

1 [Lease Modification - American Airlines, Inc. - Superbay Hangar Lease No. L13-0071 -  
2 Extension of Term and Rent Increase - \$7,240,000 Initial Annual Base Rent]

3 **Resolution approving Modification No. 4 of the Superbay Hangar Lease No. L13-0071,**  
4 **between American Airlines, Inc. and the City and County of San Francisco, acting by**  
5 **and through its Airport Commission, to extend the term by two years and adjust the**  
6 **annual rent to \$7,240,000 to commence on the effective date of the lease extension**  
7 **term after approval of the Board of Supervisors and execution of Modification No. 4.**

8  
9 WHEREAS, On April 2, 2013, by Resolution No. 13-0071, the Airport Commission  
10 ("Commission") awarded the Superbay Hangar Lease No. L13-0071 ("Lease") to American  
11 Airlines, Inc., as tenant ("American"), and on November 1, 2013, by Resolution No. 370-13,  
12 the Board of Supervisors approved the Lease; and

13 WHEREAS, On September 6, 2016, by Resolution No. 16-0240, 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14 approved Modification No. 1 to the Lease, which was subsequently rescinded due to  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. 17-0011, the Commission  
17 approved Modification No. 2 to the Lease, which superseded Modification No. 1;

18 WHEREAS, On February 13, 2018, by Resolution No. 0039-18, the Board of  
19 Supervisors approved Modification No. 2 to the Lease; and

20 WHEREAS, On September 18, 2018, by Resolution No. 18-0306. the Commission  
21 approved Modification No. 3 to the Lease, and on November 27, 2018, by Resolution No. 406-  
22 18, the Board approved Modification No. 3 to the Lease; and

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

1           WHEREAS, City and American have agreed to the terms of Modification No. 4  
2   ("Modification") to the Lease to: (1) extend the term for two years commencing on the  
3   Effective Date, occurring on the first day of the month immediately following the later to occur  
4   of (i) Commission and Board approvals of Modification No. 4, and (ii) the execution of  
5   Modification No. 4 by both the City and American; (2) establish the initial annual rent during  
6   the extension term to \$7,240,000 based on an appraisal by the City's Real Estate Division,  
7   (3) provide for annual rent adjustments during the extension term, and (4) update certain legal  
8   provisions required by applicable local, state, and federal laws; and

9           WHEREAS, On August 15, 2023, by Resolution No. 23-0206, the Airport Commission  
10   approved the Modification, a copy of which is on file with the Clerk of the Board in File  
11   No. 240008, which is hereby declared to be a part of this Resolution as if set forth fully herein;  
12   now, therefore, be it

13          RESOLVED, That this Board of Supervisors hereby approves Modification No. 4 to the  
14   Lease; and, be it

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