

**MODIFICATION NO. 2 TO
LEASE OF PLOT 6
AT SAN FRANCISCO INTERNATIONAL AIRPORT
UNITED AIRLINES, INC.**

THIS MODIFICATION NO. 2 OF LEASE OF PLOT 6 (this “**Modification**”), dated as of the Effective Date (as defined below), is entered into by and between the City and County of San Francisco, acting by and through its Airport Commission (“**City**”), and United Airlines, Inc., a Delaware corporation, as lessee (“**Airline**”).

Recitals

A. The City and County of San Francisco owns the San Francisco International Airport (the “**Airport**”) located in the County of San Mateo, State of California, which Airport is operated by and through the Airport Commission, the chief executive officer of which is the Airport Director.

B. Pursuant to Airport Commission Resolution No. 00-0464 adopted December 19, 2000, and Board of Supervisors’ Resolution No. 403-01 adopted June 1, 2001, Airline became a signatory to the Lease of Plot 6 (Lease No. L00-0464) whereby Airline occupied approximately 16.04 acres of land at Plot 6, together with existing City owned buildings and structures, including Buildings 575 and 585, for an original lease term of twelve (12) years and one (1) month commencing retroactively on June 1, 1999 and expiring on June 30, 2011 (the “**Original Lease**”).

C. Pursuant to Airport Commission Resolution No. 11-0135 adopted June 6, 2011, and Board of Supervisors Resolution No. 0001-12 adopted January 12, 2012, Airline and City entered into that certain Modification No. 1 to Lease of Plot 6, San Francisco International Airport – United Airlines, dated as of July 1, 2011 (which was made expressly conditioned upon approval of Commission and the Board of Supervisors) (“**Modification No. 1**”, and together with the Original Lease and this Modification, collectively, the “**Lease**”), which among other things, amended the Original Lease to (i) extend the original term of the lease for an additional ten (10) years commencing on July 1, 2011 and terminating on June 30, 2021; (ii) adjusted the Demised Premises such that it is comprised of 12.54 acres of land, including 12.514 acres situated on a portion of Plot 6, together with the existing Building 585, and 0.025 acres situated within the Building 575 lot, together with an existing electric substation and a Rights-of-Way thereto; and (iii) adjusted amounts of Annual Rent payable under the Original Lease. The existing Demised Premises in effect from and after Modification No. 1 (but prior to the transactions contemplated under this Modification) is described on **Exhibit A** attached hereto (the “**Existing Demised Premises**”).

D. As part of the Airport’s ongoing efforts to maximize the efficient use of ramp space in and around the terminals, the Airport is developing additional aircraft parking and making certain other related improvements and alterations affecting Plot 6, including portions affecting certain areas of the Demised Premises (the “**Plot 6 Reconfiguration Project**”).

E. In furtherance of the Plot 6 Reconfiguration Project, the City and United entered into that certain letter agreement, dated September 13, 2019 (the “**Plot 6 Letter Agreement**”), pursuant to which (i) United expressly agreed to the City’s performance of certain preliminary project enabling work on the Demised Premises, and (ii) United agreed to perform certain portions of such preliminary project enabling work (as further described in the Plot 6 Letter Agreement, collectively, the “**Preliminary Enabling Work**”).

F. Completion of the Plot 6 Reconfiguration Project requires the following adjustments to the Existing Demised Premises, currently anticipated to occur on or about October 1, 2019: (i) City will recapture those certain portions of the Existing Demised Premises designated as the “**City Recapture Parcels**,” and (ii) in exchange, City will convey to United those certain portions of land designated as the “**Additional United Lease Parcels**,” which will become part of the Demised Premises under the Lease, all as described and set forth on Exhibit B attached hereto (the “**Exchanged Premises**”).

