

1 [Lease Modification - United Airlines, Inc. - Extension of Term and Rent Increase -
2 \$5,563,768.73 Initial Annual Base Rent]

3 **Resolution approving Modification No. 3 of the Superbay Hangar Lease No. L04-0058,**
4 **between United Airlines, Inc. and the City and County of San Francisco, acting by and**
5 **through its Airport Commission, to extend the term by two years and set the annual**
6 **rent to \$5,563,768.73 to commence on the effective date of the lease extension term**
7 **after approval of the Board of Supervisors and execution of Modification No. 3 by City.**

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9 WHEREAS, On March 12, 2004, by Resolution No. 04-0058, the Airport Commission
10 (“Commission”) awarded the Superbay Hagar Lease No. 04-0058 (“Lease”) to United Airlines,
11 Inc., as tenant (“United”) and on April 13, 2004, by Ordinance No. 0063-04, the Board of
12 Supervisors approved the Lease; and

13 WHEREAS, On September 16, 2016, by Resolution No. 16-0241, the Commission
14 approved Modification No. 1 to the Lease, which was subsequently rescinded due to
15 unforeseen circumstances; and

16 WHEREAS, On January 17, 2017, by Resolution No. 17-0012, the Commission
17 approved Modification No. 2 to the Lease, which superseded Modification No. 1; and

18 WHEREAS, On February 13, 2018, by Resolution No. 0040-18, the Board of
19 Supervisors approved Modification No. 2 to the Lease; and

20 WHEREAS, The Lease Term expired on June 30, 2023, and the Lease is currently on
21 a month-to-month holdover; and

22 WHEREAS, The City and United have agreed to the terms of Modification No. 3
23 (“Modification”) to the Lease to: (1) extend the term for two years commencing on the
24 Effective Date, occurring on the first day of the month immediately following the later to occur
25 of (i) Commission and Board approval of Modification No. 3, and (ii) the execution of

1 Modification No. 3 by both the City and United; (2) establish the initial annual rent during the
2 extension term to \$5,563,768.73 based on an appraisal by the City's Real Estate Division,
3 (3) provide for annual rent adjustment during the extension, and (4) update certain legal
4 provisions required by applicable local, state, and federal laws; and

5 WHEREAS, On August 15, 2023, by Resolution No. 23-0207, the Airport Commission
6 approved the Modification, a copy of which is on file with the Clerk of the Board in File
7 No. 240009, which is hereby declared to be a part of this resolution as if set forth fully herein;
8 now, therefore, be it

9 RESOLVED, That this Board of Supervisors hereby approves Modification No. 3 to
10 Lease; and, be it

11 FURTHER RESOLVED, That within 30 days of the Modification being fully executed by
12 all parties, the Airport Commission shall provide a copy of the Modification to the Clerk of the
13 Board for inclusion into the official file.

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