Mold Remediation in Schools and Commercial Buildings" (EPA 402-K-01-001, March 2001), published by EPA, as same may be amended or revised from time to time, and any other applicable Federal, state, or local laws, regulatory standards, and guidelines.

3. The Lessor acknowledges and agrees that the Government shall have a reasonable opportunity to inspect the leased space after conclusion of the remediation. If the results of the Government's inspection indicate that the remediation does not comply with the plan or any other applicable Federal, state, or local laws, regulatory standards, or guidelines, the Lessor, at its sole cost, expense, and risk, shall immediately take all further actions necessary to bring the remediation into compliance.

4. If the Lessor fails to exercise due diligence, or is otherwise unable to remediate an actionable-mold problem, the Government may implement a corrective action program and deduct its costs from the rent.

**4.05 INDOOR AIR QUALITY**

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

**4.06 RECYCLING**

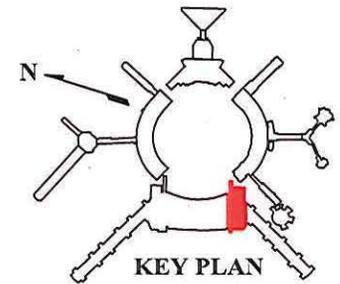
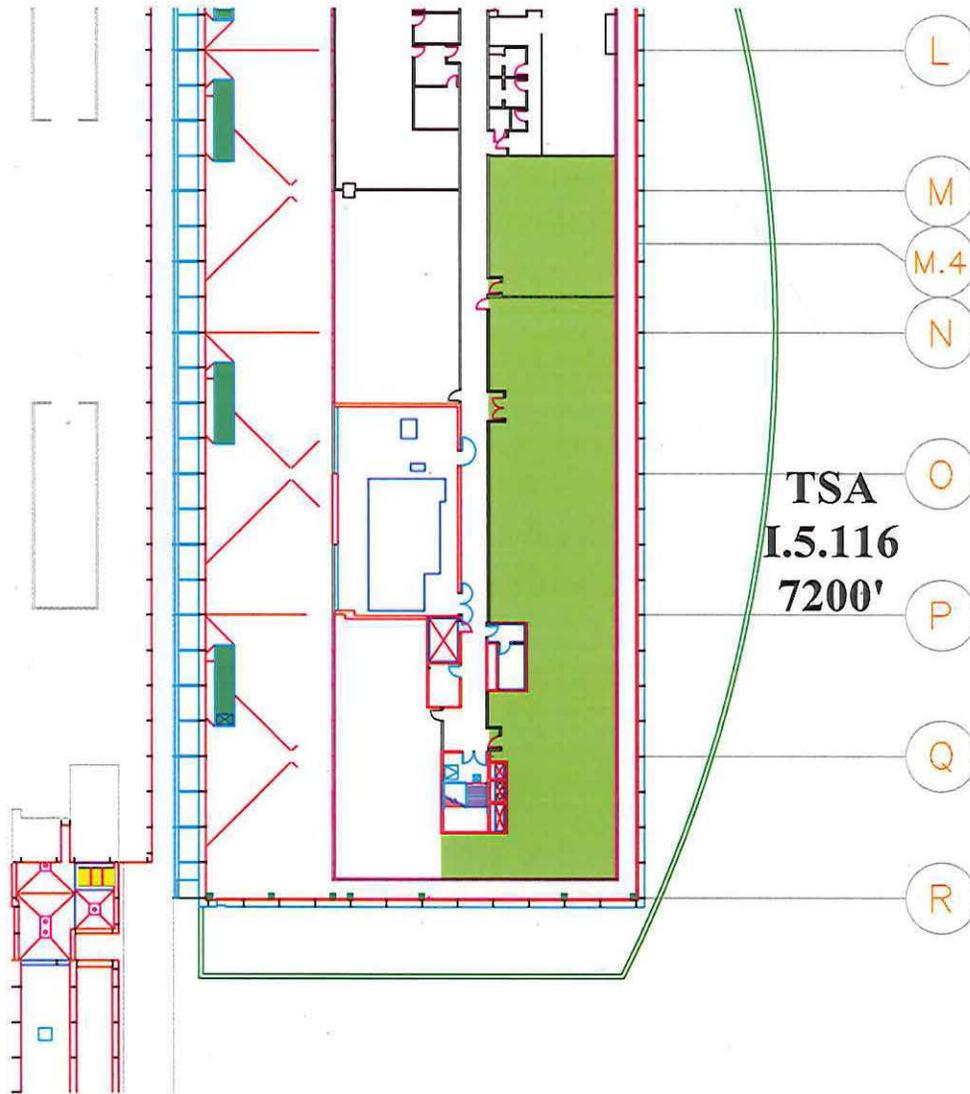
Where state or local law, code, or ordinance requires recycling programs (including mercury-containing lamps) for the Space to be provided pursuant to this Lease, the Lessor shall comply with such state and local law, code, or ordinance in accordance with GSA Form 3517, General Clauses, 552.270-8, *Compliance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

