



**NOTICE OF DEADLINE TO FILE PROOFS OF CLAIM AND  
OTHER BANKRUPTCY 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.

**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.

### **Debtors' Facilities Agreement Rejection Motion**

As previously reported, on February 23, 2012, the Debtors filed a motion (the "Rejection Motion") with the Bankruptcy Court seeking entry of an order authorizing the Company to reject (terminate) the Facilities Agreement. In the Rejection Motion the Debtors indicated that they are seeking to reject only the Facilities Agreement at this time and not the leases and other agreements that govern the Debtors' right to use or occupy the premises that were constructed and/or improved with the Bond proceeds or to terminate the use of equipment acquired with the proceeds of the Bonds. The Trustee filed an objection to the Rejection Motion on May 3, 2012, and alleged that (i) the Facilities Agreement is not an executory contract subject to assumption or rejection, (ii) even if it is an executory contract, the Debtors have not met the burden of proof to establish that they are entitled to reject the Facilities Agreement, and (iii) given the fact that the Facilities Agreement forms part of an integrated transaction, the Debtors' piecemeal rejection of the Facilities Agreement while continuing to use and benefit from the projects financed with the Bond proceeds would be inequitable.

The Debtors and the Trustee have agreed to a further adjournment of the hearing on the Rejection Motion to May 24, 2012, in order to allow the parties to discuss and possibly negotiate a settlement of the Rejection Motion. While the Debtors have not yet provided the Trustee with a proposed settlement agreement, the general terms the parties are considering are similar to the proposal in the Preliminary Statement of the Debtors' reply brief that was filed May 7, 2012. The general concepts include that the Debtors will withdraw the Rejection Motion and in exchange the parties will agree that the Trustee shall have an allowed general unsecured claim for the full outstanding amount of the Bonds.

### **Regarding Proofs of Claim**

On May 4, 2012, the Court entered an order approving the Debtors' motion establishing a bar date for filing proofs of claim (the "Bar Date Motion"). The Court approved the Debtors' request to set **July 16, 2012 at 5:00 p.m. EDT** as the deadline for filing proofs of claim against the Debtors.

**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 principal, interest and fees due and owing on the Bonds.** Nonetheless, the Debtors' proposed order approving the Bar Date Motion provides that the Debtors' claims and noticing agent will serve a copy of the bar date notice and a copy of the proof of claim form on each record holder of the Bonds in the event that individual holders wish to assert claims against the Debtors other than claims for principal, interest and fees due and owing on the Bonds.

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

Under the Indenture, the holders of a majority in principal amount of the Bonds currently



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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 Facilities Agreement and the Guaranty or the Bondholders' or the Trustee's rights and remedies under the Indenture, 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 compensation for services, costs and expenses, outlays, and 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.

### **Website for Accessing Certain Publicly Available Information**

Certain publicly available information which may be of interest to Bondholders, including the Rejection Motion described in the previous section of this notice, as well as prior notices given to Bondholders by the Trustee, is available to Bondholders through a special link on the website of the Trustee's counsel. Bondholders wishing to access this information should go to the following web page: [www.drinkerbiddle.com/americanairlinesbondholders](http://www.drinkerbiddle.com/americanairlinesbondholders).

### **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



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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: May 29, 2012

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

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