

**NOTICE OF CASE DEVELOPMENTS  
TO HOLDERS OF  
ALLIANCEAIRPORT AUTHORITY, INC.  
\$357,130,000 SPECIAL FACILITIES REVENUE REFUNDING BONDS, SERIES 2007  
(AMERICAN AIRLINES, INC. PROJECT) (the “BONDS”)**

CUSIPS Affected: 01852LBK5\* and 01852LBL3\*

**NOTE: THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE SUBJECT BONDS. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS, AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RE-TRANSMITTAL TO BENEFICIAL OWNERS OF THE BONDS IN A TIMELY MANNER.**

Manufacturers and Traders Trust Company is the indenture trustee (the “Trustee”) under a Trust Indenture dated as of March 1, 2007 (the “Indenture”) between AllianceAirport Authority, Inc. (the “Authority”) and the Trustee, pursuant to which the Bonds were issued in an original principal amount of \$207,130,000 bearing an interest rate of 5.25% per annum (the “CUSIP 01852LBK5 Bonds”) and \$150,000,000 bearing an interest rate of 5.75% per annum (the “CUSIP 01852LBL3 Bonds”) for the purpose of refunding the Authority’s Special Facilities Revenue Bonds, Series 1990 (American Airlines, Inc. Project). In conjunction with the execution of the Indenture, the Authority and American Airlines, Inc. (“American”) entered into that certain Facilities Agreement dated as of March 1, 2007 (the “Facilities Agreement”) pursuant to which American agreed to make payments sufficient to provide for the payment of the principal of, redemption premium, if any, and interest on the Bonds, when due. Pursuant to the Indenture, the Authority assigned to the Trustee all right, title and interest of the Authority in and to the Facilities Agreement. Additionally, AMR Corporation (“AMR”) and the Trustee entered into a Guaranty dated as of March 1, 2007 (the “Guaranty”), pursuant to which AMR unconditionally guaranteed the payment of the principal of, redemption premium, if any, and interest on the Bonds, when due. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Indenture, the Facilities Agreement or the Guaranty, as applicable.

As of November 28, 2011, \$207,130,000 in aggregate principal amount of the CUSIP 01852LBK5 Bonds was outstanding and \$150,000,000 in aggregate principal amount of the CUSIP 01852LBL3 Bonds was outstanding.

**Chapter 11 Filing and Event of Default**

As previously reported, on November 29, 2011 (the “Petition Date”), American, AMR and eighteen (18) affiliates (collectively, the “Debtors”) filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code (the “Chapter 11 Filing”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). The main case number is 11-15463 (SHL). American’s Chapter 11 Filing constitutes an Event of Default under Section 5.1(c) of the Facilities Agreement, and AMR’s Chapter 11 Filing constitutes an Event of Default under

Section 2.4(a)(5) of the Guaranty, both of which constitute Events of Default under Section 9.1(c) of the Indenture.

### **December 1, 2011 Interest Payment Date**

As previously reported, an interest payment on the Bonds was due on December 1, 2011. American did not deposit funds with the Trustee on or before December 1, 2011, sufficient to the make the required interest payment.

### **AllianceAirport Maintenance Facility**

In a filing with the Securities and Exchange Commission on February 1, 2012, the Debtors reported that as part of a larger business and operational restructuring to be effected through their chapter 11 cases, they intend to seek to close the AllianceAirport maintenance facility. As noted above, American's payments under the Facilities Agreement and AMR's Guaranty are the sole source of funds for repayment of the Bonds.

### **Claims Trading Motion**

#### **This Section Contains Important Information About Court Ordered Restrictions on Trading Bonds**

On January 27, 2012, the Bankruptcy Court entered a "Final Order Pursuant to Sections 105(a) and 362 of the Bankruptcy Code Establishing Notification Procedures for Substantial Claimholders and Equityholders and Approving Restrictions on Certain Transfers of Interests in the Debtors' Estates" (the "Claims Trading Order"). The Claims Trading Order (1) imposes certain notification requirements on "Substantial Claimholders," which would include holders of the Bonds, upon the filing of a disclosure statement for any plan of reorganization that seeks to utilize certain tax attributes of the Debtors, and (2) imposes certain restrictions on the acquisition of claims by Substantial Claimholders (or those who would become Substantial Claimholders by virtue of any such acquisition) upon the approval of a disclosure statement for any plan of reorganization that seeks to utilize certain tax attributes of the Debtors. The Claims Trading Order may also require Substantial Claimholders to sell down a portion of their beneficially-owned claims prior to the effective date of any plan of reorganization that seeks to take advantage of certain tax attributes of the Debtors. A Substantial Claimholder is defined to include any entity that beneficially owns \$190,000,000 or more of the Bonds or other bonds or debt of the Debtors, although such amount is subject to increase or decrease as the Debtors determine to be appropriate consistent with the goal of preserving the value of their tax attributes. Bondholders who are interested in the Claims Trading Order may request a copy of the Claims Trading Order from the Trustee's counsel identified below.

