

UNITED STATES OF AMERICA
By and through the
GENERAL SERVICES ADMINISTRATION
For the
[REDACTED]
LEASE AGREEMENT
MEMPHIS INTERNATIONAL AIRPORT

THIS LEASE AGREEMENT (“Lease”), is made and entered into this 1st day of April, 2016, by and between the MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY, a body politic and corporate, organized and existing under and by virtue of the laws of the State of Tennessee (hereinafter referred to as “Lessor”), and the UNITED STATES OF AMERICA, acting by and through the GENERAL SERVICES ADMINISTRATION, represented by the undersigned CONTRACTING OFFICER, (hereinafter referred to as “Lessee”).

WITNESSETH:

WHEREAS, Lessor owns and operates the Memphis International Airport located in Memphis, Shelby County, Tennessee (hereinafter referred to as the “Airport”); and

WHEREAS, Lessee desires to lease certain spaces located at the Airport, 2491 Winchester Road, Memphis, Tennessee, containing approximately 4,828 rentable square feet (RSF), 4,828 yielding ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located with 688 rentable square feet in Terminal A Break Room Suite Number. TS2A, 705 rentable square feet in Terminal B Baggage Equipment Issue Room Suite Number; TS3A, TS3B, TS3C, and 3,506 actual but 3,435 rentable square feet in Terminal B Suite Numbers: TS1A, TS1B, and TS1C for a total of 4,828 rentable square feet of the Building, all as shown on **Collective Exhibit A** attached hereto and made a part hereof, (hereinafter referred to as the “Leased Premises”) and a Common Area Factor (CAF) is established as 1 percent, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses; and

WHEREAS, Lessor represents that it has the right to lease the premises, together with all the facilities, rights, licenses, services and privileges in the manner and to the extent hereinafter set forth;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual covenants, agreements and obligations hereinafter set forth, both parties agree as follows:

1. Operations

Lessee shall use and occupy the Leased Premises for the [REDACTED] and for no other purpose except as specified in Paragraph 15. The Lessee agrees that the Leased Premises will not be used for operations and activities that are not normally associated with its primary business and will not permit the Leased Premises to be used for any unlawful purpose.

2. Term and Termination Rights

This Lease Agreement and all rights herein granted to the Lessee shall commence on **April 1, 2016** and continue for a five (5) year term ending **March 31, 2021**.

The Government may terminate this Lease, in whole or in part, at any time during the term of this lease with 30 days' prior written notice to the Lessor including but not limited to, if (i) regularly scheduled commercial air services cease, (ii) the airport opts to replace [REDACTED] screeners with private contractors, (iii) the checkpoint supported by the leased Space is closed, or (iv) the Government reduces its presence at the airport due to a reduction in enplanements. 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.

3. Rent and Other Charges

(a) During the term of this Lease, The Government shall pay the Lessor annual rent, payable in monthly installments in arrears. Lessee shall incur an annual increase of (10%) each year of this Agreement at the following rates:

<u>Year/Term</u>	<u>Sq. Ft.</u>	<u>Rate</u>	<u>Monthly</u>	<u>Annually</u>
✓ 04/01/2016 – 03/31/2017				
Rent	4,828	\$113.38	\$45,616.55	\$547,398.64
Utilities	4,828	\$ 6.72	\$ 2,703.68	\$ 32,444.16
04/01/2017 – 03/31/2018				
Rent	4,828	\$124.72	\$50,179.01	\$602,148.16
Utilities	4,828	\$ 7.39	\$ 2,973.24	\$ 35,678.92
04/01/2018 – 03/31/2019				
Rent	4,828	\$137.19	\$55,196.11	\$662,353.32
Utilities	4,828	\$ 8.13	\$ 3,270.97	\$ 39,251.64
04/01/2019 – 03/31/2020				
Rent	4,828	\$150.91	\$60,716.12	\$728,893.48
Utilities	4,828	\$ 8.94	\$ 3,596.86	\$ 43,162.32
04/01/2020 – 03/31/2021				
Rent	4,828	\$166.00	\$66,787.33	\$801,448.00
Utilities	4,828	\$ 9.83	\$ 3,954.94	\$ 47,459.24

NEXT ADJ. DATE

- (b) Rent shall be paid to 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 (CCR), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.
- (c) In addition to the rental payments for the Leased Premises and throughout the Term of this Agreement, Lessee agrees to make total monthly payments each month without demand or invoice for the use of four (4) parking spaces in a parking area to be designated by the Authority as follows:

✓ Parking Spaces (4)	<u>Monthly</u> \$152.00	<u>Annually</u> \$1,824.00
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- (d) If any rental payments or other charges are not received by the dates due, Lessee shall follow the guidelines in accordance with the Prompt Payment Act.
- (e) **Central Contractor Registration**
The Offeror must have an active registration in the Central Contractor Registration (CCR) database, now the System for Award Management (SAM), via the Internet at <https://www.acquisition.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 registration in SAM. No change of ownership of the leased Premises will be recognized by the Government until the new owner registers in SAM.

