

**MODIFICATION NO. 1 TO  
2011 LEASE AND USE AGREEMENT  
SAN FRANCISCO INTERNATIONAL AIRPORT  
CATHAY PACIFIC AIRWAYS LIMITED**

THIS MODIFICATION OF AGREEMENT (this "**Modification**") dated as of September 1, 2011, is entered into by and between the City and County of San Francisco, acting by and through its Airport Commission ("**City**"), and Cathay Pacific Airways Limited ("**Airline**").

**Recitals**

A. The City and County of San Francisco owns 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. 10-0081 and Board of Supervisors' Resolution No. 208-10 on March 16, 2010 and May 11, 2010, respectively, Airline became a signatory to the 2011 Lease and Use Agreement under lease number L10-0081 whereby, effective July 1, 2011, Airline will commence a ten year leasehold with the City for certain premises located at the Airport, (the "**Agreement**").

C. Airline now desires to develop a premium class lounge in Boarding Area "A" in the International Terminal which consists of 5,664 square feet of Category II exclusive use space.

D. Airline and City now desire to modify the terms of the Agreement to reflect the addition of the lounge space.

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 September 1, 2011 conditioned upon the following conditions: (1) the Airport Commission and Board of Supervisors shall have approved this Modification; and (2) both parties have executed this Modification.

(b) Rent for the lounge, as further described in Articles 3 and 4 below, shall commence on September 1, 2011.

(c) Capitalized terms not defined herein shall have the meanings given them in the Agreement.

**2.** Airline's International Terminal Joint Use Space remains unchanged, as defined in Article 1 and Exhibit D of the Agreement.

**3.** From and after the Effective Date, Airline's International Terminal Exclusive Use Space, as defined in the Agreement, including in Article 1 and Exhibit D, is modified as follows:

(a) Addition of approximately 5,664 square feet of Category II Exclusive Use Space, further described as VIP Clubs and Lounges located in the International Terminal.

4. From and after the Effective Date, Exhibit D of the Agreement is amended to include Airport Drawing Nos. CXIT4P and CXIT4 dated March 24, 2011, 2011, incorporated herein and attached hereto.

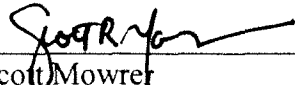
5. From and after the Effective Date, Airline's Exclusive Use Space shall consist of the following:

<b>Type</b>	<b>Exclusive Use Space Type</b>	<b>Square Feet</b>
Airline Administrative Office, 3 <sup>rd</sup> Floor+	II	2,616
VIP Clubs and Lounges	II	5,664

6. 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.

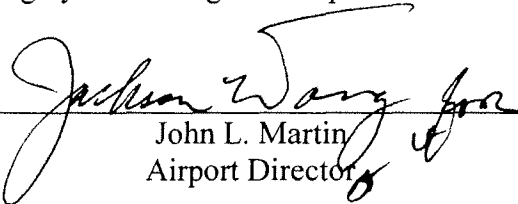
IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate by their duly authorized officers the day and year first hereinabove written.

AIRLINE: CATHAY PACIFIC AIRWAYS LIMITED  
a Hong Kong corporation


By:   
Name: Scott Mowrer  
Title: Senior Vice President, North Americas

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

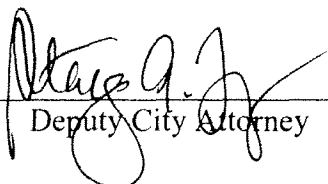
CITY: CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation,  
acting by and through its Airport Commission

