

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

This stipulation, agreement, and order (the “**Stipulation and Order**”) is entered into by and among (i) AMR Corporation (“**AMR**”), (ii) American Airlines, Inc. (“**American**” collectively, with AMR and certain of their subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases, the “**Debtors**”), and (iii) Manufacturers and Traders Trust Company, as indenture trustee for the special facilities revenue bonds at DFW¹ and AAA (“**M&T**” and collectively, with the Debtors, the “**Parties**”).

RECITALS

A. On November 29, 2011 (the “**Commencement Date**”), the Debtors each commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”).

¹ Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Motion and/or the M&T Objection (as defined below).

B. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure.

C. On or about February 23, 2012, the Debtors filed the *Sixth Omnibus Motion of the Debtors for Entry of Order Pursuant to 11 U.S.C. § 365(a) Authorizing Rejection of Certain Executory Contracts* (ECF No. 1338) (the "**Motion**").

D. Pursuant to the Motion, the Debtors sought to reject certain Facilities Agreements at AFW and DFW, to the extent such agreements were executory. The Facilities Agreements are listed as Exhibit A to this Stipulation and Order.

E. On or about March 14, 2012, the Dallas/Fort Worth International Airport Board (the "**DFW Board**") filed its *Reservation of Rights of the Dallas/Fort Worth International Airport Board With Respect to Debtors' Motion Seeking Authorization to Reject Certain Agreements* (ECF No. 1752) (the "**DFW Board Reservation**").

F. On or about March 14, 2012, the Dallas/Fort Worth International Airport Facility Improvement Corporation filed its *Reservation of Rights of the Dallas/Fort Worth International Airport Facility Improvement Corporation With Respect to the Debtors' Motion Seeking Authorization to Reject Certain Agreements* (ECF No. 1759) (the "**DFW AFIC Reservation**").

G. On or about March 14, 2012, the City of Dallas filed its *Reservation of Rights of the City of Dallas With Respect to the Debtors' Motion Seeking Authorization to Reject Certain Agreements* (ECF No. 1761) (the "**City of Dallas Reservation**").

H. On or about March 15, 2012, the City of Fort Worth and Alliance Airport Authority, Inc. ("**AAA**") filed the *Response to Motion (Limited) and Reservation of Rights of City of Fort Worth and Alliance Airport Authority, Inc. to Sixth Omnibus Motion of the Debtors*

for Entry of Order Pursuant to 11 U.S.C. § 365(a) Authorizing Rejection of Certain Executory Contracts (ECF No. 1785) (the “**Fort Worth/Alliance Reservation**”).

I. On or about May 3, 2012, M&T filed its *Objection of Manufacturers and Traders Trust Company, as Indenture Trustee, to Sixth Omnibus Motion of Debtors for Entry of Order Pursuant to 11 U.S.C. Section 365(a) Authorizing Rejection of Certain Executory Contracts* (ECF No. 2590) (the “**M&T Objection**”) pursuant to which it objected to the relief sought in the Motion contending, *inter alia*, that (i) the Facilities Agreements were not executory contracts, (ii) the Facilities Agreements were integrated with the “Project Agreements” (as the term was defined in the M&T Objection) and (iii) the Motion was not in the exercise of the Debtors’ business judgment.

J. On or about May 3, 2012, Marathon Asset Management LP filed the *Marathon Asset Management, LP’s Objection to Sixth Omnibus Motion of Debtors for Entry of Order Pursuant to 11 U.S.C. § 365(a) Authorizing Rejection of Certain Executory Contracts* [Docket No. 2583] (the “**Marathon Objection**”) pursuant to which it, *inter alia*, objected to the relief sought in the Motion, joined in the M&T Objection and contended that the Debtors have ongoing obligations under certain guarantees issued by AMR or American related to the special facility revenue bonds at AFW and DFW.

K. To avoid litigation of the issues and arguments presented in the Motion and the M&T Objection, the Parties have reached an agreement, subject to the execution of this Stipulation and entry of an order by this Court approving the same.

STIPULATION AND ORDER

NOW THEREFORE, the Parties stipulate and agree as follows:

1. Upon entry of the order approving this Stipulation and Order, the Motion and the M&T Objection shall be deemed withdrawn.