### **Creditors' Committee**

As previously reported, on December 5, 2011, the U.S. Trustee for the Southern District of New York appointed an Official Committee of Unsecured Creditors (the "Committee"), comprised of nine (9) members. The Trustee sought appointment to and was appointed to the Committee. The

Committee has engaged the law firm of Skadden Arps Slate Meagher & Flom LLP as counsel and Moelis & Company, LLC and Mesirow Financial Consulting, LLC as financial advisors.

### **Regarding Proofs of Claim**

A bar date for filing proofs of claim on account of prepetition debt has not yet been set. On behalf of itself and the holders, the Trustee will timely submit proofs of claim against the Debtors in the total amount due on account of the Bonds at the time of the bankruptcy filing, plus the fees, costs and expenses of the Trustee. Consequently, it is unnecessary for individual holders to file proofs of claim with respect to the Bonds.

### **Remedies/Direction to the Trustee**

Under the Indenture, the holders of a majority in principal amount of the Bonds Outstanding have the right, after furnishing indemnity satisfactory to the Trustee, to direct the method and place of conducting all proceedings by the Trustee to be taken in connection with the enforcement of the Trustee's rights and remedies under the Indenture, the Facilities Agreement and the Guaranty provided such direction is not otherwise than in accordance with law or the provisions of the Indenture. The holders' ability to direct the Trustee is further subject to the requirements of, *inter alia*, Section 9.6 and Article X of the Indenture, which, among other things, state that the Trustee shall be under no obligation to institute any suit or to take any remedial action under the Indenture or any other documents relating to the Bonds until it shall be indemnified to its satisfaction against any and all reasonable costs, expenses, and liabilities, including counsel fees and other disbursements.

### **Retention of Counsel**

The Trustee has retained the law firm of Drinker Biddle & Reath LLP and specifically, Kristin Going of that firm, to represent it in connection with the Chapter 11 Filing, the Events of Default, and the Bonds. Ms. Going's address is Drinker Biddle & Reath LLP, 1500 K Street, N.W., Suite 1100, Washington, D.C. 20005 and her telephone number is 202-230-5177.

### **Trustee's Fees and Expenses**

Manufacturers and Traders Trust Company, in its capacity as Trustee for the Bonds, has incurred and will continue to incur fees and expenses, including attorney's fees, from time to time. The payment of the Trustee's fees, expenses and disbursements and the reasonable fees and expenses of its counsel shall be paid pursuant to the Indenture, as well as any indemnities owing or to become owing, prior to the payment of the Bonds. These expenses include, but are not limited to, compensation for Trustee time spent and the fees and costs of counsel and other agents, and its employees, to pursue remedies or other actions to protect the interests of holders.

### **Future Events**

The Trustee will periodically communicate with all holders through written notice of material events of a public nature of which the Trustee has knowledge.

**Future Communications with Trustee**

If you have any questions concerning this notice, inquiries may be directed to Dante (Dan) M. Monakil at the Trustee at (410) 949-3268 or [dmonakil@mtb.com](mailto:dmonakil@mtb.com) or to Kristin Going at Drinker Biddle & Reath LLP at (202) 230-5177 or [Kristin.Going@dbr.com](mailto:Kristin.Going@dbr.com). The Trustee may conclude, however, that a specific response to particular inquiries from individual holders is not consistent with equal and full dissemination of information to all holders. Holders should not rely on the Trustee as their sole source of information. The Trustee makes no recommendations and gives no investment advice.

Manufacturers and Traders Trust Company,  
as Trustee

Dated: February 17, 2012

\* The Trustee makes no representation as to the accuracy of the CUSIP numbers provided herein.