  
John L. Martin  
Airport Director

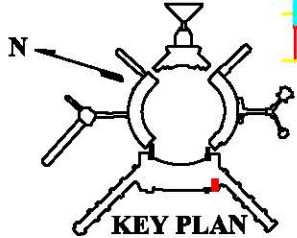
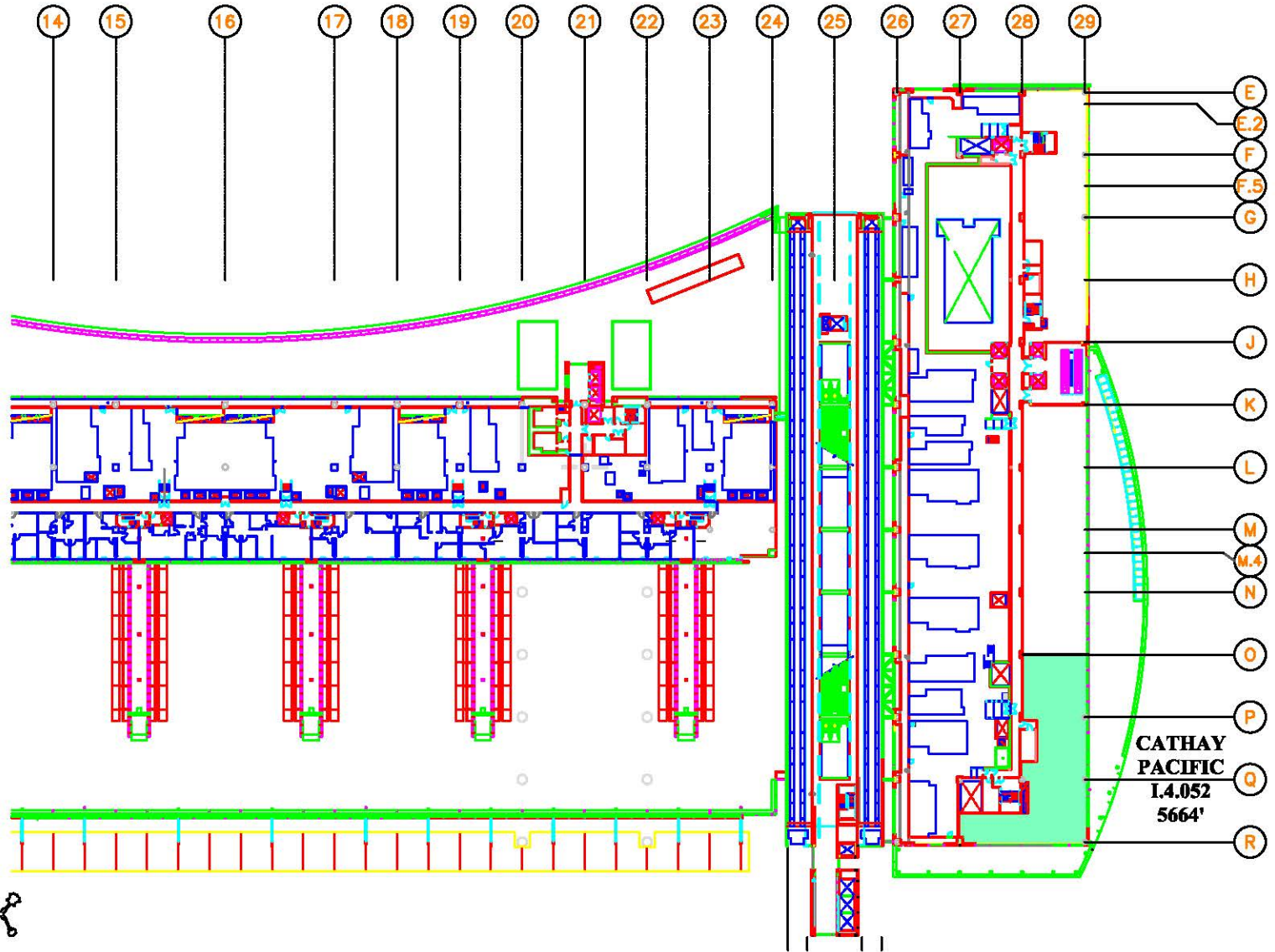
AUTHORIZED BY AIRPORT  
COMMISSION

Resolution No. 11-0134  
Adopted: June 7, 2011  
Attest:   
Secretary  
Airport Commission

