

2014 LEASE AMENDMENT

This 2014 Lease Amendment (“2014 Amendment”) is made and entered into as of the date indicated on the City’s signature page by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado (“City”) and **UNITED AIRLINES, INC.**, successor in interest to **UNITED AIR LINES, INC.**, a corporation organized and existing under and by virtue of the laws of the State of Delaware, and authorized to do business in the State of Colorado (“United”).

WHEREAS, the City and United entered into an Airport Use and Facilities Lease Agreement dated January 7, 1992, as amended and supplemented by a Stipulated Order dated November 21, 2003, providing for the assumption of the lease as amended, pursuant to Section 365(a) of the Bankruptcy Code, and by the 2005, 2005-2, 2006, 2007, 2009 and 2012 lease amendments (collectively, the “Lease”); and

WHEREAS, the City has an ongoing program to reduce airline rates and charges for the benefit of the City’s airline partners at Denver International Airport (“DIA”); and

WHEREAS, in furtherance of this program, the City intends to restructure DIA debt to reduce airline rates and charges for the next ten years; and

WHEREAS, the City also intends to seek approval from the Signatory Airlines at DIA to revise amortization charges to airlines for the use of DIA capital funds on projects benefiting the airlines at DIA; and

WHEREAS, undertaking these cost reduction measures will benefit all air carriers at DIA and requires a longer-term commitment from United, the hub carrier at DIA, in the form of a 10-year extension of the Lease to February 28, 2035; and

WHEREAS, the additional 10-year lease commitment from United warrants revisions to the amount of space that will be leased by United at DIA over the new lease term; and

WHEREAS, United’s activity levels at DIA have substantial direct and indirect effects on DIA’s revenues, and maintaining United’s activity levels is essential to the City’s ability to undertake the planned reductions in airline rates and charges at DIA; and

WHEREAS, both the City and United seek to consolidate duplicative requirements in the Lease which provide assurances that United will maintain certain activity levels; and

WHEREAS, the City and United now desire to further amend and supplement the Lease as provided for in this 2014 Amendment.

NOW THEREFORE, in consideration of the mutual covenants and representations contained in this 2014 Amendment, the City and United agree, each for itself and its successors, as follows:

Section 1. Condition Precedent.

A. The parties' obligations to amend the Lease as provided in Section 2 below shall arise only if the City has, by December 31, 2014, restructured bond principal in an aggregate amount of \$275 million currently scheduled to mature from 2015 through 2025. The City shall make good faith efforts to initiate and complete the restructuring of bond principal outlined above. The Manager of Aviation and United's Vice President for Corporate Real Estate or his/her designee may by mutual written agreement extend the December 31, 2014 deadline for meeting this condition precedent, provided the City has initiated and is diligently pursuing the completion of its efforts to restructure debt as outlined above.

B. United acknowledges the following:

1. The restructuring of DIA debt contemplated by Section 1.A is intended to reduce annual debt service payments between 2015 and 2025. However, because the interest rate on the restructured debt is variable, the actual reduction in debt service payments will depend upon market conditions in each of the years between 2015 and 2025. Attached as Exhibit A is an illustrative list of the bonds under consideration by the City for restructuring as of the execution date of this 2014 Amendment.

2. Restructuring DIA debt in this manner will increase annual DIA debt service in 2026 and subsequent years.

C. The condition precedent in this Section 1 shall be met upon the City providing United with formal written notification that the debt restructuring is complete.

Section 2. Amendments to the Lease.

A. Effective Date. The Effective Date of this 2014 Amendment shall be January 1, 2015, provided that the condition precedent in Section 1 has been met.

B. 10-Year Lease Extension. The termination date of February 28, 2025, provided in Section 1.01 of the Lease shall be stricken and replaced by February 28, 2035, so that Section 1.01 reads as follows:

The term of this Agreement shall commence on the Date of Beneficial Occupancy ("DBO") (as defined in Exhibit A attached hereto and made a part hereof) of the Airport and shall terminate at noon M.S.T. on February 28, 2035.

C. Concourse E. The third and fourth sentences of Paragraph 10 of the agreement between the City and United attached to the Lease as Exhibit G shall be stricken and replaced as follows:

In the event that a decision is ultimately made to construct Concourse E at DIA, United will relocate any and all support facilities as may be necessary to enable the City to construct said Concourse E; provided, however, that the City shall pay for United's costs to relocate its support facilities by including such relocation costs, including the cost to construct substantially similar facilities and to relocate United's fixed equipment and personal property, in the overall costs to construct Concourse E.

