

ORDINANCE #69373
Board Bill No. 257

An ordinance recommended and approved by the Airport Commission, the Board of Public Service, and the Board of Estimate and Apportionment authorizing and directing the Comptroller, the City Counselor and the Director of Airports of The City of St. Louis, Missouri (the "City") to enter into, execute, and deliver on behalf of the City a Settlement Agreement substantially in the form as set out in **ATTACHMENT 1** to this Ordinance (the "Settlement Agreement"), which is attached hereto and incorporated herein, between the City, the owner and operator of Lambert-St. Louis International Airport® (the "Airport") and American Airlines, Inc., a Delaware corporation ("American"), providing for a comprehensive resolution of all matters and controversies, including all lease, debt, and any and all other claims and issues arising under and related to certain agreements between the City and American which are part of American's Chapter 11 reorganization case and proceedings commenced under Title 11 of the United States Code on November 29, 2011, which case is pending in the United States Bankruptcy Court for the Southern District of New York in an administratively consolidated case entitled In re AMR Corporation, et al., Chapter 11 Case No. 11-15463 (SHL) (the "Bankruptcy Case"), including, without limitation, certain acknowledgements by the City and American, administrative modifications, amendments, and/or the assumption of certain agreements between the City and American, the waiver and/or release of certain rights and claims, and the allowance and payment of certain claims, all subject to and in accordance with the provisions of the Settlement Agreement; authorizing and directing the Director of Airports, the President of the Board of Public Service, and the Comptroller of the City, as the case may be, to enter into, execute and deliver on behalf of the City certain amendments to agreements with American as more fully described in Section Three of this Ordinance; authorizing the Director of Airports and the Comptroller, on behalf of the City, with the advice and concurrence of the City Counselor, to make such changes, modifications, or amendments to the terms of the Settlement Agreement and/or enter into, execute and deliver such amendments to the Settlement Agreement that may be deemed necessary or desirable to preserve and protect the City's interest, and deemed necessary or appropriate in connection with the Bankruptcy Case, and/or the consummation of the transactions contemplated herein; authorizing the Director of Airports and the Comptroller of the City to negotiate, enter into, execute, and deliver on behalf of the City such agreements or instruments that may be deemed necessary or desirable in order to alienate or otherwise sell the City's "MOA Unsecured Claim", as provided for in Section Five of this Ordinance; authorizing the Mayor, the Comptroller, the Treasurer, the City Counselor, the Register, the President of the Board of Public Service, the Director of Airports, and other appropriate officers, agents, and employees of the City, as the case may be, with the advice and concurrence of the Director of Airports and the City Counselor to execute such documents and take such action as are necessary or desirable in connection with the Settlement Agreement, the Bankruptcy Case, or deemed necessary to preserve or protect the City's interest; providing that the provisions set forth in this Ordinance shall be applicable exclusively to this Ordinance and the Settlement Agreement and amendments attached thereto and the other agreements, documents, and instruments referenced herein, related thereto, and contemplated therein and/or approved and/or authorized by this Ordinance; and containing a severability clause.

WHEREAS, the City of St. Louis, Missouri (the "City") is the owner and operator of Lambert-St. Louis International Airport® ("Airport");

WHEREAS, American Airlines, Inc. ("American"), a Delaware Corporation and a wholly own subsidiary of AMR Corporation, provides connecting and direct air service to the greater St. Louis metropolitan area, which is important for the City and the traveling public and enhances the general economic well being of the Airport, the City and the region;

WHEREAS, the City and American are parties to the following agreements for the lease and/or use of certain facilities or premises at the Airport: i) Airport Use and Lease Agreement No. AL-172, dated by City Register on August 12, 2011, Contract No. 63066 and its predecessor agreement; ii) Memorandum of Agreement for Improvements to the Existing Terminal Facility at Lambert-St. Louis International Airport®, dated February 6, 2003, as amended, Contract No. 44476; iii) Memorandum of Agreement for Improvements to the Existing Terminal Facility at Lambert-St. Louis International Airport®, dated July 30, 2008, Contract No. 57757; iv) Lease Agreement No. AL-465, dated by City Register on March 15, 2010, as amended, Contract No. 60751; and v) Cargo City Lease Agreement AL-456, dated by City Register on December 27, 2007, Contract No. 56683 (collectively the "Agreements");