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**SECTION 5    ADDITIONAL TERMS AND CONDITIONS**

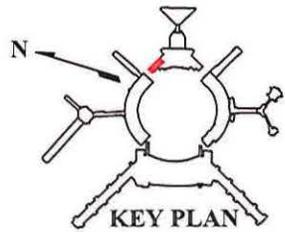
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TENANT LOCATION LEASE DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
LOCATION: INTERNATIONAL TERMINAL - LEVEL 5		I.5.116	TSA	2	7200'	GS 09B-03014	11/01/2012
TRANSPORTATION SECURITY ADMINISTRATION							
CITY & COUNTY OF SAN FRANCISCO	DWG: ISBBTSA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

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**TENANT LOCATION PERMIT DRAWING**

LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
T2.1.011	TSA	3	439'	GS09B-03014	11/01/2012
T2.1.011D	TSA	3	665'	GS09B-03014	11/01/2012

LOCATION: TERMINAL 2 - LEVEL 1

TRANSPORTATION SECURITY ADMINISTRATION

CITY & COUNTY OF SAN FRANCISCO	DWG: T21TSA
AIRPORTS COMMISSION	SCALE: 1/8"=1'-0"
SAN FRANCISCO INTERNATIONAL AIRPORT	DATE: 07/19/2012



GENERAL CLAUSES  
(Acquisition of Leasehold Interests in Real Property)

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

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

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

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**2. 552.270-11 SUCCESSORS BOUND (SEP 1999)**

This lease shall bind, and inure to the benefit of, the parties and their respective heirs, executors, administrators, successors, and assigns.

**3. 552.270-23 SUBORDINATION, NONDISTURBANCE AND ATTORNMEN (SEP 1999)**

- (a) Lessor warrants that it holds such title to or other interest in the premises and other property as is necessary to the Government's access to the premises and full use and enjoyment thereof in accordance with the provisions of this lease. Government agrees, in consideration of the warranties and conditions set forth in this clause, that this lease is subject and subordinate to any and all recorded mortgages, deeds of trust and other liens now or hereafter existing or imposed upon the premises, and to any renewal, modification or extension thereof. It is the intention of the parties that this provision shall be self-operative and that no further instrument shall be required to effect the present or subsequent subordination of this lease. Government agrees, however, within twenty (20) business days next following the Contracting Officer's receipt of a written demand, to execute such instruments as Lessor may reasonably request to evidence further the subordination of this lease to any existing or future mortgage, deed of trust or other security interest pertaining to the premises, and to any water, sewer or access easement necessary or desirable to serve the premises or adjoining property owned in whole or in part by Lessor if such easement does not interfere with the full enjoyment of any right granted the Government under this lease.
- (b) No such subordination, to either existing or future mortgages, deeds of trust or other lien or security instrument shall operate to affect adversely any right of the Government under this lease so long as the Government is not in default under this lease. Lessor will include in any future mortgage, deed of trust or other security instrument to which this lease becomes subordinate, or in a separate nondisturbance agreement, a provision to the foregoing effect. Lessor warrants that the holders of all notes or other obligations secured by existing mortgages, deeds of trust or other security instruments have consented to the provisions of this clause, and agrees to provide true copies of all such consents to the Contracting Officer promptly upon demand.
- (c) In the event of any sale of the premises or any portion thereof by foreclosure of the lien of any such mortgage, deed of trust or other security instrument, or the giving of a deed in lieu of foreclosure, the Government will be deemed to have attorned to any purchaser, purchasers, transferee or transferees of the premises or any portion thereof and its or their successors and assigns, and any such purchasers and transferees will be deemed to have assumed all obligations of the Lessor under this lease, so as to establish direct privity of estate and contract between Government and such purchasers or transferees, with the same force, effect and relative priority in time and right as if the lease had initially been entered into between such purchasers or transferees and the Government; provided, further, that the Contracting Officer and such purchasers or transferees shall, with reasonable promptness following any such sale or deed delivery in lieu of foreclosure, execute all such revisions to this lease, or other writings, as shall be necessary to document the foregoing relationship.
- (d) None of the foregoing provisions may be deemed or construed to imply a waiver of the Government's rights as a sovereign.

**4. 552.270-24 STATEMENT OF LEASE (SEP 1999)**

- (a) The Contracting Officer will, within thirty (30) days next following the Contracting Officer's receipt of a joint written request from Lessor and a prospective lender or purchaser of the building, execute and deliver to Lessor a letter stating that the same is issued subject to the conditions stated in this clause and, if such is the case, that (1) the lease is in full force and effect; (2) the date to which the rent and other charges have been paid in advance, if any; and (3) whether any notice of default has been issued.
- (b) Letters issued pursuant to this clause are subject to the following conditions:
  - (1) That they are based solely upon a reasonably diligent review of the Contracting Officer's lease file as of the date of issuance;
  - (2) That the Government shall not be held liable because of any defect in or condition of the premises or building;
  - (3) That the Contracting Officer does not warrant or represent that the premises or

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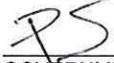




- (1) An Offeror may obtain a DUNS number—
- (i) If located within the United States, by calling Dun and Bradstreet at 1-866-705-5711 or via the Internet at <http://www.dnb.com>; or
  - (ii) If located outside the United States, by contacting the local Dun and Bradstreet office.
- (2) The Offeror should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

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the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract.