All payments shall be sent to the following address which is registered in System for Award Management (SAM):

Memphis-Shelby County Airport Authority
Attn: Director of Finance
2491 Winchester Road, Suite 113
Memphis, TN 38116
DUNS number: 052563020

4. Insurance

The Federal government is a self-insurer in certain areas, primarily loss or damage to government property and the liability of government employees insofar as the government is legally responsible or would ultimately bear the loss.

5. This section is intentionally left blank.

6. This section is intentionally left blank.

7. Access to Secure Area

- (a) Lessee's employees who need access to the Airport's secure area will be required to attend Security Identification Display Area (SIDA) training, submit to a criminal history records check, and be approved by Lessor, in its sole discretion, to obtain an airport identification access badge ("Airport Badge"). Lessee's employees will be required to strictly adhere to all applicable security requirements of the [REDACTED] and Lessor. Failure to strictly adhere to any applicable security requirement may subject Lessee or Lessee's employees to temporary or permanent revocation of the Airport Badge, even on first offense.
- (b) Lessee understands these requirements and agrees to advise its employees of this provision and all of the [REDACTED] and Lessor's security rules and regulations. Lessee certifies that none of its employees, officers, agents, or subcontractors' employees, officers or agents will be allowed in the Airport's secure area at any time for any purpose, unless a satisfactory background investigation has been completed on such individual. Otherwise, such individual is to be, at all times, either escorted or under the supervision and surveillance of a person whose background has been satisfactorily investigated, provided the person responsible for escort is properly escorting said individual. Lessee understands and agrees that Lessor shall have no liability whatsoever to Lessee or its employees for the denial or revocation of an Airport Badge.

8. Access and Parking

- (a) The right of ingress and egress to and from the Leased Premises is granted to Lessee, its employees, agents, customers, passengers, and invitees over designated roadways, drives and walkways without charge. Nothing herein, however, shall be deemed to limit Lessor's right to impose charges upon the parking of vehicles.
- (b) Lessee, its employees, agents, customers, passengers, and invitees will be provided adequate vehicular parking space located as near as possible to the Airport. The rates established for use of Lessor's parking facilities shall be periodically reviewed to ensure that the cost of providing and maintaining such facilities is adequately covered. Lessor will determine the reasonable cost of providing parking facilities, which shall be assessed equally among users of the parking spaces, and provide Lessee with approximately thirty (30) days advance written notice of any increases in such parking rates.

9. Telephone and Mailbox Services

Lessee has the option to obtain telephone service through the use of Lessor's Shared Tenant Telephone System and/or an assigned Post Office Box/Suite Number to receive mail at the Airport terminal building.

- (a) Telephone service. This benefit allows tenants to share the cost of phone services and the convenience of having on-site support at no additional cost. Lessee must submit a written request to Lessor's Properties Division to add or terminate this service. Lessee is responsible for any associated cabling, internet and additional equipment

costs, and any long distances charges incurred by Lessee. Monthly rental rates established for the use of Lessor's Shared Tenant Telephone System may be periodically reviewed to ensure that the cost of providing and maintaining such system is adequately covered.

- (b) Mailbox service. There is no cost for the use of this service. All Post Office Box/Suite Numbers are located in A-Baggage Claim. Lessee must submit a written request to Lessor's Properties Division to add or terminate this service. Lessee must return all keys to Lessor's Properties Division immediately upon termination of this Lease Agreement and is responsible for all fees incurred for any duplicate, unreturned, and/or lost keys.

10. **Security**

The Lessor shall not be obligated to provide any police, watchmen or fire protection beyond those services provided by the Lessor to the Airport in general. Neither the Lessor, nor any of its commissioners, agents, officers or employees shall be liable or responsible to the Lessee for any damages by reason of the lack of any such service.

11. **Maintenance, Signs and Improvements**

- (a) Lessee agrees to maintain the Leased Premises, including all improvements and fixtures thereon, in good condition at its sole cost, including but not limited to, painting, janitorial work, and the replacement of light bulbs and fluorescent tubes.
- (b) Lessee shall not erect or cause to be erected any signs on Airport property or the Leased Premises without the prior written approval of Lessor.
- (c) Lessee shall not make or cause to be made any additions to or alterations or modifications of the areas comprising the Leased Premises without the prior written approval of the Lessor, such approval not to be unreasonably withheld. The Lessee shall retain no interest in such additions, alterations and modifications, unless such interest is specifically granted to Lessee by the Lessor, and the same shall be left in good condition by the Lessee upon termination of this Lease Agreement, reasonable wear and tear excepted.

12. **This section is intentionally left blank.**

13. **This section is intentionally left blank.**

14. **Quiet Enjoyment**

Lessor agrees that, on payment of all rent and other charges, and the performance of the covenants and agreements on the part of Lessee to be performed hereunder, Lessee shall peaceably have and enjoy the Leased Premises and privileges of said Airport granted herein.

