



**NOTICE OF (I) CONFIRMATION OF FOURTH AMENDED CHAPTER 11 PLAN  
IN THE AMR CORPORATION AND AMERICAN AIRLINES, INC.  
BANKRUPTCY CASE, (II) COMMENCEMENT OF ANTITRUST LITIGATION AND  
(III) THIRD AMENDMENT TO MERGER AGREEMENT  
TO HOLDERS OF**

**PUERTO RICO INDUSTRIAL, MEDICAL, HIGHER EDUCATION AND  
ENVIRONMENTAL POLLUTION CONTROL  
FACILITIES FINANCING AUTHORITY  
SPECIAL FACILITY REVENUE BONDS 1985 SERIES A  
(AMERICAN AIRLINES, INC. PROJECT)  
(the “BONDS”)**

CUSIP Affected: 745271DK9\*

**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 successor indenture trustee (the “Trustee”) under a Trust Agreement dated as of December 1, 1985 (the “Indenture”) between Puerto Rico Industrial, Medical, Higher Education and Environmental Pollution Control Facilities Financing Authority and National Westminster Bank USA, as trustee, pursuant to which the Bonds were issued in the original principal amount of \$36,160,000.

**Chapter 11 Filing and Event of Default**

On November 29, 2011 (the “Petition Date”), American Airlines, Inc. (“American”), AMR Corp. (“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 the Loan Agreement, which in turn constitutes an Event of Default under the Indenture.

On December 5, 2011, the U.S. Trustee for the Southern District of New York appointed the Trustee and eight other creditors to the Official Committee of Unsecured Creditors (the “Committee”).

### **Proposed Merger with US Airways Group, Inc.**

As reported in the Trustee's prior notices, on February 14, 2013, AMR and US Airways Group, Inc. ("US Airways") announced that their respective boards of directors had unanimously approved a definitive Merger Agreement (the "Merger Agreement") dated as of February 13, 2013, by and between AMR, US Airways and a wholly-owned subsidiary of AMR. Following the merger (the "Merger"), AMR would (i) own, directly or indirectly, all of the equity interests of American, AMR Eagle Holding Corporation, US Airways and their direct and indirect subsidiaries and (ii) be renamed American Airlines Group Inc. ("New AAG"). Copies of the orders approving the merger are available through a special link on the website of the Trustee's counsel: [www.drinkerbiddle.com/americanairlinesbondholders](http://www.drinkerbiddle.com/americanairlinesbondholders).

### **Support and Settlement Agreement**

On May 14, 2013, the Debtors filed a motion with the Bankruptcy Court seeking authority to enter into, perform under and implement the Support and Settlement Agreement (the "SSA") by and among the Debtors and certain members (the "Consenting Creditors") of the Ad Hoc Committee of AMR Corporation Creditors and certain other creditors holding approximately \$1.2 billion in aggregate prepetition unsecured claims. The SSA attached a "Term Sheet," which served as the basis for formulating the Plan (as defined below). Pursuant to the terms of the SSA, each Consenting Creditor has agreed, among other things, to vote in favor of the Plan, generally support confirmation and consummation of the Plan and not to support or solicit any plan in opposition to the Plan SSA. On June 4, 2013, the Bankruptcy Court entered an order granting the Debtors' motion for authority to enter into, perform under and implement the SSA (the "SSA Approval Order"). Copies of the SSA and the SSA Approval Order are available through the special link on the website of the Trustee's counsel: [www.drinkerbiddle.com/americanairlinesbondholders](http://www.drinkerbiddle.com/americanairlinesbondholders).

### **Antitrust Complaint**

On August 13, 2013, just two days before the scheduled hearing on confirmation of the Debtors' Plan (defined below), the United States Department of Justice ("DOJ") and six states filed a complaint in U.S. District Court for the District of Columbia (the "D.C. District Court") seeking to permanently enjoin the Merger on the grounds that it would likely substantially lessen competition and tend to create a monopoly in violation of Section 7 of the Clayton Act (the "Antitrust Litigation"). In a press release issued on August 14, 2013, US Airways and the Debtors vowed to mount a "vigorous and strong defense" and to "pursue all legal options" in response to the DOJ's effort to block the Merger. AMR and US Airways have indicated that, at the very least, the Antitrust Litigation means that the Merger cannot be completed in the third quarter of 2013, as planned. The Antitrust Litigation trial is scheduled to begin on November 25, 2013.

