

1 [Ground Lease Modification - United Airlines, Inc. - Three-Year Term Extension]

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3 **Resolution approving Modification No. 1 to Ground Lease No. 96-0268 between the City**  
4 **and County of San Francisco, acting by and through its Airport Commission, and**  
5 **United Airlines, Inc. to extend the term by three years, provide for rent adjustments**  
6 **during the extension term, and update certain legal provisions required by applicable**  
7 **local, state, and federal laws, as defined herein, to take effect only after approval by the**  
8 **Board of Supervisors.**

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10 WHEREAS, On October 18, 1996, by Resolution No. 96-0268, the Airport Commission  
11 (“Commission”) approved Lease No. 96-0268 (“Lease”) between the City and County of  
12 San Francisco (the “City”) and United Airlines, Inc. (“United”) for approximately 11.30 acres of  
13 land at the Airport, commonly known as Plot 7X (“Premises”), for a period of 25 years; and

14 WHEREAS, Prior to the Lease receiving approval from the Board of Supervisors, the  
15 City and County of San Francisco enacted the Non-Discrimination in City Contracts and  
16 Benefits Ordinance (the “Ordinance”); and

17 WHEREAS, Addendum No. 1 was subsequently incorporated into the Lease, which  
18 provided United with a revised initial term of approximately two years from the  
19 commencement date of the Lease, to provide United with the time to come into compliance  
20 with the Ordinance, and the right to extend the term for an additional 23 years; and

21 WHEREAS, On February 21, 1997, by Resolution No. 131-97, the Board of  
22 Supervisors approved the Lease, inclusive of Addendum No. 1; and

23 WHEREAS, United came into compliance with the Ordinance and exercised its right to  
24 extend the Lease through August 31, 2021, the current expiration date; and

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1           WHEREAS, The City and United have negotiated the terms of Modification No. 1 to the  
2 Lease (“Modification No. 1”) to (i) extend the term for three years, (ii) provide for annual rent  
3 adjustments during the extension term to reflect the increase, if any, in the “cost of living” over  
4 the previous year; and (iii) update certain legal provisions required by applicable local, state,  
5 and federal laws; and

6           WHEREAS, All other terms and conditions of the Lease remain unmodified and in full  
7 force and effect; and

8           WHEREAS, On October 19, 2021, by Resolution No. 21-0205, the Commission  
9 approved Modification No. 1; and

10          WHEREAS, The Effective Date of Modification No. 1 is the date it is approved by the  
11 Board of Supervisors and is fully executed by all parties; and

12          WHEREAS, A copy of Modification No. 1 is on file with the Clerk of the Board of  
13 Supervisors in File No. 211144, which is hereby declared to be part of this Resolution as if set  
14 forth fully herein; now, therefore, be it

15          RESOLVED, That the Board of Supervisors hereby approves Modification No. 1; and,  
16 be it

17          FURTHER RESOLVED, That within thirty (30) days of Modification No. 1 being fully  
18 executed by all parties, the Airport Commission shall provide a copy of the final Modification  
19 No. 1 to the Clerk of the Board for inclusion into the official file.

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