

HEARING DATE AND TIME: March 22, 2012 at 10:00 a.m. (Eastern Time)
OBJECTION DEADLINE: March 15, 2012 at 4:00 p.m. (Eastern Time)

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Attorneys for Debtors
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11 Case No.
	:	
AMR CORPORATION, et al.,	:	11-15463 (SHL)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----X		

**NOTICE OF HEARING ON SIXTH OMNIBUS MOTION
OF DEBTORS FOR ENTRY OF ORDER
PURSUANT TO 11 U.S.C. § 365(a) AUTHORIZING
REJECTION OF CERTAIN EXECUTORY CONTRACTS**

PLEASE TAKE NOTICE that a hearing on the annexed motion, dated February 23, 2012 (the “**Motion**”), of AMR Corporation, American Airlines, Inc., AMR Eagle Holding Corporation, and certain of their subsidiaries, as debtors and debtors in possession (collectively, the “**Debtors**”), will be held before the Honorable Sean H. Lane, United States Bankruptcy Judge, in Room 701 of the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”), One Bowling Green, New York, New York 10004, on **March 22, 2012 at 10:00 a.m. (Eastern Time)**, or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE that any responses or objections to the Motion (the “**Objections**”) must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York, and shall be filed with the Bankruptcy Court (a) by registered users of the Bankruptcy Court’s case filing system, electronically in accordance with General Order M-399 (which can be found at <http://nysb.uscourts.gov>) and (b) by all other parties in interest, on a 3.5 inch disk, in text-searchable portable document format (PDF) (with a hard copy delivered directly to Chambers), in accordance with the customary practices of the Bankruptcy Court and General Order M-399, to the extent applicable, and served in accordance with General Order M-399 and on (i) the attorneys for the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Stephen Karotkin, Esq.), (ii) the Debtors, c/o AMR Corporation, 4333 Amon Carter Boulevard, MD 5675, Fort Worth, Texas 76155 (Attn: Kathryn Kooreny, Esq.), (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Brian Masumoto, Esq.), (iv) the attorneys for the statutory committee of unsecured creditors, Skadden, Arps, Slate, Meagher & Flom LLP, 155 North Wacker Drive, Chicago, Illinois 60606 (Attn: John Wm. Butler, Jr., Esq.) and Four Times Square, New York, New York 10036 (Attn: Jay M. Goffman, Esq.), and (v) all entities that requested notice in these chapter 11 cases under Fed. R. Bankr. P. 2002 so as to be received no later than **March 15, 2012 at 4:00 p.m. (Eastern Time)** (the “**Objection Deadline**”).

PLEASE TAKE FURTHER NOTICE that if no Objections are timely filed and served with respect to the Motion, the Debtors may, on or after the Objection Deadline, submit to the Bankruptcy Court an order substantially in the form of the proposed order annexed to the Motion, which order may be entered with no further notice or opportunity to be heard.

Dated: New York, New York
February 23, 2012

/s/ Alfredo R. Perez
Harvey R. Miller
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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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	:	
In re	:	Chapter 11 Case No.
	:	
AMR CORPORATION, et al.,	:	11-15643 (SHL)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----X		

**SIXTH OMNIBUS MOTION OF DEBTORS FOR ENTRY OF ORDER
PURSUANT TO 11 U.S.C. § 365(a) AUTHORIZING REJECTION
OF CERTAIN EXECUTORY CONTRACTS**

TO THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE:

AMR Corporation (“**AMR Corp.**”), American Airlines, Inc. (“**American Airlines**”), AMR Eagle Holding Corporation, and certain of their subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors,**” and together with their non-Debtor subsidiaries, “**AMR**”), respectfully represent:

I. BACKGROUND

1. On November 29, 2011 (the “**Commencement Date**”), the Debtors each commenced with this Court a voluntary case under chapter 11 of title 11, United States Code (the “**Bankruptcy Code**”). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory creditors’ committee has been appointed in these chapter 11 cases.

2. Information regarding the Debtors’ business, capital structure, and the circumstances leading to the commencement of these chapter 11 cases is set forth in the Affidavit of Isabella D. Goren Pursuant to Rule 1007-2 of the Local Bankruptcy Rules of the Southern District of New York, sworn to on November 29, 2011. (ECF No. 4).

II. JURISDICTION

3. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

III. RELIEF REQUESTED

4. The Debtors request entry of an order, pursuant to section 365(a) of the Bankruptcy Code, authorizing the rejection of the Facilities Agreements identified on the annexed “**Exhibit A**” (the “**Facilities Agreements**”).