G. Airline and City now desire to enter into this Modification to provide for the exchange of the City Recapture Parcels and the Additional United Lease Parcels by the parties, as set forth above, in support of the Plot 6 Reconfiguration Project, and modify the Demised Premises and adjust the Annual Rent accordingly, and provide for other ancillary changes.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants set forth herein, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties do mutually agree as follows:

1. Effective Date; Defined Terms.

(a) The effective date (the “**Effective Date**”) of this Modification shall be the latest date upon which each of the following conditions shall have been satisfied: (1) the Airport Commission and Board of Supervisors shall have approved this Modification; and (2) both parties have executed this Modification (the “**Effective Date Conditions**”). Upon the satisfaction of the Effective Date Conditions, City shall notify Airline in writing of the date upon which the Effective Date shall have occurred by delivering a fully executed copy of this Modification to Airline, which such Effective Date shall be inserted in the space set forth below:

Effective Date: August 13, 2020, ~~XXXX~~

(b) Capitalized terms not defined herein shall have the meanings given them in the Original Lease or Modification No. 1, as the context may require.

2. Plot 6 Reconfiguration.

(a) Upon or any time after the Effective Date, City shall provide five (5) business days’ advance written notice of the date upon which the City will recapture the City Recapture Parcels and the Demised Premises shall be increased by the Additional United Lease Parcels (the “**Actual Plot 6 Reconfiguration Date**”). Upon the Actual Plot 6 Reconfiguration Date, Airline shall surrender the City Recapture Parcels to City, and City shall deliver to Airline the Additional United Lease Parcels in its “As-Is” condition pursuant to Section 9.1 of the Original Lease, subject to the modifications to the parcels undertaken by the parties as part of the Preliminary Enabling Work.

(b) Notwithstanding the foregoing, if due to unforeseen developments in the progression of the Plot 6 Reconfiguration Project, or it becomes otherwise necessary and desirable for project efficiency and management of the project for the parties to exchange the City Recapture Parcels and the Additional United Lease Parcels in separate steps (each a “**Separate Parcel Conveyance Date**”), City shall have the right to cause the adjustment of the parcels to occur on separate dates, in the reasonable discretion of City, but with at least five (5) business days’ notice to United. The Demised Premises of the Lease shall be considered adjusted by the City Recapture Parcels and the Additional United Lease Parcels on the dates specified by City in a written notice to United, which such written notice shall be acknowledged in writing by United, and which such notice shall be incorporated into and considered a part of this

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G. Airline and City now desire to enter into this Modification to provide for the exchange of the City Recapture Parcels and the Additional United Lease Parcels by the parties, as set forth above, in support of the Plot 6 Reconfiguration Project, and modify the Demised Premises and adjust the Annual Rent accordingly, and provide for other ancillary changes.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants set forth herein, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties do mutually agree as follows:

1. Effective Date; Defined Terms.

(a) The effective date (the “**Effective Date**”) of this Modification shall be latest date upon which each of the following conditions shall have been satisfied: (1) the Airport Commission and Board of Supervisors shall have approved this Modification; and (2) both parties have executed this Modification (the “**Effective Date Conditions**”). Upon the satisfaction of the Effective Date Conditions, City shall notify Airline in writing of the date upon which the Effective Date shall have occurred by delivering a fully executed copy of this Modification to Airline, which such Effective Date shall be inserted in the space set forth below:

Effective Date: 8/13/2020, ~~XXX~~

(b) Capitalized terms not defined herein shall have the meanings given them in the Original Lease or Modification No. 1, as the context may require.

2. Plot 6 Reconfiguration.

(a) Upon or any time after the Effective Date, City shall provide five (5) business days’ advance written notice of the date upon which the City will recapture the City Recapture Parcels and the Demised Premises shall be increased by the Additional United Lease Parcels (the “**Actual Plot 6 Reconfiguration Date**”). Upon the Actual Plot 6 Reconfiguration Date, Airline shall surrender the City Recapture Parcels to City in the condition required under Article 15 of the Original Lease, and City shall deliver to Airline the Additional United Lease Parcels in its “As-Is” condition pursuant to Section 9.1 of the Original Lease, in either event as the parcels may have been modified by the Preliminary Enabling Work.

