

1 [Settlement of Lawsuit]

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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. _____);

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.

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

RECOMMENDED:
San Francisco Airport Commission

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14 By: _____
David Serrano Sewell
Deputy City Attorney

By: _____
John L. Martin
Airport Director

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

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Attest: _____
Secretary
Airport Commission

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