The Trustee is unable to predict when the Antitrust Litigation will conclude nor what the outcome may be nor what its effect on the Debtors' reorganization will be.

### **Confirmation of Fourth Amended Joint Chapter 11 Plan**

As you were previously notified, the Bankruptcy Court entered an order on June 7, 2013, approving the Disclosure Statement for Second Amended Joint Chapter 11 Plan (as the same may be amended from time to time, the “Plan”) as containing adequate information, which allowed the Plan to be sent to creditors for a vote.

On August 15, 2013, the Bankruptcy Court held a hearing on confirmation of the Third Amended Plan. At the confirmation hearing, the Bankruptcy Court resolved all pending objections to confirmation and closed the record with respect to all issues relating to confirmation except for any effect the Antitrust Litigation might have on the ability of the Bankruptcy Court to enter a confirmation order. The Bankruptcy Court ordered parties in interest to file briefs regarding the impact of the Antitrust Litigation on the Plan and the Merger on or before August 23, 2013. Briefs were submitted by the Debtors and the Committee, with supporting statements filed by the Ad Hoc Committee of AMR Corporation Creditors and the Association of Professional Flight Attendants. The DOJ also filed a statement indicating that it took no position on whether the Bankruptcy Court should confirm the Plan at this time. In their briefs the Debtors and the Committee argued, among other things, that the very structure of the Plan contemplated a potentially significant period of time between confirmation of the Plan and the effective date of such Plan and the simultaneous closing of the Merger in order to obtain necessary regulatory approvals, all of which was fully disclosed to the Debtors’ creditors and stakeholders and other parties in interest.

On September 20, 2013, AMR and US Airways entered into a third amendment to the Merger Agreement extending the termination date of the Merger Agreement to January 17, 2014, or fourteen (14) days after the D.C. District Court enters an order in favor of AMR and US Airways in the Antitrust Litigation, so long as such order is entered on or before January 17, 2014. The third amendment to the Merger Agreement further provides that if the D.C. District Court enters a final, but appealable, order permanently restraining, enjoining or otherwise prohibiting consummation of the Merger after a trial in the Antitrust Litigation, the Merger Agreement shall terminate within five (5) days of the entry of such order.

On October 22, 2013, the Bankruptcy Court entered an order confirming the Plan (the “Confirmation Order”). In the Confirmation Order, the Bankruptcy Court took judicial notice of the Antitrust Litigation; however, the Confirmation Order explicitly states that it shall not be construed as adjudicating any of the claims in the Antitrust Litigation. The Bankruptcy Court also ruled that, except as otherwise expressly provided in the Merger Agreement or the Confirmation Order, to the extent authorized by Bankruptcy Code section 1123(a), the Confirmation Order shall constitute all approvals and consents required by the laws, rules or regulations of any state or other governmental authority (subject to applicable police powers and applicable laws, rules or regulations relating to public health and safety) for implementation or consummation of the Plan and Merger Agreement. The Bankruptcy Court also retained jurisdiction to interpret the scope of this ruling.

### **Treatment of Bondholders’ Claims Under the Plan**

The Trustee refers Bondholders to prior notices for a summary description of the Plan and



treatment of the Bondholders' claims under the Plan. A copy of the Plan and Disclosure Statement, as well as copies of the Trustee's prior notices are available through the special link on the website of the Trustee's counsel: [www.drinkerbiddle.com/americanairlinesbondholders](http://www.drinkerbiddle.com/americanairlinesbondholders).

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

Under the Indenture, the holders of a majority in principal amount of the Bonds currently 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 Loan Agreement or the Bondholders' or the Trustee's rights and remedies under the Indenture, provided such direction is in accordance with law and the provisions of the Indenture. The holders' ability to direct the Trustee is further subject to the requirements of the Indenture (including, *inter alia*, Section 902 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. Although the proposed Plan contemplates payment of the Trustee's fees, expenses and disbursements and the reasonable fees and expenses of its counsel on the Effective Date of the Plan, the Trustee reserves its rights to payment of its fees, expenses and disbursements, including the fees and expenses of its counsel, pursuant to the Indentures 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, as well as prior notices given to Bondholders by the Predecessor 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 of each series of Bonds 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: October 31, 2013

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

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