(b) Notwithstanding the foregoing, if due to unforeseen developments in the progression of the Plot 6 Reconfiguration Project, or it becomes otherwise necessary and desirable for project efficiency and management of the project for the parties to exchange the City Recapture Parcels and the Additional United Lease Parcels in separate steps (each a “**Separate Parcel Conveyance Date**”), City shall have the right to cause the adjustment of the parcels to occur on separate dates, in the reasonable discretion of City. The Demised Premises of the Lease shall be considered adjusted by the City Recapture Parcels and the Additional United Lease Parcels on the dates specified by City in a written notice to United, which such written notice shall be acknowledged in writing by United, and which such notice shall be incorporated

Modification, but which shall not constitute a separate or additional modification of the Lease (the “**Separate Parcel Conveyance Notice**”).

3. Adjustments to City Recapture Parcels and Additional United Lease Parcels.

Notwithstanding anything herein to the contrary, in acknowledgement of the fact that, upon completion of the Plot 6 Reconfiguration Project, minor adjustments to the exact size and description of the City Recapture Parcels and/or the Additional United Lease Parcels may be necessary. In consideration of the foregoing, in the event that the final “as-built” size and/or dimension of the City Recapture Parcels and/or the Additional United Lease Parcels differ from the descriptions set forth in this Modification, the parties may adjust such parcels in an amount not-to-exceed ten percent (10%) of the total acreage of the combined area of the City Recapture Parcels and the Additional United Lease Parcels set forth in this Modification (“**Parcel Adjustments**”), but only to the extent consistent with the overall objectives of the Plot 6 Reconfiguration Project. Upon the agreement by the parties of such Parcel Adjustments, the same shall be memorialized in a written notice from Airport to United, which such notice shall be acknowledged in writing by United, and which such notice shall be incorporated into and considered a part of this Modification, but which shall not constitute a separate or additional modification of the Lease (the “**Parcel Adjustment Notice**”).

4. Annual Rent. The Annual Rent for the adjustment of the Demised Premises under this Modification shall be adjusted accordingly as of the Actual Plot 6 Reconfiguration Date, or on the Separate Parcel Conveyance Dates as set forth in the Separate Parcel Conveyance Notice, as applicable.

5. Exhibits. From and after the Actual Plot 6 Reconfiguration Date, Exhibit B of Modification No. 1 shall be deleted in its entirety and substituted with Airport Drawing No. PLOT6UAFINAL dated August 30, 2019, incorporated herein and attached hereto as **Exhibit C** (the “**Lease Modification No. 2 New Demised Premises**”). In the event of a Parcel Adjustment pursuant to Section 3 above, Exhibit C shall be further replaced with a revised legal description and/or drawing setting forth the adjusted Lease Modification No. 2 New Demised Premises, and which shall be attached to the Parcel Adjustment Notice.

6. Appendix A to the Original Lease. Subsection 1(f) of Appendix A to the Original Lease is hereby deleted in its entirety and is of no further force or effect.

7. City and Other Governmental Provisions. The following new Sections shall be added to Article 18 of the Lease:

18.25 Vending Machines: Nutritional Standards and Calorie Labeling Requirements

Airline shall not install or permit any vending machine on the Demised Premises or Right-of-Way without the prior written consent of the Airport Director. Any permitted vending machine must comply with the food and beverage nutritional standards and calorie labeling requirements set forth in San Francisco Administrative Code section 4.9-1(c), as may be amended from time to time (the “**Nutritional Standards Requirements**”). Airline agrees to incorporate the Nutritional Standards Requirements into any contract for the installation of a vending machine on the Demised Premises and Right-of-Way or for the supply of food and beverages to that vending machine. Failure to comply with the Nutritional Standards Requirements or to otherwise comply with this Section shall be deemed a material breach of this Lease. Without limiting City’s other rights and remedies under this Lease, City shall have the right to require the immediate removal of any vending machine on the Demised Premises or Right-of-Way that is not permitted or that violates the Nutritional Standards Requirements. In addition, any Restaurant, including any employee eating establishment, located on the Demised Premises or Right-of-Way

is encouraged to ensure that at least 25% of Meals (as capitalized terms are defined in San Francisco Administrative Code section 4.9-1) offered on the menu meet the nutritional standards set forth in San Francisco Administrative Code section 4.9-1(e), as may be amended.

