

1 [Lease and Use Agreement Modification - United Airlines, Inc. - \$92,628,977]

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3 **Resolution approving and authorizing the execution of Modification No. 1 to the Lease**
4 **and Use Agreement L10-0097 with United Airlines, Inc., at the San Francisco**
5 **International Airport to increase the premises by approximately 92,331 square feet of**
6 **exclusive use space in a total amount of \$92,628,977 over the remaining seven years of**
7 **the term, expiring on June 30, 2021.**

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9 WHEREAS, United became a signatory to the 2011 Lease and Use Agreement
10 L10-0097 (the "Agreement"), effective July 1, 2011, pursuant to Airport Commission
11 Resolution 10-0097 and Board of Supervisors' Resolution No. 208-10; and

12 WHEREAS, United occupies approximately 393,150 square feet of Exclusive Use
13 Space at Terminal 3 and the International Terminal at the Airport, together with certain
14 Preferential Use Space and Joint Use Space (the "Premises"); and

15 WHEREAS, The Airport has undertaken the Boarding Area "E" Refurbishment
16 Project and the Terminal 3 Checkpoint Improvement Project, (collectively, the "T3 Projects")
17 which reconfigured areas in Terminal 3 and Boarding Area "E", including portions of
18 United's Exclusive Use Space under the Agreement; and

19 WHEREAS, United wishes to occupy a net addition of 92,331 square feet of
20 Exclusive Use Space in Terminal 3 and Boarding Areas "E" and "F", pursuant to
21 Modification No. 1 to the Agreement (the "Modification"); and

22 WHEREAS, The effective date of the Modification will be the first day of the month
23 following full City approval; and

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1 WHEREAS, Due to the ongoing nature of the T3 Projects, two areas of construction
2 will not be completed on the effective date of the Modification, including a new VIP Club and
3 certain baggage carousels; and

4 WHEREAS, The Modification provides for future addition of these spaces to the
5 Premises, upon their completion, without further formal modification; and

6 WHEREAS, On March 18, 2014, by Airport Commission Resolution No. 14-0052, the
7 Airport Commission approved the Modification of the Agreement between United and the City
8 and County of San Francisco, acting by and through its Airport Commission, subject to the
9 terms set forth above; and

10 WHEREAS, A copy of the form of Modification No. 1 to the Agreement is on file with the
11 Clerk of the Board of Supervisors in File No. 140503, which is hereby declared to be a part of
12 this resolution, as if set forth fully herein; now, therefore, be it

13 RESOLVED, That this Board of Supervisors hereby approves and authorizes the
14 execution of Modification No. 1 to Lease and Use Agreement L10-0097 between United
15 Airlines, Inc. and the City and County of San Francisco, acting by and through its Airport
16 Commission, which increases the Premises by 92,331 square feet of Exclusive Use Space
17 and with a minimum incremental rent amount of \$10,238,040 per year (\$92,628,977 over the
18 remaining seven (7) years of the term), as set forth in the Director's Memorandum; and, be it

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