WHEREAS, American, on November 29, 2011, pursuant to Chapter 11 of the Title 11 of the United States Bankruptcy Code, filed its petition in the United States Bankruptcy Court for the Southern District of New York in an administratively consolidated case entitled In re AMR Corporation, et al., Chapter 11 Case No. 11-15463 (SHL) (the "Bankruptcy Case");

WHEREAS, the City and American, after the exchange of information and extensive discussions and negotiations, desire to enter into and execute a settlement agreement which terms and form is substantially set out in **ATTACHMENT 1** to this Ordinance (the "Settlement Agreement"), which is attached hereto and incorporated herein, in order to resolve all matters and controversies, including all lease, debt, and any and all other claims and issues arising under and related to the Agreements, as part of American's Chapter 11 reorganization case and proceedings commenced under Title 11 of the United States Code;

WHEREAS, this Ordinance was recommended and approved by the Airport Commission, the Board of Public Service and the Board of Estimate and Apportionment of the City; and

WHEREAS, the Board of Aldermen hereby determines that the terms of the Settlement Agreement including, without limitation, the acknowledgements by the City and American, the administrative modifications, amendments, and/or the assumption of certain agreements between the City and American, the waivers and release of certain rights and claims, and the allowance and payment of certain claims, all subject to and in accordance with the terms of the Settlement Agreement, are fair and equitable and acceptable to the City, and that the execution, delivery and performance by the City and American of their respective obligations under the Settlement Agreement are in the best interest of the City, the City's residents, the traveling public, and the Airport and promote the peace, health, safety, and welfare of the residents of the City, the residents of the metropolitan area, and the traveling public.

BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:

SECTION ONE. The Board of Aldermen hereby adopts the foregoing recitals, which are incorporated herein by the reference, as findings.

SECTION TWO. The Comptroller, the City Counselor and the Director of Airports of The City of St. Louis, Missouri (the "City") are hereby authorized and directed to enter into, execute and deliver on behalf of the City and in the best interest of the City, the City's residents and the traveling public, a Settlement Agreement substantially in the form as set out in **ATTACHMENT 1** to this Ordinance (the "Settlement Agreement"), which is attached hereto and incorporated herein, between the City, the owner and operator of Lambert-St. Louis International Airport® (the "Airport") and American Airlines, Inc. ("American"), a Delaware corporation and a wholly own subsidiary of AMR Corporation, providing for a comprehensive resolution of all matters and controversies between the City and American, including all lease, debt, and any and all other claims and issues arising under and related to certain agreements between the City and American which are a part of American's Chapter 11 reorganization case commenced under Title 11 of the United States Code on November 29, 2011, which case is pending in the United States Bankruptcy Court for the Southern District of New York in an administratively consolidated case entitled In re AMR Corporation, et al., Chapter 11 Case No. 11-15463 (SHL) (the "Bankruptcy Case"), including, without limitation, certain acknowledgements by the City and American, administrative modifications, amendments, and/or the assumption of certain agreements between the City and American, the waivers and release of certain rights or claims, and the allowance and payment of certain claims, all subject to and in accordance with the provisions of the Settlement Agreement.

SECTION THREE. The Director of Airports, the President of the Board of Public Service, and the Comptroller of the City, as the case may be, are hereby authorized and directed, on behalf of the City and in the best interest of the City, the City's residents, and the traveling public, to enter into, execute and deliver the following amendments to certain agreements with American, which are more fully described below and are attached hereto and are incorporated herein:

A. "Fifth Amendment To Memorandum Of Agreement For Improvement To Existing Terminal Facility At Lambert-St. Louis International Airport®" (the "Fifth Amendment"), between the City and American, amending the Memorandum of Agreement for Improvement to Existing Terminal Facility at Lambert-St. Louis International Airport, dated February 6, 2003, as previously amended (Contract No. 44476) (the "MOA"), providing that the Fifth Amendment to the MOA shall be substantially in the form as set out in **EXHIBIT B** to the Settlement Agreement, as provided for in Section 3.2 of the Settlement Agreement; and

B. "Second Amendment to Lease Agreement No. AL-456" (the "Second Amendment"), between the City and American, amending the Lease Agreement No. AL-465, dated March 15, 2012, as amended (Contract No. 60751) (the "Maintenance Hangar Lease AL-465"), providing that the Second Amendment to the Maintenance Hangar Lease AL-465 shall be substantially in the form as set out in **EXHIBIT C** to this Settlement Agreement, as provided for in Section 5.1 of the Settlement Agreement.