2. The Parties agree to treat the Facilities Agreements as non-executory contracts.
3. M&T, as indenture trustee for certain bondholders (including Marathon) (collectively, the “**Bondholders**”) holding special facility revenue bonds issued by AAA or the DFW FIC in respect of projects at AFW or DFW (collectively, the “**Bonds**”), as applicable, occupied or used by the Debtors, shall have allowed, general unsecured claims, under section 502 of the Bankruptcy Code, against American as follows: (a) an allowed general unsecured claim in the amount of \$51,249,115 (consisting of \$49,525,000 in outstanding principal amount, \$1,714,115 in accrued unpaid interest as of the Commencement Date, and \$10,000 in annual trust fees) relating to the AAA Series 1991 Bonds; (b) an allowed general unsecured claim in the amount of \$366,771,333 (consisting of \$357,130,000 in outstanding principal amount and \$9,641,333 in accrued unpaid interest as of the Commencement Date) relating to the AAA Series 2007 Bonds; (c) an allowed general unsecured claim in the amount of \$126,839,120 (consisting of \$126,240,000 in outstanding principal amount, \$589,120 in accrued unpaid interest as of the Commencement Date, and \$10,000 in annual trust fees) relating to the DFW FIC Series 1995 Bonds; (d) an allowed general unsecured claim in the amount of \$200,158,276 (consisting of \$199,160,000 in outstanding principal amount, \$988,276 in accrued unpaid interest as of the Commencement Date, and \$10,000 in annual trust fees) relating to the DFW FIC Series 1999 Bonds; (e) an allowed general unsecured claim in the amount of \$169,196,414 (consisting of \$168,000,000 in outstanding principal amount, \$1,186,414 in accrued unpaid interest as of the Commencement Date, and \$10,000 in annual trust fees) relating to the DFW FIC Series 2000A Bonds CUSIP Nos. 235035BN1 and 235035BP6 (which shall be exclusive of amounts beneficially held by the Debtors and owing thereunder in connection with the DFW FIC Series 2000A Bonds (CUSIP No. 235035BM3), Series 2000B Bonds (CUSIP No. 235035AP7), and the DFW FIC 2000C Bonds (CUSIP No. 235035AQ5)); (f) an allowed general unsecured claim in

the amount of \$7,155,623 (consisting of \$7,110,000 in outstanding principal amount and \$45,623 in accrued unpaid interest as of the Commencement Date) relating to the DFW FIC Series 2002 Bonds CUSIP No. 235035BG6 (which shall be exclusive of amounts beneficially held by the Debtors in connection with the DFW FIC Series 2002 Bonds (CUSIP No. 235035BH4); (g) an allowed general unsecured claim in the amount of \$132,298,533 (consisting of \$131,735,000 in outstanding principal amount and \$563,533 in accrued unpaid interest as of the Commencement Date) relating to the DFW FIC Series 2007 Bonds; and (h) to the extent permitted by applicable law, and due and owing under the relevant indenture and Facilities Agreement, the compensation for M&T's services rendered and reimbursement for its out-of-pocket expenses (including reasonable counsel fees and expenses), if any, to the extent not allowed as Admin Claims (as defined herein).

4. Nothing in this Stipulation and Order shall be deemed to allow or disallow any claims relating to amounts beneficially held by the Debtors and owing thereunder with respect to the DFW FIC Series 2000A Bonds (CUSIP No. 235035BM3), the DFW FIC Series 2000B Bonds (CUSIP No. 235035AP7), the DFW FIC Series 2000C Bonds (CUSIP No. 235035AQ5), and the DFW FIC Series 2002 Bonds (CUSIP no. 235035BH4).

5. The treatment of the claims under the Facilities Agreements as general unsecured claims against American, as set forth in paragraph 3, above, shall not (i) be construed as a rejection of any agreement pursuant to which the Debtors use, lease or possess premises or equipment at AFW or DFW and/or (ii) modify, terminate or otherwise impair the Debtors' right to use, lease or possess premises or equipment at AFW or DFW.

6. Nothing in this Stipulation and Order shall be deemed to allow or disallow any claims made by M&T in respect of any administrative expense (the "**Admin Claims**") or guaranty relating to the Bonds (the "**Guaranty Claims**"). The Parties hereby expressly agree

that all rights are reserved with respect to any Admin Claims or Guaranty Claims that have been or hereafter may be asserted against any Debtor.

7. The Parties acknowledge and agree that, except as expressly provided in this Stipulation and Order, nothing in this Stipulation and Order shall or does modify the provisions of the respective Facilities Agreements.

8. This Stipulation and Order may not be modified, amended, or vacated other than by a signed writing executed by the Parties and approved by order of the Court.

9. Each person who executes this Stipulation and Order on behalf of a Party hereto represents that he or she is duly authorized to execute this Stipulation and Order on behalf of such Party.

10. This Stipulation shall be governed by, and construed and enforced in accordance with the laws of the State of New York, without giving effect to the principles of conflict of laws thereof.

11. The Parties hereby irrevocably and unconditionally agree that the Court shall retain exclusive jurisdiction to interpret, implement, and enforce the provisions of this Stipulation and Order.

12. This Stipulation and Order may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Evidence of execution of this Stipulation and Order may be exchanged by fax or by electronic transmission of a scanned copy of the signature pages or by exchange of an originally signed document, each of which shall be as fully binding on the party as a signed original.

13. This Stipulation and Order shall not be effective until it becomes a final

and non-appealable order of the Court.

Dated: New York, New York
May 23, 2012

/s/ Alfredo R. Perez
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Attorneys for Manufacturers and Traders
Trust Company, as Indenture Trustee

APPROVED AND ORDERED

This **31st** day of **May** 2012

BY THE COURT:

/s/ Sean H. Lane
Sean H. Lane
United States Bankruptcy Judge

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/Fort 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.