"Person," as used in this clause, means a corporation, partnership, business association of any kind, trust, joint-stock company, or individual.

"Prime contract," as used in this clause, means a contract or contractual action entered into by the United States for the purpose of obtaining supplies, materials, equipment, or services of any kind.

"Prime Contractor," as used in this clause, means a person who has entered into a prime contract with the United States.

"Prime Contractor employee," as used in this clause, means any officer, partner, employee, or agent of a prime Contractor.

"Subcontract," as used in this clause, means a contract or contractual action entered into by a prime Contractor or subcontractor for the purpose of obtaining supplies, materials, equipment, or services of any kind under a prime contract.

"Subcontractor," as used in this clause, (1) means any person, other than the prime Contractor, who offers to furnish or furnishes any supplies, materials, equipment, or services of any kind under a prime contract or a subcontract entered into in connection with such prime contract, and (2) includes any person who offers to furnish or furnishes general supplies to the prime Contractor or a higher tier subcontractor.

"Subcontractor employee," as used in this clause, means any officer, partner, employee, or agent of a subcontractor.

- (b) The Anti-Kickback Act of 1986 (41 U.S.C. 51-58) (the Act), prohibits any person from—
- (1) Providing or attempting to provide or offering to provide any kickback;
  - (2) Soliciting, accepting, or attempting to accept any kickback; or
  - (3) Including, directly or indirectly, the amount of any kickback in the contract price charged by a prime Contractor to the United States or in the contract price charged by a subcontractor to a prime Contractor or higher tier subcontractor.
- (c)
- (1) The Contractor shall have in place and follow reasonable procedures designed to prevent and detect possible violations described in paragraph (b) of this clause in its own operations and direct business relationships.
  - (2) When the Contractor has reasonable grounds to believe that a violation described in paragraph (b) of this clause may have occurred, the Contractor shall promptly report in writing the possible violation. Such reports shall be made to the inspector general of the contracting agency, the head of the contracting agency if the agency does not have an inspector general, or the Department of Justice.
  - (3) The Contractor shall cooperate fully with any Federal agency investigating a possible violation described in paragraph (b) of this clause.
  - (4) The Contracting Officer may (i) offset the amount of the kickback against any monies owed by the United States under the prime contract and/or (ii) direct that the Prime Contractor withhold from sums owed a subcontractor under the prime contract, the amount of the kickback. The Contracting Officer may order that monies withheld under subdivision (c)(4)(ii) of this clause be paid over to the Government unless the Government has already offset those monies under subdivision (c)(4)(i) of this clause. In either case, the Prime Contractor shall notify the Contracting Officer when the monies are withheld.
  - (5) The Contractor agrees to incorporate the substance of this clause, including paragraph (c)(5) but excepting paragraph (c)(1), in all subcontracts under this contract which exceed \$100,000.

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(48 CFR 4.7), whichever expires earlier, have access to and the right to examine any books, documents, papers, and records of the Contractor involving transactions related to this contract or compliance with any clauses thereunder. The Contractor further agrees to include in all its subcontracts hereunder a provision to the effect that the subcontractor agrees that the Administrator of General Services or any duly authorized representatives shall, until the expiration of 3 years after final payment under the subcontract, or of the time periods for the particular records specified in Subpart 4.7 of the Federal Acquisition Regulation (48 CFR 4.7), whichever expires earlier, have access to and the right to examine any books, documents, papers, and records of such subcontractor involving transactions related to the subcontract or compliance with any clauses thereunder. The term "subcontract" as used in this clause excludes (a) purchase orders not exceeding \$100,000 and (b) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

**28. 52.215-2 AUDIT AND RECORDS—NEGOTIATION (JUN 1999)**

- (a) As used in this clause, "records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form.
- (b) *Examination of costs.* If this is a cost-reimbursement, incentive, time-and-materials, labor-hour, or price redeterminable contract, or any combination of these, the Contractor shall maintain and the Contracting Officer, or an authorized representative of the Contracting Officer, shall have the right to examine and audit all records and other evidence sufficient to reflect properly all costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of this contract. This right of examination shall include inspection at all reasonable times of the Contractor's plants, or parts of them, engaged in performing the contract.
- (c) *Cost or pricing data.* If the Contractor has been required to submit cost or pricing data in connection with any pricing action relating to this contract, the Contracting Officer, or an authorized representative of the Contracting Officer, in order to evaluate the accuracy, completeness, and currency of the cost or pricing data, shall have the right to examine and audit all of the Contractor's records, including computations and projections, related to—
- (1) The proposal for the contract, subcontract, or modification;
  - (2) The discussions conducted on the proposal(s), including those related to negotiating;
  - (3) Pricing of the contract, subcontract, or modification; or
  - (4) Performance of the contract, subcontract or modification.
- (d) *Comptroller General.*
- (1) The Comptroller General of the United States, or an authorized representative, shall have access to and the right to examine any of the Contractor's directly pertinent records involving transactions related to this contract or a subcontract hereunder.
  - (2) This paragraph may not be construed to require the Contractor or subcontractor to create or maintain any record that the Contractor or subcontractor does not maintain in the ordinary course of business or pursuant to a provision of law.
- (e) *Reports.* If the Contractor is required to furnish cost, funding, or performance reports, the Contracting Officer or an authorized representative of the Contracting Officer shall have the right to examine and audit the supporting records and materials, for the purpose of evaluating—
- (1) The effectiveness of the Contractor's policies and procedures to produce data compatible with the objectives of these reports; and
  - (2) The data reported.
- (f) *Availability.* The Contractor shall make available at its office at all reasonable times the records, materials, and other evidence described in paragraphs (a), (b), (c), (d), and (e) of this clause, for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in Subpart 4.7, Contractor Records Retention, of