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

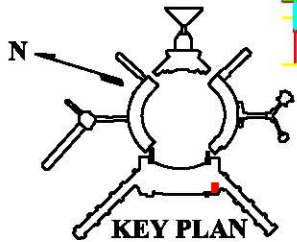
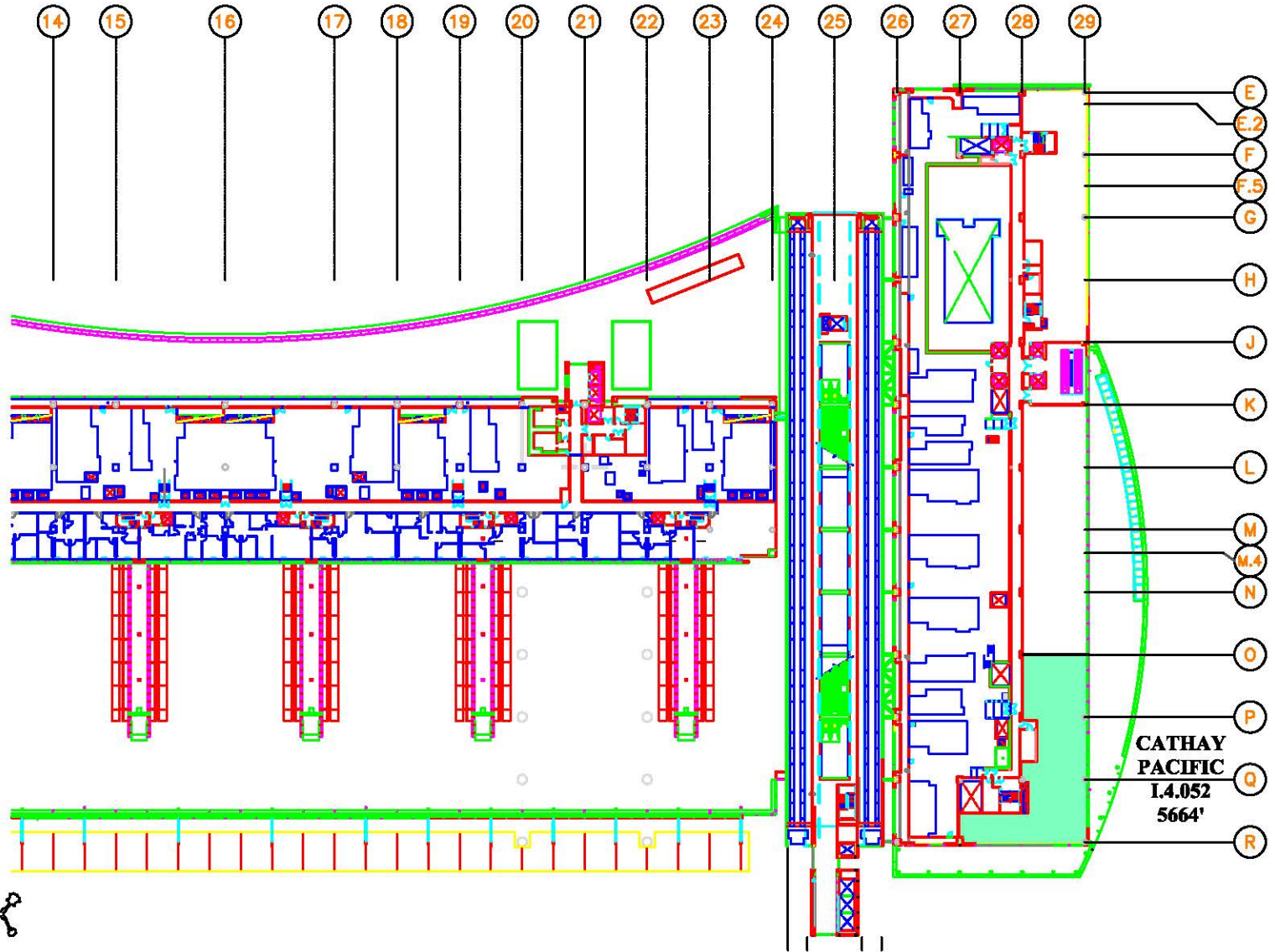
By   
Deputy City Attorney

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TENANT LOCATION PERMIT DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
		I.4.052	CX	2	5664'	P 4187	
LOCATION: INTERNATIONAL TERMINAL - LEVEL 4							
CATHAY PACIFIC							
CITY & COUNTY OF SAN FRANCISCO		DWG: CXIT4P					
AIRPORTS COMMISSION		SCALE: 1"=100'-0"					
SAN FRANCISCO INTERNATIONAL AIRPORT		DATE: 03/22/2011					

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TENANT LOCATION LEASE DRAWING		LOCATION	TENANT	CAT	AREA	CONTRACT	EFF DATE
		I.4.052	CX	2	5664'		
LOCATION: INTERNATIONAL TERMINAL - LEVEL 4							
CATHAY PACIFIC							
CITY & COUNTY OF SAN FRANCISCO		DWG: CXIT4					
AIRPORTS COMMISSION		SCALE: 1"=50'-0"					
SAN FRANCISCO INTERNATIONAL AIRPORT		DATE: 03/24/2011					