IV. THE FACILITIES AGREEMENTS

5. Over the years, in order to finance the costs of acquisition, construction, equipment, and improvement by American Airlines of certain airport facilities located at the Dallas/Fort Worth International Airport and the Alliance Airport, the Dallas/Fort Worth

International Airport Facility Improvement Corporation (“**DFWFIC**”) and the Alliance Airport Authority, Inc. (“**AAA**”), respectively, issued certain special facilities revenue bonds. In connection therewith, American Airlines entered into separate Facilities Agreements with DFWFIC and AAA relating to each series of special facilities revenue bonds issued by DFWFIC or AAA, respectively. To date, American Airlines is a party to seven Facilities Agreements with DFWFIC (collectively, the “**DFW Facilities Agreements**”) and two Facilities Agreements with AAA (collectively, the “**AAA Facilities Agreements**”), each of which is identified more specifically on Exhibit A annexed hereto.

6. Pursuant to each Facilities Agreement, American Airlines agreed to make payments sufficient in amounts to pay, when due, the principal of, and interest on, the special facility revenue bonds. Through separate guaranties, AMR Corp. or American Airlines has guaranteed American Airlines’ obligations to DFWFIC and AAA under the applicable Facilities Agreements. The DFWFIC and AAA have each assigned the payments under the Facilities Agreement to a bond trustee. Each Facilities Agreement terminates upon the payment in full of amounts outstanding on the applicable special facilities revenue bond series.

7. Neither the DFWFIC nor AAA have outstanding material (if any) obligations remaining to American Airlines under the Facilities Agreements. Moreover, American Airlines’ rights to lease and use the premises and projects financed with the special facilities revenue bonds are governed by separate lease agreements. Specifically, the Debtors’ right to occupy certain premises located at the Dallas/Fort Worth International Airport (“**DFW**”) – including those constructed or improved with the proceeds of the special facilities revenue bonds – is governed by a number of different leases concerning various facilities at DFW (collectively, the “**DFW Leases**”). The Debtors’ right to occupy certain premises at the Alliance Airport

(“**AFW**”) – including those constructed or improved with special facilities revenue bonds – is governed by the Lease Agreement by and between AllianceAirport Authority, Inc. and American Airlines, Inc., dated March 1, 1990 (the “**AAA Lease**”).¹ In addition, the Debtors lease certain equipment financed using proceeds of special facilities revenue bonds pursuant to a separate master equipment lease.

8. The Debtors believe that the Facilities Agreements are not executory contracts, but, instead, are unsecured obligations of the Debtors.² Nonetheless, to the extent the Court determines that the Facilities Agreements constitute executory contracts, the Debtors have filed the instant motion, in an abundance of caution, and hereby seek to reject the Facilities Agreements.

¹ The Facilities Agreements do not give the Debtors any right of possession. *See* Facilities Agreement by and between American Airlines, Inc. and Dallas/Fort Worth International Airport Facility Improvement Corporation, dated as of November 1, 1995, Article III Section 3.1 (“The parties hereto acknowledge that possession, use and occupancy of the Projects is governed by the terms and provisions of the [Lease Agreements].”); Facilities Agreement by and between American Airlines, Inc. and Dallas/Fort Worth International Airport Facility Improvement Corporation, dated as of September 1, 1999, Article III Section 3.5 (same); Facilities Agreement by and between American Airlines, Inc. and Dallas/Fort Worth International Airport Facility Improvement Corporation, SERIES 2000A, dated as of August 1, 2000, Article III Section 3.1 (same); Facilities Agreement by and between American Airlines, Inc. and Dallas/Fort Worth International Airport Facility Improvement Corporation, SERIES 2000B, dated as of August 1, 2000, Article III Section 3.1 (same); Facilities Agreement by and between American Airlines, Inc. and Dallas/Fort Worth International Airport Facility Improvement Corporation, SERIES 2000C, dated as of August 1, 2000, Article III Section 3.1 (same); Facilities Agreement by and between American Airlines, Inc. and Dallas/Fort Worth International Airport Facility Improvement Corporation (A and B), dated as of April 1, 2002, Article III Section 3.1 (same); Facilities Agreement by and between American Airlines, Inc. and Dallas/Fort Worth International Airport Facility Improvement Corporation, dated as of June 1, 2007, Article III Section 3.1 (same); Facilities Agreement by and between AllianceAirport Authority, Inc. and American Airlines, Inc., dated as of March 1, 2007, Article III Section 3.1 (same); Facilities Agreement by and between American Airlines, Inc. and AllianceAirport Authority, Inc., dated as of October 1, 1991, at 1 (acknowledging that the lease agreement governs possession).