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

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

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

**29. 52.233-1 DISPUTES (JUL 2002)**

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

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

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

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

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

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

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(c) Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by section 1352, title 31, United States Code. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

5. 52.204-3 - TAXPAYER IDENTIFICATION (OCT 1998)

(a) *Definitions.*

"Common parent," as used in this provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the offeror is a member.

"Taxpayer Identification Number (TIN)," as used in this provision, means the number required by the Internal Revenue Service (IRS) to be used by the offeror in reporting income tax and other returns. The TIN may be either a Social Security Number or an Employer Identification Number.

(b) All offerors must submit the information required in paragraphs (d) through (f) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the IRS. If the resulting contract is subject to the payment reporting requirements described in Federal Acquisition Regulation (FAR) 4.904, the failure or refusal by the offeror to furnish the information may result in a 31 percent reduction of payments otherwise due under the contract.

(c) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

(d) *Taxpayer Identification Number (TIN).*

- \* TIN: 94-324-8335.
- \* TIN has been applied for.
- \* TIN is not required because:
- \* Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;
- \* Offeror is an agency or instrumentality of a foreign government;
- \* Offeror is an agency or instrumentality of the Federal government;

(e) *Type of organization.*

- \* Sole proprietorship;
- \* Partnership;
- \* Corporate entity (not tax-exempt);
- \* Corporate entity (tax-exempt);
- \* Government entity (Federal, State, or local);
- \* Foreign government;
- \* International organization per 26 CFR 1.6049-4;
- \* Other \_\_\_\_\_.

(f) *Common Parent.*

- \* Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this provision.
- \* Name and TIN of common parent:

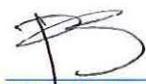
Name \_\_\_\_\_  
TIN \_\_\_\_\_

6. OFFEROR'S DUNS NUMBER (APR 1996)

Enter number, if known: \_\_\_\_\_

OFFEROR OR AUTHORIZED REPRESENTATIVE	Name and Address (Including ZIP Code)	Telephone Number
	San Francisco International Airport Administrative Offices Building 100 – International Terminal P.O. Box 8097 San Francisco, CA 94128	650-821-5000
	Signature <u>John L. Martin Sr.</u>	Date <u>11-28-12</u>

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<p style="text-align: center;"><b>GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE</b></p> <p style="text-align: center;"><b>LEASE AMENDMENT</b></p>	<p style="text-align: center;">LEASE AMENDMENT No. 1</p>
<p>ADDRESS OF PREMISES: San Francisco International Airport SAN FRANCISCO, CA 94128</p>	<p style="text-align: center;">TO LEASE NO. GS-09B-03014</p>

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

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

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

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

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

Paragraph 1.03A is amended:

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

This Lease Amendment contains (2) pages.

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

IN WITNESS WHEREOF, the parties subscribed their names as of the below date.

FOR THE LESSOR:

Signature: [Signature]  
Name: Ivar C. Satero  
Title: Airport Director  
Entity Name: Airport Commission  
Date: \_\_\_\_\_

FOR THE GOVERNMENT:

Signature: [Signature]  
Name: Joel Gomez  
Title: Lease Contracting Officer  
GSA, Public Buildings Service,  
Date: 3/1/2018

WITNESSED FOR THE LESSOR BY:

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

*[Faint stamp: City Attorney]*  
[Signature]

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

Room T2.1.011/11D Parcel B	Years 6-8	
	Annual Rent	Annual Rate / RSF
Shell Rental Rate	\$199,366.72	\$179.68
Operating Costs	\$11,856.96	\$10.74
Full Service Rate	\$210,223.68	\$190.42

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

**Paragraph 1.04B is hereby added:**

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

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

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AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 20-0176

**APPROVAL OF MODIFICATION NO. 2 TO LEASE NO. GS-09B-03014, WITH THE U.S. GOVERNMENT, TO EXTEND THE TERM OF THE LEASE BY THREE YEARS AND ADJUST THE PREMISES AND ANNUAL RENT, AND DIRECTING THE COMMISSION SECRETARY TO FORWARD LEASE MODIFICATION NO. 2 TO THE BOARD OF SUPERVISORS FOR APPROVAL**

