

1 [Airport Lease Modification - United Air Lines, Inc. - Plots 16 and 16B - \$12,040,710 Annually]

2 **Resolution approving the execution of Modification No.5 to Lease L73-0066 at Plots 16**  
3 **and 16B with United Air Lines, Inc. at San Francisco International Airport (Airport) to:**  
4 **increase the ground rent to \$12,040,710 per year; reduce the premises by 6.53 acres of**  
5 **land, resulting in a modified premises of approximately 124.13 acres, together with**  
6 **certain rights-of-way and easements; and grant a one-time option to relinquish up to**  
7 **thirty percent of the land comprising the Premises and equivalent land comprising the**  
8 **Employee Parking retroactively to July 1, 2013.**

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10 WHEREAS, Pursuant to Ground Lease L73-0066 (the "Lease"), United Air Lines, Inc.  
11 ("United") occupies approximately 129.18 acres of land at Plots 16 and 16B at the Airport,  
12 together with certain rights-of-way and easements, for a Maintenance Operations Center  
13 (the "Premises"); and

14 WHEREAS, United also utilizes the equivalent of approximately 5.34 acres of land at  
15 the Airport's Lot D Garage for employee parking (the "Employee Parking") related to the  
16 Premises at the same rate per acre applicable to the Premises; and

17 WHEREAS, The second Option Term of the Lease expires on June 30, 2013 and,  
18 pursuant to Modification No. Four to the Lease, which approved a Cure Stipulation  
19 Agreement between the Airport and United, United was granted a third option to extend the  
20 term for an additional ten (10) years at a rent equal to fair market value; and

21 WHEREAS, United has exercised the option and negotiated certain terms of  
22 Modification No. Five, which will: 1) increase the ground rent for the Premises and  
23 Employee Parking to \$12,040,710.00 per year, 2) reduce the Premises from approximately  
24 129.18 acres to 124.13 acres of land, and 3) grant United a one-time option to relinquish up  
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1 to thirty percent (30%) of the acreage comprising the Premises and the Employee Parking  
2 (the "Modification"), as set forth in the Director's Memorandum; and

3 WHEREAS, On March 19, 2013, by Airport Commission Resolution No. 13-0057, the  
4 Airport Commission approved the Modification to the Lease between United and the City and  
5 County of San Francisco, acting by and through its Airport Commission, subject to the terms  
6 set forth above; and

7 WHEREAS, A copy of the form of Modification No. Five to the Lease is on file with the  
8 Clerk of the Board of Supervisors in File No. 130324, which is hereby declared to be a part of  
9 this resolution, as if set forth fully herein; now, therefore, be it

10 RESOLVED, That this Board of Supervisors hereby approves, retroactively to July 1,  
11 2013, the execution of Modification No. Five to Lease L73-0066 between United Air Lines, Inc.  
12 and the City and County of San Francisco, acting by and through its Airport Commission,  
13 which will:

14 1) increase the ground rent to \$12,040,710.00 per year, 2) reduce the Premises from  
15 approximately 129.18 acres to 124.13 acres of land, and 3) grant United a one-time option to  
16 relinquish up to thirty percent (30%) of the acreage comprising the Premises and the  
17 Employee Parking, as set forth in the Director's Memorandum.

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