² “Although § 365 does not define the term ‘executory contracts,’ courts have long employed the definition articulated by Professor Countryman, i.e., ‘a contract under which the obligation of both the bankrupt and the other party to the contract are so far unperformed that the failure of either to complete performance would constitute a material breach excusing the performance of the other.’” *U.S. Wireless Data, Inc. v. Halperin (In re Wireless Data, Inc.)*, 547 F.3d 484, 488 (2d Cir. 2008) (quoting Vern Countryman, *Executory Contracts in Bankruptcy: Part I*, 57 Minn. L. Rev. 439, 460 (1973)). The only obligations remaining under the Facilities Agreements is an obligation of American Airlines to repay prepetition unsecured debt. There are no remaining ongoing obligations on the part of DFWFIC or AAA to the Debtors. “A contract is not executory if the only performance required by one side is the payment of money.” *In re Calpine Corp.*, No. 05–60200 (BRL), 2008 WL 3154763, at *4 (Bankr. S.D.N.Y. Aug. 4, 2008) (quoting *In re Digicon, Inc.*, 71 F.App’x 442 (5th Cir. 2003)).

V. ARGUMENT

A. Rejection of the Facilities Agreements is Supported by the Debtors' Business Judgment and Should Be Approved by the Court

9. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession “subject to the court’s approval, may assume or reject any executory contract . . . of the debtor.” 11 U.S.C. § 365(a); *see also NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 521 (1984); *In re Lavigne*, 114 F.3d 379, 386 (2d Cir. 1997). “[T]he purpose behind allowing the assumption or rejection . . . is to permit the trustee or debtor-in-possession to use valuable property of the estate and to ‘renounce title to and abandon burdensome property.’” *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1098 (2d Cir. 1993).

10. Courts defer to a debtor’s business judgment in rejecting an unexpired lease or executory contract. *See Bildisco*, 465 U.S. at 523 (“business judgment” standard is applied by court when approving rejection of executory contracts); *Nostas Assocs. v. Costich (In re Klein Sleep Prods., Inc.)*, 78 F.3d 18, 25 (2d Cir. 1996) (same). Indeed, under the business judgment standard, “[a] debtor’s decision to reject an executory contract must be summarily affirmed unless it is the product of ‘bad faith, or whim or caprice.’” *In re Trans World Airlines, Inc.*, 261 B.R. 103, 121 (Bankr. D. Del. 2001) (quotation omitted).

11. The “business judgment” standard is not strict; it requires only that rejection of the unexpired lease or executory contract will benefit the debtor’s estate. *See In re Balco Equities, Inc.*, 323 B.R. 85, 99 (Bankr. S.D.N.Y. 2005) (“In determining whether the debtor has employed reasonable business discretion, the court for the most part must only determine that the rejection will likely benefit the estate.”) (citation omitted); *see also In re Helm*, 335 B.R.

528, 538 (Bankr. S.D.N.Y. 1996) (“To meet the business judgment test, the debtor in possession must ‘establish that rejection will benefit the estate.’”) (citation omitted).

12. Here, the Debtors have examined the costs associated with their obligations under the Facilities Agreements and have concluded these obligations constitute an unnecessary ongoing expense of their estates. As a result, to the extent the Facilities Agreements are executory, the Debtors, in the exercise of their business judgment, have determined that rejecting the Facilities Agreements is in the best interests of their estates.

13. In light of the foregoing, the Debtors respectfully request that the Court approve the rejection of the Facilities Agreements under section 365(a) of the Bankruptcy Code, as a sound exercise of their business judgment.

**VI. THE DEBTORS HAVE SATISFIED
BANKRUPTCY RULE 6006 AND LOCAL RULE 6006-1(a)**

14. Rule 6006 of the Federal Rules of Bankruptcy (the “**Bankruptcy Rules**”) governs the notice requirements relating to a motion to reject executory contracts. Fed. R. Bankr. P. 6006. These requirements are further modified by Rule 6006-1(a) of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”), which requires that the Debtors provide 14 days of notice prior to any hearing. The Debtors submit that the notice provisions contained herein satisfy the requirements of Rule 6006 of the Bankruptcy Rule and Rule 6006-1(a) of the Local Rules.

VIII. NOTICE

15. Notice of this Motion has been provided to (i) DFWFIC and AAA, each at the addresses listed for notice in the applicable Facilities Agreement, (ii) Manufacturers and Traders Trust Company, as indenture trustee for the special facilities revenue bonds at DFW and AFW, and (iii) parties in interest in accordance with the Order Pursuant to 11 U.S.C. §§ 105(a) and (d)

and Rules 1015(c), 2002(m), and 9007 of the Bankruptcy Rules Implementing Certain Notice and Case Management Procedures, dated December 23, 2011 (ECF No. 453). The Debtors submit that, in view of the facts and circumstances, such notice is sufficient and no other or further notice need be provided.

VIII. NO PREVIOUS REQUEST

16. No previous request for the relief sought herein has been made by the Debtors to this or any other Court.

WHEREFORE, the Debtors respectfully request entry of an order granting the relief requested herein and such other and further relief as is just.

