

1 [Airport Lease Modification - United Air Lines, Inc.]

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3 **Resolution approving and authorizing the execution of Modification No. 1 of Lease L00-0464 at**  
4 **Plot 6 with United Air Lines, Inc., at San Francisco International Airport to: 1) extend the Term;**  
5 **2) reduce the Demised Premises; 3) modify the annual rent; 4) provide for a Deferred City**  
6 **Improvements Payment to City; and 5) provide for certain terms of retroactivity relating to the**  
7 **rent and the Deferred City Improvements Payment.**

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9 WHEREAS, Pursuant to Ground Lease L00-0464 (the "Lease"), United Air Lines, Inc.  
10 ("United") occupies approximately 16.04 acres of land at Plot 6 at the Airport, together with ancillary  
11 City-owned buildings for various aviation related functions, and

12 WHEREAS, The Lease expired on June 30, 2011 and United wishes to continue occupancy  
13 of a portion of the Plot 6 leasehold, including Building 585, for an additional ten (10) years pursuant  
14 to a Lease modification; and

15 WHEREAS, Airport staff has negotiated the terms of Modification No. 1 that will: 1) extend  
16 the Term for an additional ten (10) years, 2) reduce the Demised Premises from approximately  
17 16.04 acres to 12.54 acres of land, 3) reduce the rent from \$2,081,080 to \$1,638,208 per year,  
18 4) add an obligation to pay City a Deferred City Improvements Payment equal to \$696,000, and  
19 5) provide for certain terms of retroactivity to July 1, 2011, as set forth in the Director's Memorandum  
20 (the "Modification"); and

21 WHEREAS, On June 7, 2011, by Airport Commission Resolution No. 11-0135, the Airport  
22 Commission approved the Modification to the Lease between United and the City and County of San  
23 Francisco, acting by and through its Airport Commission, subject to the terms set forth above, which  
24 Modification will be effective retroactively to July 1, 2011; and

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1           WHEREAS, A copy of the form of Modification No. 1 to the Lease is on file with the Clerk of the  
2 Board of Supervisors in File No. \_\_\_\_\_, which is hereby declared to be a part of this resolution  
3 as if set forth fully herein; now, therefore, be it

4           RESOLVED, That this Board of Supervisors hereby approves and authorizes the execution of  
5 Modification No. 1 to Lease L00-0464 between United Air Lines, Inc. and the City and County of San  
6 Francisco, acting by and through its Airport Commission, which will: 1) extend the Term for an  
7 additional ten (10) years, 2) reduce the Demised Premises from approximately 16.04 acres to  
8 12.54 acres of land, 3) reduce the rent from \$2,081,080 to \$1,638,208 per year, 4) add an obligation to  
9 pay City a Deferred City Improvements Payment equal to \$696,000, and 5) provide for certain terms of  
10 retroactivity to July 1, 2011, as set forth in the Director's Memorandum.

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