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

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

WHEREAS, on September 5, 2017, by Resolution No. 17-0221, the Commission approved Modification No. 1 to the Lease, extending the term by three years and modifying the annual rent; and

WHEREAS, on February 6, 2018, by Resolution No. 29-18, the Board of Supervisors approved Modification No. 1 to the Lease; and

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

WHEREAS, the Lease provides approximately 7,200 square feet of Category II space in the International Terminal (Parcel A) and approximately 1,104 square feet of Category III space in Terminal 2 (Parcel B), which will expire on October 31, 2020; and

WHEREAS, the TSA wishes to extend the Lease term for an additional three-year period and add approximately 0.057 acres of land to the premises for the storage of canine training aids, with a commensurate modification of rent; and

WHEREAS, Airport staff negotiated Modification No. 2 with the GSA, acting on behalf of the TSA, to extend the term of the Lease by three years, modify the annual rent, and expand the premises by approximately 0.057 acres of land; now, therefore, be it

RESOLVED, that the Commission hereby approves Modification No. 2 to Lease No. GS-09B-03014 with the U.S. Government to extend the term of the Lease by three years, effective November 1, 2020, modify the annual rent to \$2,590,866.56, and expand the premises by approximately 0.057 acres of land on the terms and conditions set forth in the Director's Memorandum affixed to this Resolution; and, be it further

RESOLVED, that the Airport Commission hereby directs the Commission Secretary to forward Modification No. 2 to the Board of Supervisors for approval under 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* \_\_\_\_\_

SEP 15 2020

\_\_\_\_\_  
*Secretary*



**MEMORANDUM**

September 15, 2020

TO: AIRPORT COMMISSION  
Hon. Larry Mazzola, President  
Hon. Eleanor Johns, Vice President  
Hon. Richard J. Guggenlime  
Hon. Everett A. Hewlett, Jr.  
Hon. Malcolm Yeung

20-0176  
SEP 15 2020

FROM: Airport Director

SUBJECT: Approval of Modification No. 2 to Lease No. GS-09B-03014 with the U.S. Government to Extend the Term and Adjust the Premises and Annual Rent for Spaces Occupied by the U.S. Transportation Security Administration

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 2 TO LEASE NO. GS-09B-03014 WITH THE U.S. GOVERNMENT TO EXTEND THE TERM OF THE LEASE BY THREE YEARS AND ADJUST THE PREMISES AND ANNUAL RENT.

**Executive Summary**

The U.S. Transportation Security Administration (TSA) currently occupies approximately 8,304 square feet of terminal space at San Francisco International Airport (SFO or Airport) under Lease No. GS-09B-03014 (Office Lease). The Office Lease expires on October 31, 2020.

The TSA separately occupies approximately 0.057 acres of land at Plot 50-DJ (Plot 50-DJ Premises), for the storage of canine training aids, under Lease No. HSTS02-09-A-CAN348 (Canine Lease). The TSA wishes to exercise an early termination option on the Canine Lease and add the Plot 50-DJ Premises into the premises demised under the Office Lease. The proposed Office Lease modification will extend the term by three years and adjust the annual rent to \$2,590,866.56 (Modification).

**Background**

On August 7, 2012, by Commission Resolution No. 12-0185, the Commission approved the Office Lease, providing administrative office spaces for the TSA in the International Terminal (IT) and Terminal 2 (T2). On October 30, 2012, by Resolution No. 399-12, the Board of Supervisors approved the Office Lease.

On September 5, 2017, by Resolution No. 17-0221, the Commission approved Modification No. 1 to the Office Lease, extending the term to October 31, 2020 (Modification No. 1). On February 6, 2018, by Resolution No. 29-18, the Board of Supervisors approved Modification No. 1.

THIS PRINT COVERS CALENDAR ITEM NO. 13

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

LONDON N. BREED MAYOR    LARRY MAZZOLA PRESIDENT    ELEANOR JOHNS VICE PRESIDENT    RICHARD J. GUGGENHIME    EVERETT A. HEWLETT, JR.    MALCOLM YEUNG    IVAR C. SATERO AIRPORT DIRECTOR

The Office Lease provides approximately 7,200 square feet of Category II space on the fifth floor of the South Shoulder Building in the IT (Parcel A) and approximately 1,104 square feet of Category III space on the first floor of T2 (Parcel B). The fixed annual rent is \$1,996,111.68.

The Office Lease requires the Airport to provide maintenance, janitorial services, and utilities, including electricity and water. The Airport is reimbursed for the cost of these services by incorporation of an operating cost component into the rental rate, as more fully described below.

On June 16, 2009, by Commission Resolution No. 09-0161, the Commission approved the Canine Lease, which provides approximately 0.057 acres of land for storage of canine training aids at Plot 50-DJ. Expiring on December 31, 2020, the fixed annual rent is \$7,212.00.