18.26 All-Gender Toilet Facilities

If applicable, Airline shall comply with San Francisco Administrative Code Section 4.1-3 requiring at least one all-gender toilet facility on each floor of the building where extensive renovations take place and toilet facilities are required or provided. An “all-gender toilet facility” means a toilet that is not restricted to use by persons of a specific sex or gender identity by means of signage, design, or the installation of fixtures, and “extensive renovations” means any renovation where the construction cost exceeds 50% of the cost of providing the toilet facilities required by this Section.

18.27 Prohibition Against Tobacco Product Sales, Manufacture and Distribution.


Tenant acknowledges and agrees that no Sales, Manufacture or Distribution of Tobacco Products (as such terms are defined in San Francisco Health Code Section 19K.1) is allowed on the Premises, and such prohibition must be included in all subleases or other agreements allowing use of the Premises. The prohibition against Sales, Manufacture, or Distribution of Tobacco Products does not apply to persons who are affiliated with an accredited academic institution where the Sale, Manufacture, and/or Distribution of Tobacco Products is conducted as part of academic research.

8. Full Force and Effect. As modified hereby, each and every one of the terms, conditions, and covenants in the Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the parties hereto have executed this Modification by their duly authorized officers the day and year first hereinabove written.

AIRLINE: United Airlines, Inc.,
a Delaware corporation

By: 
Name: Pranav Trivedi
Title: Managing Director- Airport Affairs
Corporate Real Estate
By: _____
Name: _____
Title: _____