D. Amortization. The City shall request, and use its good faith efforts to obtain, MII approval for the proposed amortization changes outlined below prior to setting the 2015 rates. In the event MII approval is not initially secured, the City, in its sole, reasonable discretion, and provided it has not determined a further request would be futile and provided further it has advised United, may request MII approval for the amortization changes in any subsequent year prior to termination of the Lease. In the event that a majority of Signatory Airlines provide the City with the authority, as required by Section 6.01 of the Lease, the following shall be inserted at the end of the section titled "Airport Costs" in the Denver International Airport Airline Rate-Making Methodology (Exhibit F of the Lease):

(13) Notwithstanding anything to the contrary in paragraphs (9) and (11) above, amortization charges shall be calculated and charged to the Airlines as follows:

(a) Amortization on Existing City Investments. From and after January 1, 2015, the unamortized amount of all City investments from the Capital Fund made prior to January 1, 2015 that are charged to Airlines will be amortized at an interest rate of 4.5%.

(b) Amortization on Future City Investments. From and after January 1, 2015, the City will amortize any City investments from the Capital Fund made on or after January 1, 2015 that are charged to Airlines based on the life for each project, as reasonably determined by the City up to the economic life of the project, and calculated using an interest rate set to equal the average all-in cost of Airport debt sold by the City during the calendar year when such project is put in service or, if no Airport debt was sold, set to equal comparable published average borrowing costs.

E. Reduction in United's Demised Premises.

1. The City agrees to permanently delete up to 140,000 square feet from United's demised premises, as depicted preliminarily in Exhibit B to this 2014 Amendment ("Reduced Space"). Exhibit B is subject to change, but United's right to

delete up to 140,000 square feet of space under this provision shall expire on December 31, 2015.

2. Effective January 1, 2016, United will lease 2,358.9 square feet of Gate B15 holdroom space and 2,204.6 square feet of Gate B17 holdroom space. All other space, which has not already reverted to United as of the Effective Date, that was to revert to United on January 1, 2016 pursuant to the Lease, will now revert to the City ("Other B Concourse Space").

3. The City agrees to allow United to relinquish, at United's option and at one time only effective as of January 1, 2026, up to fifteen percent (15%) of additional terminal and concourse space leased as of January 1, 2026 ("Return Space") to the City, provided that United gives the City written notice of United's exercise of this option prior to April 1, 2025. In the event that United exercises its option to relinquish the Return Space, the City will issue United a space change summary documenting the reduction in United's space (i.e., the total square footage of Return Space) and the commensurate reduction in rent, including base and tenant finish rent.

4. The City agrees that it will continue to include the Reduced Space and the Other B Concourse Space in the total Rentable Space denominator in calculating the Net Terminal Complex rental rate under Exhibit F of the Lease through February 28, 2025.

F. Deletion of Existing Activity Level Assurances from the 2005-2 and 2012 Amendments. Paragraphs 6, 7 and 8 of the 2005-2 Amendment to the Lease and Paragraphs 5, 6, 7, 9 and 10 of the 2012 Amendment to the Lease and the text after the first clause of paragraph 3 of the 2012 Amendment (starting with "provided, however") shall be stricken in their entirety.

G. New Activity Level Assurance.

1. **DIA ASM Requirement.** From the Effective Date through February 28, 2025, United shall during each calendar year maintain Available Seat Miles ("ASMs") at DIA at a level equal to or greater than 9.10 % of total ASMs in the worldwide United system ("DIA ASM Share"), subject to Section 2.G.2 below. If United is rendered unable to meet or maintain the DIA ASM Share due to a Force Majeure event as defined in Section 9.07 of the Lease, United's DIA ASM Share commitment and United's obligation to make any required financial assurance payment in Section 2.G.2 below shall be suspended for the duration of the Force Majeure event.

For purposes of calculating both DIA and worldwide United system ASMs, the ASMs shall include seat miles made available on scheduled flights operated by United, any other subsidiary of United Continental Holdings, Inc. or any certificated passenger air carrier operating under a capacity purchase or prorate agreement with a subsidiary of United Continental Holdings, Inc.; provided, however, that only seat miles made available on scheduled passenger flights marketed as "United" or "United Express" flights shall be counted; and further provided that code share flights operated by carriers other than a subsidiary of United Continental Holdings, Inc., whether Star Alliance partner carriers or not, are specifically excluded from the

calculations of ASMs. Scheduled flights include only those flights that are included in United or United Express published schedules and are not withdrawn from sale prior to operation.