Due to budget constraints, the TSA wishes to exercise an existing termination option in the Canine Lease two months prior to the December 31, 2020 expiration date. The TSA then wishes to combine the Canine Lease premises with the premises demised under the Office Lease, which will be extended for three years. The proposed Modification increases the combined fixed annual rent under the Office Lease to \$2,590,866.56. Additional services provided under the Office Lease will not be provided at the Plot 50-DJ Premises. The early termination of the Canine Lease by the TSA does not require the approval of the Commission.

The TSA also wishes to downsize Parcel A in the future, reducing costs and office footprint in the IT. The proposed Modification includes language providing flexibility for the planned adjustments.

### **Proposal**

Airport staff seeks approval of the proposed Modification on the following business terms:

1. **Extension Term.** Three years, one-year firm – TSA will have the option to sign a new lease at the time of its election to decrease space (or adjust premises as described in No. 4 below).
2. **Effective Date.** November 1, 2020.
3. **Premises Expansion.** Add approximately 0.057 acres of land to the Premises; however, such additional premise will not require any Airport services.
4. **Right to Decrease Space.** TSA will have a one-time right to decrease Parcel A space at its sole cost. The proposed Modification outlines Airport-required location, minimum/maximum square footage, and requires 45 days' prior written notice. Annual rent will be reduced by applying the new square footage to Office Lease rates on a per square foot basis.
5. **Annual Rent.** \$2,590,866.56 per year fixed for the Extension Term. This represents an increase of \$594,754.88 per year, or \$1,784,264.64 over the Extension Term. Annual Rent is comprised of:
  - Parcel A & B:
    - Terminal rent for Category II and III spaces pursuant to current and projected Airport Rates & Charges averaged over the three-year Extension Term. Parcel B rent increased to include the remaining balance of Surcharge Fee referenced below.
    - Operating costs for maintenance, janitorial services, and utilities pursuant to Airport Facilities' projections averaged over the three-year term.

- Plot 50-DJ Premises: \$10,045 per year, based on new average fair market value land rate of approximately \$175,029 per acre per year (\$4.018 per square foot per year).

Initial rates and average rates are summarized below.

Rate Category	Initial Rate/SF/YR	Average Rate/SF/YR	Annual Rent
Parcel A Rent – Cat II	\$255.21*	\$310.61	\$2,236,424.00
Parcel A Operating Cost	\$12.68	\$13.55	\$97,535.83
Parcel B Rent – Cat III	\$170.14**	\$207.08	\$228,612.64
Parcel B Operating Cost	\$12.68	\$13.55	\$14,955.49
Surcharge Fee	\$21.48	\$2.98	\$3,293.60
Plot 50-DJ Premises		\$4.018	\$10,045.00
Total			\$2,590,866.56

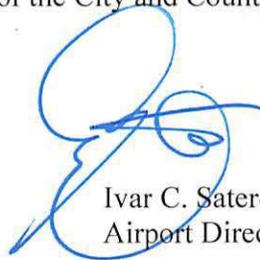
\*CAT II for FY 20/21

\*\*CAT III for FY 20/21

6. **Surcharge Fee.** Assessed to recover the cost of alterations and improvements installed by Airport to convert shell space into basic finished office space, which were constructed during the Airport's Terminal 2 Renovation Project. The above listed amounts represent the five months remaining on the 10-year surcharge assessment.

### Recommendation

I recommend adoption of the accompanying Resolution approving Modification No. 2 to the Office Lease and directing the Commission Secretary to forward the Lease to the Board of Supervisors for approval under Section 9.118 of the Charter of the City and County of San Francisco.