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


Ivar C. Satero
Airport Director


AUTHORIZED BY AIRPORT
COMMISSION

Resolution No. 19- 0303

Adopted: December 3, 2019

Attest: 
Secretary
Airport Commission

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

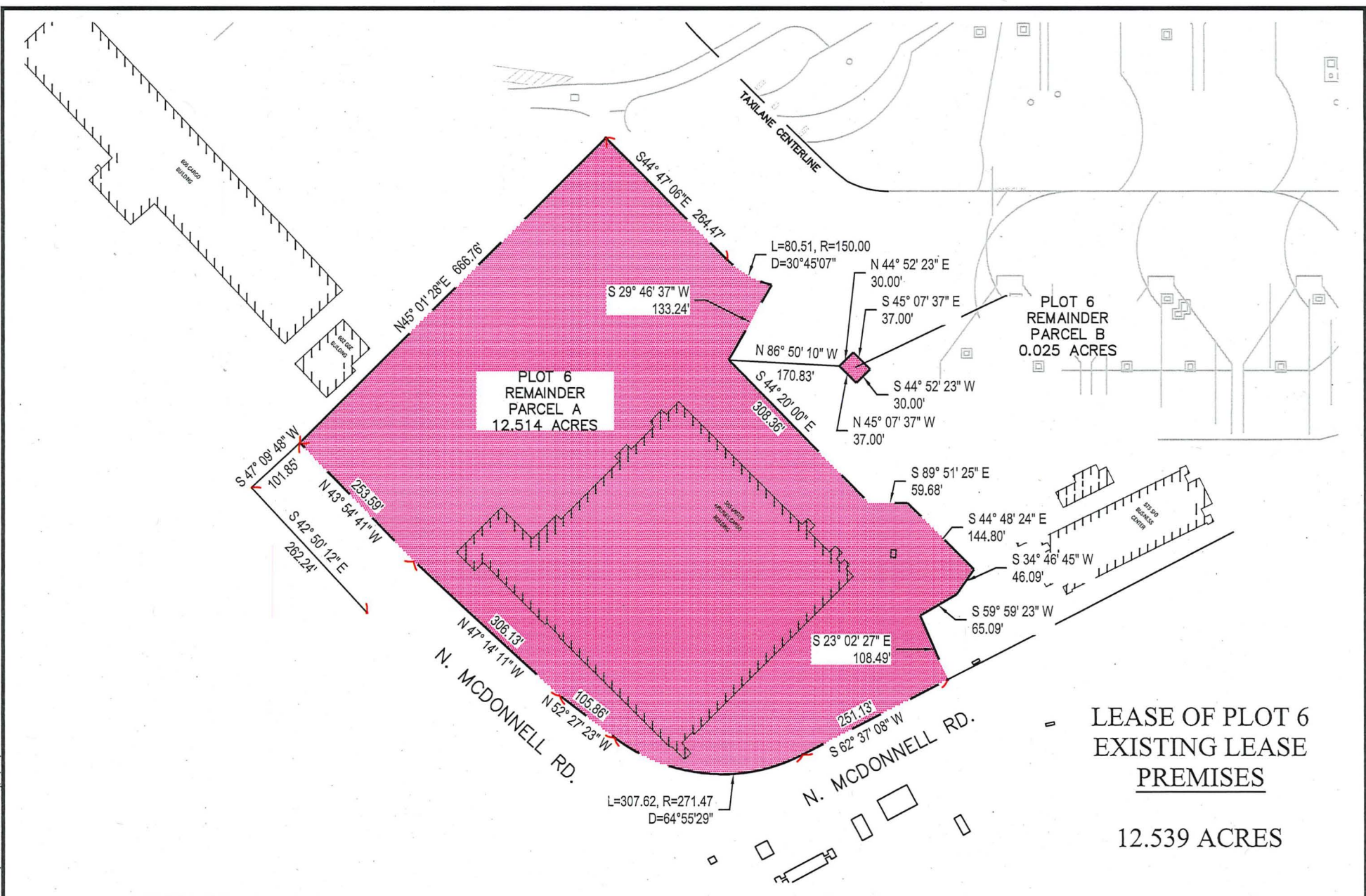
By 
Deputy City Attorney

10.29.19
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EXHIBIT A

EXISTING DEMISED PREMISES

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**LEASE OF PLOT 6
EXISTING LEASE
PREMISES**

12.539 ACRES

LEASE DRAWING

ROOM NUMBER	AREA.	CAT	CONTRACT	EFF. DATE
PARCEL A	12.514 AC.			
PARCEL B	0.025AC.			

LOCATION: PLOT 6 BUILDING 585	
TENANT: UNITED AIRLINES	
AIRPORT COMMISSION	DWG: PLOT6UAEX
CITY & COUNTY OF SAN FRANCISCO	DATE: 08/30/2019
SAN FRANCISCO INTERNATIONAL AIRPORT	SCALE: NTS



EXHIBIT B

EXCHANGED PREMISES

[Attached]



ADDITIONAL UNITED LEASE PARCELS

PARCEL A	1.04 ACRES
PARCEL B	0.24 ACRES
TOTAL	1.28 ACRES

CITY RECAPTURE PARCELS

PARCEL C	1.67 ACRES
PARCEL D	0.12 ACRES
TOTAL	1.79 ACRES

LEASE OF PLOT 6 EXCHANGED PREMISES

LEASE DRAWING

LOCATION: PLOT 6 BUILDING 585
 TENANT: UNITED AIRLINES
 AIRPORT COMMISSION
 CITY & COUNTY OF SAN FRANCISCO
 SAN FRANCISCO INTERNATIONAL AIRPORT

