

1 [Approve Modification of Lease - Airport Commission - Japan Airlines]

2 **Resolution approving and authorizing the execution of Modification No. 1 to Lease No.**  
3 **L01-0297 with Japan Airlines Company Limited to reduce the demised premises and**  
4 **the annual rent at Building 944 on Plot 50B-1 at San Francisco International Airport.**  
5

6 WHEREAS, Japan Airlines Company Limited ("Japan Airlines") has conducted its  
7 cargo handling operation and ground service equipment maintenance at Plot 50B-1 and in  
8 Building 944 in the North Field Cargo Area for the past twenty nine years pursuant Lease L01-  
9 0297, approved by Commission Resolution 01-0297, adopted on September 4, 2001, and  
10 Board of Supervisors' Resolution No. 875-01, adopted November 16, 2001 (the "Lease"), and  
11 a predecessor lease L80-0238; and

12 WHEREAS, the Lease has a term of ten (10) years, expiring on October 25, 2011 and  
13 an annual rental of \$1,899,989.50; and

14 WHEREAS, the Demised Premises is comprised of 59,438 square feet of cargo  
15 warehouse, 13,500 square feet of office space, 5,183 square feet of covered truck dock area,  
16 3,249 square feet of a ground service equipment ("GSE") building, .855 acres of land for  
17 employee parking and one (1) exclusive aircraft parking position. Japan Airlines also has the  
18 use of one aircraft parking position on a non-exclusive basis; and

19 WHEREAS, on January 19, 2010, Japan Airlines filed for bankruptcy protection in  
20 Japan, which allows Japan Airlines to reject the Lease; and

21 WHEREAS, in lieu of rejection of the Lease, Japan Airlines wishes to execute a  
22 modification to the Lease to 1) relinquish the GSE building, the land used for employee  
23 parking and the two (2) aircraft parking positions, and 2) reduce the annual rent accordingly to  
24 \$1,571,736.62 (the "Modification") for the remainder of the term; and  
25

1           WHEREAS, as modified, the Demised Premises will be comprised of 59,438 square  
2 feet of warehouse, 13,500 square feet of office space and 5,183 square feet of covered truck  
3 dock area, and as modified, the annual rent will be \$1,571,736.62; and

4           WHEREAS, the Modification is deemed to be in the Commission's best interest, and  
5 does not materially increase the obligations or liabilities of the Commission; and

6           WHEREAS, on July 13, 2010, pursuant to Resolution No. 10-0251, the Airport  
7 Commission approved the Modification of Lease L01-0297. A copy of the form of Modification  
8 No. 1 is on file with the Clerk of the Board of Supervisors in File No. 100983, which is  
9 hereby declared to be a part of this resolution as if set forth fully herein; now, therefore, be it

10          RESOLVED, that this Board of Supervisors hereby approves Modification No. 1 to L01-  
11 0297 between Japan Airlines and the City and County of San Francisco, acting by and  
12 through its Airport Commission, resulting in a modified Demised Premises comprised of  
13 59,438 square feet of warehouse, 13,500 square feet of office space and 5,183 square feet of  
14 covered truck dock area at Building 944, and a modified annual rent of \$1,571,736.62.



**City and County of San Francisco**  
**Tails**  
**Resolution**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 100983

**Date Passed:** October 05, 2010

Resolution approving and authorizing the execution of Modification No. 1 to Lease No. L01-0297 with Japan Airlines Company Limited to reduce the demised premises and the annual rent at Building 944 on Plot 50B-1 at San Francisco International Airport.

October 05, 2010 Board of Supervisors - ADOPTED

Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell and Mirkarimi

File No. 100983

I hereby certify that the foregoing Resolution was ADOPTED on 10/5/2010 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo  
Clerk of the Board

Mayor Gavin Newsom

October 14, 2010

Date Approved