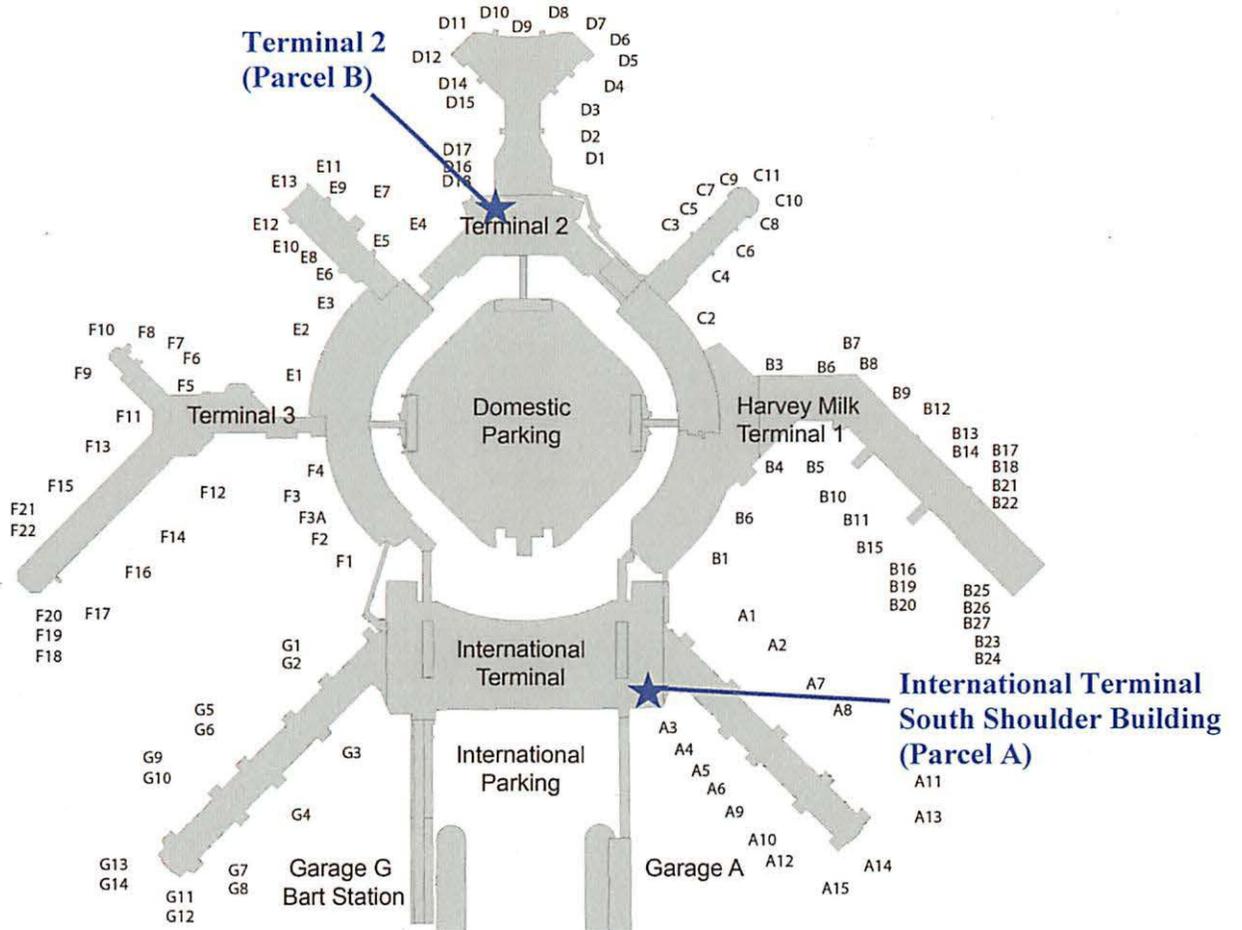
Ivar C. Satero  
Airport Director

Prepared by: Cheryl Nashir  
Acting Chief Commercial Officer

Attachments

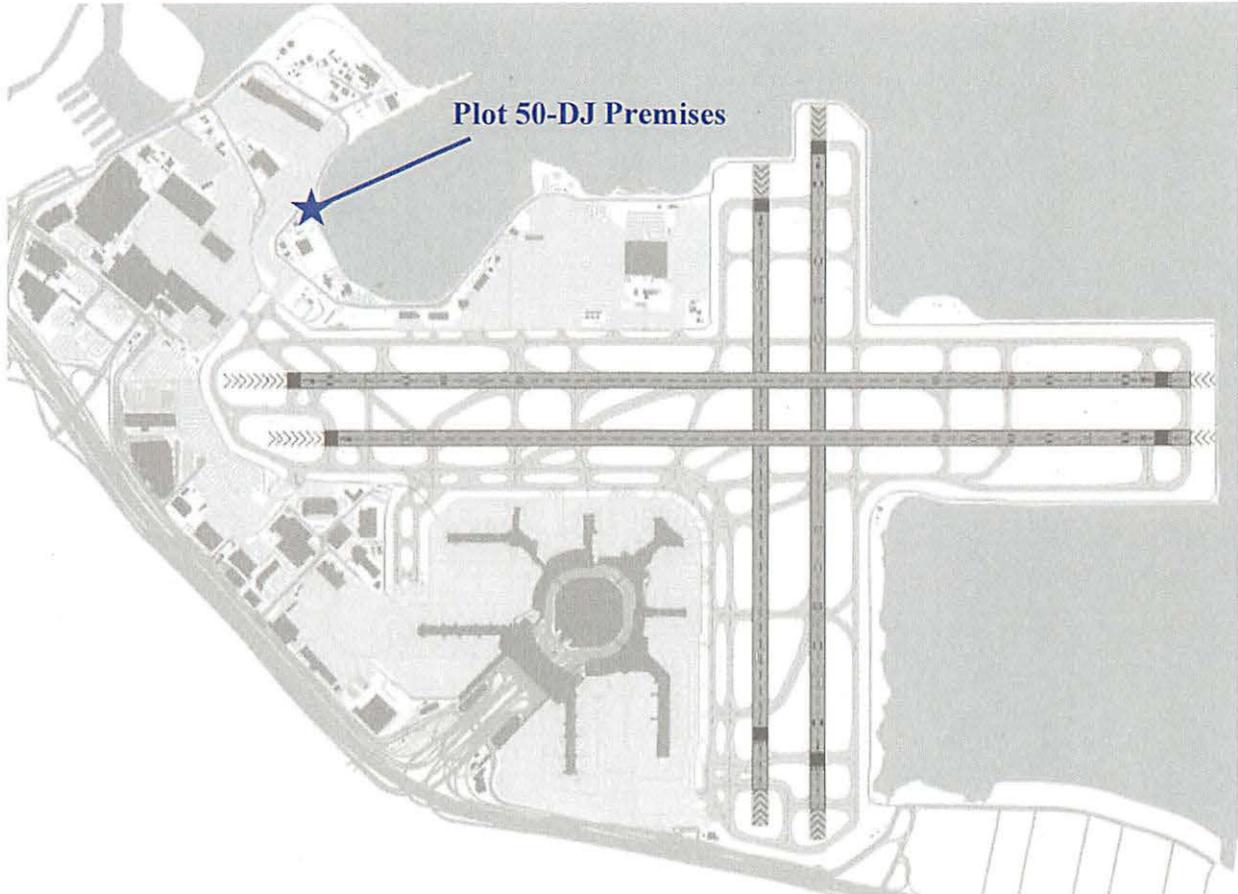
Attachment A

U.S. GOVERNMENT, U.S. TRANSPORTATION SECURITY ADMINISTRATION  
OFFICE LEASE LOCATIONS



Attachment A

U.S. GOVERNMENT, U.S. TRANSPORTATION SECURITY ADMINISTRATION  
PLOT 50-DJ PREMISES LOCATION





San Francisco International Airport

October 5, 2020

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: Modification No. 2 of Lease No. GS-09B-03014 between the U.S. Government General Services Administration 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 Modification No. 2 of Lease No. GS-09B-03014 between the City and County of San Francisco, acting by and through its Airport Commission, and the U.S. Government General Services Administration on behalf of the U.S. Transportation Security Administration.

The following is a list of accompanying documents:

- Board of Supervisors Resolution (one original and two copies);
- Approved Airport Commission Resolution No. 20-0176 with accompanying Memorandum;
- A copy of Lease No. GS-09B-03014;
- A copy of Modification No. 1 of Lease No. GS-09B-03014; and
- A copy of Modification No. 2 of Lease No. GS-09B-03014.

The following person may be contacted regarding this matter:

Steve Lash  
Senior Property Manager  
(650) 821-4525  
steve.lash@flysfo.com

Very truly yours,

*Corina Monzón /s/*  
Corina Monzón  
Commission Secretary

Enclosures

cc: Steve Lash, Aviation Management  
Cathy Widener, Governmental Affairs

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

LONDON N. BREED MAYOR	LARRY MAZZOLA PRESIDENT	ELEANOR JOHNS VICE PRESIDENT	RICHARD J. GUGGENHIME	EVERETT A. HEWLETT, JR.	MALCOLM YEUNG	IVAR C. SATERO AIRPORT DIRECTOR
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**From:** [Dyanna Quizon \(AIR\)](#)  