15. Assignments and Subleases

Lessee shall not at any time assign any part thereof or sublet all or any portion of the Leased Premises without the prior written approval of Lessor, which shall not be unreasonably withheld.

16. Nondiscrimination

(a) The Lessee for itself and its successors in interest and assigns hereby covenants and agrees that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation- Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

(b) The Lessee for itself and its successors in interest and assigns also hereby covenants and agrees that (1) no person on the grounds of race, color, national origin, sex, religion or disability shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises; (2) that in the construction of any improvements on, over, or under such Leased Premises and the furnishing of services thereon, no person on the grounds of race, color, national origin, sex, religion or disability shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (3) that the Lessee shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

17. No Financial Interest

Lessee understands and agrees that no Authority employee or member of the Board of Commissioners, Memphis City Council or Shelby County Commission shall receive any financial benefit arising out of this Lease Agreement, either directly or indirectly. Further, any fees paid to any person or entity by Lessee for assistance in obtaining this Lease Agreement must be fully disclosed to Lessor.

18. Damage to Airport Property

Lessee agrees to promptly notify Lessor of any damage caused to Airport property arising from Lessee's activities at the Airport. Lessor will follow the Federal Claims Act to recover payment for damages.

19. **Rules and Regulations and Other Laws**

Lessee agrees to comply with all rules and regulations, which may now or hereafter be promulgated or adopted by the Lessor relative to the safe, efficient or orderly operation of the Airport premises. Lessee further agrees to comply with all applicable federal, state, and local laws, regulations, and orders.

20. **Default/Disputes**

Lessor will use GSA 3517D to file disputed claims.

21. **Lessor's Entry upon Premises**

Lessor may enter upon the Leased Premises at any time for any purpose necessary, incidental to or connected with the performance of its obligations hereunder, or in the exercise of its governmental functions.

22. **Lessor's Right to Repair Terminal Building**

Lessor shall have the absolute right to make any repairs alterations, and additions to the Airport's terminal building free from any and all liability for loss of business or damages of any nature whatsoever to the Lessee occasioned during the making of such repairs, alterations or additions. Lessor will take reasonable steps, however, to minimize interference with the business of Lessee during any such period.

23. **This section is intentionally left blank.**

24. **This section is intentionally left blank.**

25. **This section is intentionally left blank.**

26. **Official Notice**

(a) All notices, requests, consents and approvals served or given under this Lease Agreement shall be served or given in writing by regular U.S. mail, by certified mail, adequate postage prepaid, by hand-delivery, by an overnight delivery service, or by electronic mail. Either party may designate a different address by giving written notice to the other party in accordance with this provision.

(b) Notice intended for the Lessor shall be mailed to the Vice President of Properties and Business Development (rwhite@flymemphis.com), with a copy to Lessor's General Counsel (bkuhn@flymemphis.com) at the address for U.S. mail, as follows:

U.S. Mail or Hand-Delivery

Memphis-Shelby County Airport Authority
2491 Winchester Rd., Suite 113
Memphis, Tennessee 38116-3856

Certified Mail or Overnight Delivery

Memphis-Shelby County Airport Authority
3505 Tchulahoma Road
Memphis, TN 38118 (901)922-8000

(c) Notice intended for the Lessee shall be addressed to:

**U.S. General Services Administration
Leasing Division – 4PR1C
77 Forsyth St, SW, Suite G-40
Atlanta, GA 30303 - 3458
(404)562.0894**

(d) Notices shall be deemed effective three (3) days after being deposited in the U.S. mail, when delivered by hand-delivery or overnight courier, or upon the sender's receipt of an email confirming successful delivery.

- 27. **This section is intentionally left blank.**
- 28. **GSA 3517D and 3518 are included as part of this agreement.**
- 29. **Execution of Agreement**

The parties hereby agree and express their intent to execute this Lease Agreement electronically if Lessor has a designated information processing system. The parties also hereby agree that this Lease Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

- 30. **Entire Agreement**

This Lease Agreement constitutes the complete agreement of the parties with respect to the subject matter hereof and supersedes all previous agreements, representations and understandings concerning the same, whether written or oral. The provisions of this Lease Agreement may be modified, amended or waived only by a written instrument, executed by the Lessor and the Lessee. If any provision or term of this Lease Agreement shall be determined to be illegal, invalid or unenforceable, the remainder of this Lease Agreement shall not be affected and shall remain valid and enforceable to the fullest extent permitted by law.

*The remainder of this page intentionally left blank.
[Signature page to follow.]*

IN WITNESS WHEREOF, the parties have caused this Lease Agreement to be executed by their duly authorized representatives as of the day and year first above written.

[Redacted]

**UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION**

By: [Redacted]

By: [Redacted]

Title: President & CEO

[Redacted]

Title: Contracting Officer

Date: 03/03/2016

Approved as to Content:

[Redacted]

[Redacted]
Properties & Business Development

Approved as to Form and Legality:

[Redacted]

[Redacted]