DWG: PLOT6UAGIVTAK
 DATE: 09/05/2019
 SCALE: NTS

ROOM NUMBER	AREA	CAT	CONTRACT	EFF. DATE
PLOT 6				

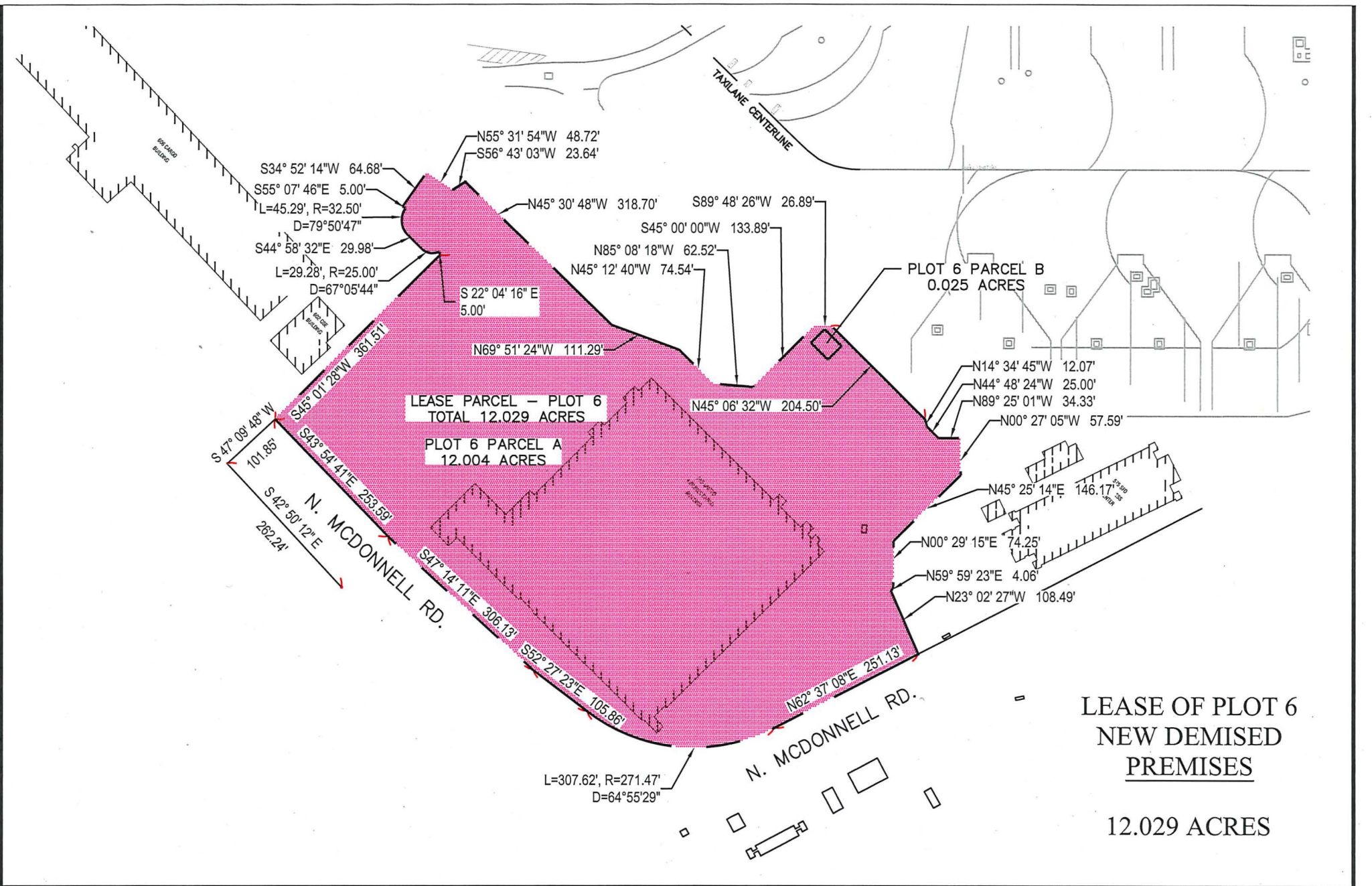


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EXHIBIT C

LEASE MODIFICATION NO. 2 - NEW DEMISED PREMISES

[Attached]



LEASE OF PLOT 6
 NEW DEMISED
PREMISES
 12.029 ACRES

LEASE DRAWING

LEASE DRAWING		ROOM NUMBER	AREA	CAT	CONTRACT	EFF. DATE
		PARCEL A	12.004AC			
LOCATION: PLOT 6 BUILDING 585		PARCEL B	0.025AC			
TENANT: UNITED AIRLINES						
AIRPORT COMMISSION	DWG: PLOT6UAFINAL					
CITY & COUNTY OF SAN FRANCISCO	DATE: 08/30/2019					
SAN FRANCISCO INTERNATIONAL AIRPORT	SCALE: NTS					