2. Financial Assurance Payments. If United fails to meet the DIA ASM Share, as measured on an annual calendar year basis, United shall not be deemed to be in default of the Lease, provided, however, that United makes payments to the City as follows:

Subject to the annual payment caps in Section 2.G.3, below, for each 0.10% that United falls below the DIA ASM Share (truncated to the hundredth of a percent and rounded to the nearest 0.10% increment), United shall pay the City \$3 million. For example, if United is 0.15% below the DIA ASM Share, United will be obligated to pay the City \$6 million.

Payments by United under this Section 2.G.2 shall be made as an offset to United's portion of the annual Airline Revenue Credit Account. To the extent that the payment exceeds United's portion of the annual Airline Revenue Credit Account in a given year, United shall pay the difference to the City within forty-five (45) days from (1) August 1 of the same year; or (2) the date the final year-end settlement report of that year is published by the City or its representatives and a copy has been provided to United, whichever is later.

3. Annual Payment Caps. United's payments to the City under Section 2.G.2 for any given year shall not exceed the following amounts:

- 2015-2018: \$20 million per year
- 2019-2021: \$15 million per year
- 2022-2025: \$12 million per year

For example, if DIA's share of worldwide United ASMs in 2015 is 8.5%, then United shall pay the City \$18 million, but if DIA's share of worldwide United ASMs in 2015 is 8.4%, then United shall pay the City \$20 million. Attached as Exhibit C is a document outlining the payments United will owe the City if United falls below the DIA ASM Share commencing in 2015 through 2025.

4. Financial Assurance Payment in 2025. The financial assurance payment, if any, for the period January 1, 2025, through February 28, 2025, shall be calculated on a pro-rata basis, such that for each increment of 0.10% that United falls below the DIA ASM Share (truncated to the hundredth of a percent and rounded to the nearest 0.10% increment), United shall pay the City \$500,000, up to a maximum payment of \$2 million.

Section 3. Additional Provisions

A. Support Facility Leases. The City acknowledges that as a result of the 10-year extension of the Lease provided for in this 2014 Amendment, United may desire to extend the terms of various leases for support facilities at DIA so that those support facility leases are co-terminus with the newly extended term of the Lease. The City agrees to negotiate with United in good faith for such extensions of the terms of United's support facility leases.

B. Severability. The Parties agree that any provision of this 2014 Amendment that is rendered or held invalid, illegal or unenforceable by a court of competent jurisdiction or the FAA shall not render invalid, illegal or unenforceable this 2014 Amendment or any of the remaining provisions of this 2014 Amendment. The Parties agree to cooperate in defense of this 2014 Amendment before a court of competent jurisdiction or the FAA. Upon receipt by either Party of a final order by a court of competent jurisdiction or the FAA that a provision of this 2014 Amendment is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify this 2014 Amendment so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the actions contemplated be undertaken as originally contemplated to the greatest extent possible. If the Parties are unable to agree on such modifications after negotiating diligently and in good faith for thirty (30) days, then the Party that is adversely affected by the decision or order may terminate this 2014 Amendment upon written notice to the other Party hereto and this Amendment shall be of no further force and effect and the Lease will be read as though this Amendment never was in effect.

C. Amendment Subordinate to Federal Law and Grant Assurances. Federal law requires that sponsors of public airports accepting Airport Improvement Program (“AIP”) grants agree to comply with all federal grant assurances (see 49 U.S.C. § 47107). Under the AIP, the City has entered into agreements with the FAA and has agreed to specific federal obligations, including without limitation the obligations related to economic nondiscrimination, the use of airport revenue, and maintenance of a self-sustaining rate structure. Accordingly, this 2014 Amendment is in all respects subordinate and subject to the City’s obligations to comply with federal law and its federal grant assurances.

D. Amendment Subordinate to Bond Ordinances. This 2014 Amendment is in all respects subject and subordinate to any and all City bond ordinances applicable to DIA and to any other bond ordinances which should amend, supplement or replace such bond ordinances.

E. Governing Law. This 2014 Amendment shall be governed by and construed in accordance with the laws of the State of Colorado.