**To:** [BOS Legislation \(BOS\)](#)  
**Cc:** [Cathy Widener \(AIR\)](#); [Carolyn Jayin \(AIR\)](#); [Corina Monzon \(AIR\)](#)  
**Subject:** BOS E-File Submittal - Transportation Security Administration, Lease Mod #2  
**Date:** Monday, September 28, 2020 11:07:53 AM  
**Attachments:** [BOS\\_Resolution\\_TSA2020.docx](#)  
[20-0176 APPROVAL Mod 2 Lease No GS-09B-03014 - TSA.pdf](#)  
[TSA Lease GS-09B-03014.pdf](#)  
[TSA Lease GS-09B-03014 SLA 1.pdf](#)  
[Lease Amendment 2 - Extension - Expansion -Right to Decrease.pdf](#)  
[image001.png](#)  
[TSA\\_CoverLetter.docx](#)  
[RE E-APPROVAL REQUESTED BOS E-File Submittal - Transportation Security Administration Lease Mod #2.msg](#)

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CITY AND COUNTY OF SAN  
FRANCISCO

AIRPORT COMMISSION

BOARD OF SUPERVISORS LEGISLATION

To: BOS Legislation  
Date: September 25, 2020

RE: Modification No. 2 of Lease No. GS-09B-03014 between the U.S. Government General Services Administration and the City and County of San Francisco, acting by and through its Airport Commission

Attached is proposed legislation concerning approval of Modification No. 2 of Lease No. GS-09B-03014 between the U.S. Government General Services Administration and the City and County of San Francisco, acting by and through its Airport Commission .

The Airport Commission awarded the Lease by adopting Resolution No. 20-0176 on September 15, 2020.

The attachments for the Lease are listed below:

- Board of Supervisors Resolution;
- Approved Airport Commission Resolution No. 20-0176 with accompanying Director Memorandum;
- A copy of duly executed Lease No. GS-09B-03014;
- A copy of duly executed Modification No. 1 to Lease No. GS-09B-03014; and
- A copy of Modification No. 2 to Lease No. GS-09B-03014 approved as to form by the City Attorney's Office.

These documents were also delivered in hard copy.

Contacts:

Cathy Widener, Governmental Affairs Administrator  
650-821-5023

Steve Lash, Aviation Management  
650-821-4525



**Dyanna Quizon** (*preferred pronouns: she/her/hers*)  
Manager | Government Affairs