SECTION FOUR. The Director of Airports and the Comptroller of the City, with the advice and concurrence of the City Counselor are hereby authorized and directed, on behalf of the City and in the best interest of the City, the City's residents, and the traveling public to make such changes, modifications, or amendments to the terms and provisions of the Settlement Agreement and to enter into, execute and deliver such modifications or amendments including, without limitation, any modifications or amendments to any companion, attendant or related documents, agreements, or instruments contemplated in the Settlement Agreement that may be deemed necessary or desirable to preserve and protect the interest of the City, the City's residents, and the traveling public, and

deemed necessary or desirable in connection with the Bankruptcy Case and proceedings, and/or the consummation of the transactions contemplated herein.

SECTION FIVE. The Director of Airports and the Comptroller of the City are hereby authorized to negotiate the provisions of and to enter into, execute, and deliver, on behalf of the City and in the best interest of the City, the City's residents and the traveling public, such agreements or instruments that may be deemed necessary or desirable in order to alienate or sell the City's "MOA Unsecured Claim" (as defined in Section 3.1 of the Settlement Agreement) (the "Claim Agreements") including, without limitation, any companion, attendant or related documents, agreements, instruments, certificates, and affidavits contemplated in the Claim Agreements, or which may be necessary or desirable to effectuate the terms set forth in the Claim Agreements, and/or deemed necessary or desirable to preserve and protect the interest of the City, the City's residents, or the traveling public, and/or to take such actions as may be deemed necessary or desirable in connection with the Claim Agreements, or the consummation of the transactions contemplated therein, or the payment to the City of the City's MOA Unsecured Claim.

SECTION SIX. The Mayor, the Comptroller, the Treasurer, the Register, the City Counselor, the President of the Board of Public Service, the Director of Airports, and other appropriate officers, agents, and employees of the City, as the case may be, with the advice and concurrence of the Director of Airports and the City Counselor, are hereby authorized and directed to enter into, execute and deliver on behalf of the City and in the best interest of the City, the City's residents, and the traveling public, any companion, attendant or related documents, agreements, amendments, modifications, instruments, certificates, affidavits, contemplated in the Settlement Agreement and/or attached thereto as attachments or exhibits, or deemed necessary or desirable to effectuate the terms set forth in the Settlement Agreement or the Claim Agreements, and/or deemed necessary or desirable to preserve and protect the interest of the City, the City's residents, or the traveling public, and/or to take such actions as may be necessary or desirable in connection with the Bankruptcy Case and proceedings or the consummation of the transactions contemplated herein.

SECTION SEVEN. The terms, covenants, and conditions set forth in this Ordinance shall be applicable exclusively to this Ordinance and the agreements, amendments, documents, and instruments approved or authorized by this Ordinance and shall not be applicable to any other existing or future agreements, amendments, documents, or instruments unless specifically authorized by an ordinance enacted after the effective date of this Ordinance. All provisions of other ordinances of the City which are in conflict with this Ordinance shall be of no force or effect as to the agreements, amendments, documents, and instruments approved and/or authorized by this Ordinance.

SECTION EIGHT. The sections or provisions of this Ordinance or portions thereof shall be severable. In the event that any section or provision of this Ordinance or portion thereof is held invalid by a court of competent jurisdiction, such holding shall not invalidate the remaining sections or provisions of this Ordinance unless the court finds the valid sections or provisions of this Ordinance are so essentially and inseparably connected with, and so dependent upon, the illegal, unconstitutional or ineffective section or provision that it cannot be presumed that the Board of Aldermen would have enacted the valid sections or provisions without the illegal, unconstitutional or ineffective sections or provisions; or unless the court finds that the valid sections or provisions, standing alone, are incomplete and incapable of being executed in accordance with the legislative intent.

**ATTACHMENT 1
(SETTLEMENT AGREEMENT)
Is on file in the Register's Office.**

Approved: January 22, 2013