F. No Prior Appropriation. This 2014 Amendment does not commit any present funding by the City. The obligations of the City under this 2014 Amendment shall extend only to monies appropriated for the Airport System by the Denver City Council, subject to the City’s legally required budgeting, authorization, and appropriation processes and bond ordinance obligations and requirements. The City does not through this 2014 Amendment irrevocably pledge present cash reserves of the Airport System for payments in future years, and this 2014 Amendment is not intended to create a multiple fiscal year direct or indirect debt or obligation of airport revenues.

G. Continued Effectiveness of Lease. Except as expressly provided herein, all of the terms and conditions of the Lease are and shall remain in full force and effect.

H. Effectiveness. This 2014 Amendment is expressly subject to, and shall not be binding on the City until, approval by the Denver City Council and full execution by all signatories of the City.

Contract Control Number:

PLANE-XC2X000-07

Contractor Name:

UNITED AIRLINES INC.

By: John D Rainey

Name: John D. Rainey
(please print)

Title: Executive VP & Chief Financial Officer
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)



Contract Control Number:

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of

SEAL

CITY AND COUNTY OF DENVER

ATTEST:

By _____

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

By _____

By _____

By _____



Exhibit A
Bonds Under Consideration for Restructuring as of August 1, 2014

As currently planned, the restructuring of principal from 2015 through 2025 will include portions of several Series and Subseries of Bonds outlined below. The restructuring plan contemplates the renegotiating the term of maturity with existing and future Bondholders, in addition to one or more refunding transactions. Numerous tax and legal considerations are involved in the implementing the restructuring; so the Series and amounts outlined below are preliminary and subject to change at DIA's sole discretion.

Series	Current Interest Mode	Post Restructuring Interest Mods	Outstanding Par Amount	Estimated Restructured Par Amount
Series 1992F	VRDO	FRN	\$ 20,200,000	\$ 3,600,000
Series 1992G	VRDO	FRN	\$ 16,700,000	\$ 4,640,000
Series 2002C	VRDO	FRN	\$ 30,300,000	\$ 11,965,000
Series 2007F1-F4	ARS	ARS and FRN	\$ 204,825,000	\$ 78,605,000
Series 2007G1-G2	VRDO	FRN	\$ 146,200,000	\$ 60,510,000
Series 2008B	FRN	FRN	\$ 69,800,000	\$ 10,660,000
Series 2008C1	FRN	FRN	\$ 92,600,000	\$ 46,745,000
Series 2008C2-C3	FRN	FRN	\$ 200,000,000	\$ 30,225,000
Series 2009C	FRN	FRN	\$104,655,000	\$ 28,050,000

ARS – Auction Rate Securities

FRN – Indexed Floating Rate Notes

VRDO – Variable Rate Demand Obligations

Exhibit B
Reduction in United's Demised Premises

This exhibit shall be replaced with a graphic representation of space to be removed from United's demised premises under the Lease, pursuant to Section 2.E.1 of the 2014 Amendment. The total area to be shown on this exhibit shall not exceed 140,000 square feet. All of the space to be identified on this exhibit for removal from the demised premises shall be at least 100 contiguous square feet and reasonably accessible so as to be rentable to another tenant or usable by the City for airport operations.

CALCULATION OF FINANCIAL ASSURANCE PAYMENTS (a)
Denver International Airport

Truncated to Hundredth of Percent	Rounded to Nearest 0.10% increment [A]	Percent below DIA ASM Share [9.10%-A]	Financial Assurance Payments			
			2015-2018	2019-2021	2022-2025	2025 (b)
0.010% to 0.049%	0.00%	9.10%	\$0	\$0	\$0	\$0
0.050% to 0.149%	0.10%	9.00%	\$3,000,000	\$3,000,000	\$3,000,000	\$500,000
0.150% to 0.249%	0.20%	8.90%	\$6,000,000	\$6,000,000	\$6,000,000	\$1,000,000
0.250% to 0.349%	0.30%	8.80%	\$9,000,000	\$9,000,000	\$9,000,000	\$1,500,000
0.350% to 0.449%	0.40%	8.70%	\$12,000,000	\$12,000,000	\$12,000,000	\$2,000,000
0.450% to 0.549%	0.50%	8.60%	\$15,000,000	\$15,000,000	\$12,000,000	\$2,000,000
0.550% to 0.649%	0.60%	8.50%	\$18,000,000	\$15,000,000	\$12,000,000	\$2,000,000
0.650% to 0.749%	0.70%	8.40%	\$20,000,000	\$15,000,000	\$12,000,000	\$2,000,000

(a) See Section G of the 2014 Lease Amendment.

(b) Amounts are prorated for the period from January 1, 2025 through February 28, 2025.