

1 Settlement of Lawsuit

2

3 **Ordinance authorizing the settlement of the bankruptcy claim filed by the City and**

4 **County of San Francisco, acting by and through its Airport Commission against Delta**

5 **Air Lines, Inc., for the settlement of the litigated bankruptcy claim between the Airport**

6 **with regard to In re Delta Air Lines Inc., et al., Debtors, Case No. 05-17923PCB, United**

7 **States Bankruptcy Court for the Southern District of New York; and authorizing**

8 **settlement of the lawsuit filed by the City and County of San Francisco, acting by and**

9 **through its Airport Commission against Delta Air Lines, Inc., for agreement to pay a**

10 **percentage allocation of future clean-up costs with regard to City and County of San**

11 **Francisco v. ARCO et al., Case No. C-97-2965 MMC (N.D. Cal).**

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13 Be it ordained by the People of the City and County of San Francisco:

14 Section 1. The City Attorney is hereby authorized to settle the case with Delta

15 Airways, Inc. called In re Delta Airways, Inc. et al., Debtors, Case No. 05-17923PCB, United

16 States Bankruptcy Court for the Southern District of New York and a related litigated claim

17 with regard to City and County of San Francisco v. ARCO et al., Case No. C-97-2965 MMC

18 (N.D. Cal) on the terms and conditions specified in that certain Cure Stipulation on file with

19 Clerk of the Board (file no. 070767);

20 Section 2. The Cure Stipulation and the actions contemplated thereby are hereby

21 approved.

22 Section 3. The material terms of the Cure Stipulation include but are not limited to

23 Delta Air Lines, Inc. ("Delta Air Lines") payment to the San Francisco International Airport

24 ("Airport") of One Million Five Hundred Thirty-Eight Thousand Six Hundred Seventy-Six

25 Dollars and Ninety-Six Cents (\$1,538,676.96) in full and final satisfaction of Delta Air Lines'

1 obligation to cure all defaults under their Airport lease agreements; the payment of Four
2 Hundred Seventy-Five Thousand Dollars (\$475,000.00) in rental payments to fully retire the
3 bonds issued to finance the Delta Air Lines facilities at the Airport; and Delta Air Lines'
4 agreement to assume a percentage allocation of future environmental clean-up costs.

5 Section 4. That the Airport Director be and hereby is authorized to take such other
6 actions as are necessary and appropriate in furtherance of this ordinance, including the
7 execution of agreement(s) and modifications contemplated by the Cure Stipulation, provided
8 such agreement(s) are approved as to form by the City Attorney.

9
10 APPROVED AS TO FORM:
11 DENNIS J. HERRERA, City Attorney

RECOMMENDED:
San Francisco Airport Commission

12
13 By:


14 David Serrano Sewell
Deputy City Attorney

By:


15 John L. Martin
16 Airport Director

17 Resolution No. 07-0121
18 Adopted: May 15, 2007

19 Attest:


20 Secretary
21 Airport Commission



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails

Ordinance

File Number: 070767

Date Passed:

Ordinance authorizing the settlement of the bankruptcy claim filed by the City and County of San Francisco, acting by and through its Airport Commission against Delta Air Lines, Inc., for the settlement of the litigated bankruptcy claim between the Airport with regard to In re Delta Air Lines Inc., et al., Debtors, Case No. 05-17923PCB, United States Bankruptcy Court for the Southern District of New York; and authorizing settlement of the lawsuit filed by the City and County of San Francisco, acting by and through its Airport Commission against Delta Air Lines, Inc., for agreement to pay a percentage allocation of future clean-up costs with regard to City and County of San Francisco v. ARCO et al., Case No. C-97-2965 MMC (N.D. Cal).

June 19, 2007 Board of Supervisors — PASSED ON FIRST READING

Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Jew, Maxwell,
McGoldrick, Mirkarimi, Peskin, Sandoval

June 26, 2007 Board of Supervisors — FINALLY PASSED

Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Jew, Maxwell,
McGoldrick, Mirkarimi, Peskin, Sandoval

File No. 070767

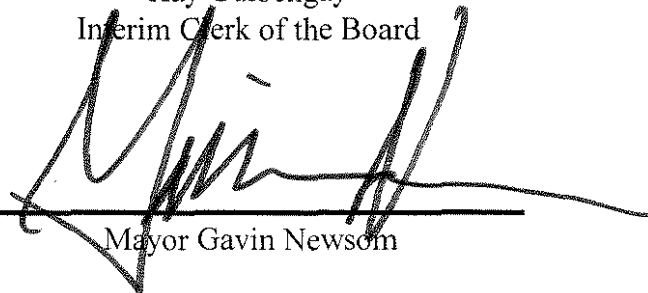
I hereby certify that the foregoing Ordinance was FINALLY PASSED on June 26, 2007 by the Board of Supervisors of the City and County of San Francisco.



Kay Gulbengay
Interim Clerk of the Board

JUL 03 2007

Date Approved



Mayor Gavin Newsom