Dated: New York, New York
February 23, 2012

/s/ Alfredo R. Pérez

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Stephen Karotkin
Alfredo R. Pérez
Stephen A. Youngman

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EXHIBIT A

1. Facilities Agreement by and between American Airlines, Inc. and Dallas/Fort Worth International Airport Facility Improvement Corporation, dated as of November 1, 1995.
2. Facilities Agreement by and between American Airlines, Inc. and Dallas/Fort Worth International Airport Facility Improvement Corporation, dated as of September 1, 1999.
3. Facilities Agreement by and between American Airlines, Inc. and Dallas/Fort Worth International Airport Facility Improvement Corporation, SERIES 2000A, dated as of August 1, 2000.
4. Facilities Agreement by and between American Airlines, Inc. and Dallas/Fort Worth International Airport Facility Improvement Corporation, SERIES 2000B, dated as of August 1, 2000.
5. Facilities Agreement by and between American Airlines, Inc. and Dallas/Fort Worth International Airport Facility Improvement Corporation, SERIES 2000C, dated as of August 1, 2000.
6. Facilities Agreement by and between American Airlines, Inc. and Dallas/Forth Worth International Airport Facility Improvement Corporation (A and B), dated as of April 1, 2002.
7. Facilities Agreement by and between American Airlines, Inc. and Dallas/Fort Worth International Airport Facility Improvement Corporation, dated as of June 1, 2007.
8. Facilities Agreement by and between American Airlines, Inc. and AllianceAirport Authority, Inc., dated as of October 1, 1991.
9. Facilities Agreement by and between AllianceAirport Authority, Inc. and American Airlines, Inc., dated as of March 1, 2007.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
: **Chapter 11 Case No.**
: **11-15643 (SHL)**
: **(Jointly Administered)**
: **Debtors.**
: **AMR CORPORATION, et al.,**
: **In re**
-----X

**ORDER GRANTING SIXTH OMNIBUS
MOTION OF DEBTORS FOR ENTRY OF ORDER
PURSUANT TO 11 U.S.C. § 365(a) AUTHORIZING
REJECTION OF CERTAIN EXECUTORY CONTRACTS**

Upon the motion, dated February 23, 2012 (the “**Motion**”),¹ of AMR Corporation (“**AMR Corp.**”), American Airlines, Inc. (“**American Airlines**”), AMR Eagle Holding Corporation (together with its direct subsidiaries, “**Eagle**”), and certain of their subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**,” and together with their non-Debtor subsidiaries, “**AMR**”), pursuant to section 365(a) of title 11, United States Code (the “**Bankruptcy Code**”), for entry of an order authorizing rejection of the Facilities Agreements, to the extent they are executory contracts, all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of

¹ Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

the Motion having been provided to (i) the Dallas/Fort Worth International Airport Facility Improvement Corporation (“**DFWFIC**”) and the Alliance Airport Authority, Inc. (“**AAA**”), each at the addresses listed for notice in the applicable Facilities Agreement, (ii) Manufacturers and Traders Trust Company, as indenture trustee for the special facilities revenue bonds at DFW and AAA, and (iii) parties in interest in accordance with the Order Pursuant to 11 U.S.C. §§ 105(a) and (d) and Bankruptcy Rules 1015(c), 2002(m), and 9007 Implementing Certain Notice and Case Management Procedures, dated December 23, 2011 (ECF No. 453); and a hearing having been held to consider the relief requested in the Motion (the “**Hearing**”); and upon the record of the Hearing and all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted as provided herein; and it is further

ORDERED that, pursuant to section 365(a) of the Bankruptcy Code, to the extent they are executory contracts, the rejection of each of the Facilities Agreements listed on the annexed “**Exhibit A**” is hereby approved, and the Facilities Agreements shall be deemed rejected as of the date hereof; and it is further

ORDERED that any claims arising under the Facilities Agreements shall, if allowed, be treated as prepetition, unsecured obligations of the applicable Debtor; and it is further

ORDERED that nothing in this Order shall be deemed to constitute a waiver of a party's right (if any) to assert a claim against the Debtors' estates in connection with the Facilities Agreements or a waiver of the Debtors' rights to object thereto; and it is further

ORDERED that notice of the Motion satisfies Rule 6006 of the Bankruptcy Rules and Rule 6006-1(a) of the Local Bankruptcy Rules for the Southern District of New York; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from, or related to, this Order.

Dated: New York, New York
March __, 2012

United States Bankruptcy Judge

ATTORNEY CLIENT AND WORK PRODUCT PRIVILEGES
DRAFT FOR DISCUSSION PURPOSES ONLY

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9. Facilities Agreement by and between AllianceAirport Authority, Inc. and American Airlines, Inc., dated as of March 1, 2007.