



December 17, 2012

Notice of Special Record Date and of Significant Developments in the Chapter 11 Case

**Notice to Holders of Regional Airport Improvement
Corporation Facilities Sublease Revenue Bonds,
American Airlines, Inc. Terminal 4 Project
(Los Angeles International Airport)**

**Refunding Series 2002A Bonds
CUSIP NO. 544628GX2, due 2024 (the "2002A Bonds")**

**Series 2002B Term Bonds
CUSIP NO. 544628GY0, due 2024 (the "2002B Bonds")**

**Series 2002C Term Bonds
CUSIP NO. 544628HC7, due 2012 (the "2002C Bonds due 2012")
CUSIP NO. 544628HD5, due 2024 (the "2002C Bonds due 2024")**

Notice is being given by The Bank of New York Mellon Trust Company, N.A. ("BNYM" or the "Trustee"), successor to BNY Western Trust Company ("BNYWTC") as the indenture trustee under the Trust Indenture (the "Indenture") dated as of January 1, 2002 between the Regional Airports Improvement Corporation ("RAIC") as Issuer and BNYWTC, as Trustee, relating to the Facility Sublease Revenue Bonds (the "Bonds") American Airlines, Inc. ("American"), Terminal 4 Project (Los Angeles International Airport). The persons receiving this Notice are the registered holders (the "Holders") of the Bonds whose names and addresses appear on the list of Holders of the Bonds maintained by BNYM. All capitalized terms not defined herein shall have the meaning ascribed to them in the Indenture.

Each registered Holder of the above-referenced Bonds should forward a copy of this Notice immediately to any beneficial owner(s) thereof for whom the Holder acts as nominee or in any other capacity.

BNYM has previously notified you that AMR Corporation ("AMR"), American and certain of their affiliates (the "Debtors") filed petitions (the "Chapter 11 Filing") under Chapter 11 of the United States Bankruptcy Court (the "Chapter 11 Case") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") on November 29, 2011 (the "Petition Date"), and of significant events occurring after the filing of the Chapter 11 Case, including the payment of rent in the aggregate amount of \$23,038,100 made by American on or about December 1, 2011 and June 1, 2012 (together with the payment made on December 3, 2012, described below, the "Post-Petition

Payments”) under the Amended and Restated Facilities Sublease and Agreement dated as of January 1, 2002, between the RAIC and American (the “Sublease”), and the reservation of rights made by American in connection with such payments in which the Debtors appeared to attempt to reserve their right to seek to recharacterize the Sublease as a financing and to potentially claw-back some or all of the Post-Petition Payments. BNYM has also previously notified you that as a result of this reservation of rights and other uncertainties resulting from the Chapter 11 Case, it has not distributed the Post-Petition Payments to Holders.

The purpose of this Notice is to advise you of the following significant facts relating to the Chapter 11 Case and the Sublease:

The Motion Filed by the Debtors to Assume the Sublease

Over the course of the year since the commencement of the Chapter 11 Case the Trustee has engaged in discussions and negotiations with the Debtors and the City of Los Angeles regarding the Bonds and the Sublease. These negotiations were at times difficult and included threats by the Debtors that they would move to reject the Sublease if the Trustee did not make significant concessions with respect to the Debtors’ obligations under the Sublease and their guarantees of the Bonds.

On November 15, 2012, the Debtors filed a motion in the Bankruptcy Court to assume the Sublease (the “Assumption Motion”). A copy of the Assumption Motion is attached as Exhibit A to this notice. Unlike certain other motions filed by the Debtors over the course of the Chapter 11 Case to assume other leases underlying facility revenue bonds, the Assumption Motion did not include language reserving the right to recharacterize the Sublease as a financing, and, per the Trustee’s discussions with the Debtors, the Trustee understands that the Debtors do not intend to move to recharacterize the Sublease (as discussed further below). The hearing on the Assumption Motion was held on November 29, 2012 and was uncontested. On November 29, 2012, the Bankruptcy Court entered an order approving the assumption of the Sublease (the “Assumption Order”). A copy of the Assumption Order is attached as Exhibit B to this notice.¹ No appeals were filed with respect to the Assumption Order prior to December 14, 2012, and, as a result, the Assumption Order became final and non-appealable.

Following the entry of the Assumption Order, on December 3, 2012, the Debtors made a rental payment under the Sublease of \$14,574,862.50. Unlike previous Post-Petition Payments, the Debtors did not make this payment subject to a reservation of rights.

The Dispute over the Cure Amount

Under the Bankruptcy Code, upon assuming a lease of nonresidential real property, a debtor is required to cure all defaults under the lease being assumed. The amount of monetary payments a debtor is required to make in order to cure all defaults under a lease being assumed is commonly referred to as a “cure amount.”

¹ The Assumption Order is slightly different than the original form order attached to the Assumption Motion as treatment of the “cure amounts” was modified as described below.

In Exhibit B to the Debtors' Assumption Motion, the Debtors listed the "cure amount" required in connection with the assumption of the Sublease as \$0. The Trustee disagreed with the Debtors' position on this matter. Among other things, the Trustee believes that the Debtors' failure, since the Petition Date, to pay the reasonable fees and expenses of the Trustee incurred in connection with the Bonds as required by Section 12(b) of the Sublease constitutes a default which must be cured in connection with the assumption of the Sublease.

In order to provide an opportunity to reach a consensual settlement with the Debtors regarding the proper cure amount, the Trustee and RAIC entered into a stipulation with the Debtors whereby the Trustee and RAIC agreed not to object to the assumption of the Sublease and to adjourn, initially to December 19, 2012, the hearing on the Assumption Motion solely with respect to the determination of the proper cure amounts owed thereunder.² A copy of this stipulation is attached as Exhibit C to this notice.

The Form of Agreed Order

After weeks of negotiations, the Trustee and the Debtors have agreed on a form of order (the "Agreed Order"), which, if entered by the Bankruptcy Court, will resolve the remaining disputes between the Trustee and the Debtors regarding the cure payments required in connection with the Debtors' assumption of the Sublease and should provide additional clarity and certainty to Holders regarding the Debtors' intent to continue to pay principal and interest on the Bonds when due. A copy of this Agreed Order is attached as Exhibit D to this notice.

The Agreed Order provides, among other things, that:

- The Debtors will waive and release all rights to recharacterize the Sublease as a financing;
- Within thirty days after entry of the Agreed Order, the Debtors will pay all of the fees and expenses of the Trustee incurred in respect of the Bonds through September 30, 2012, after taking into account certain fee discounts granted by the professionals retained by the Trustee (the "Cure Payments");
- The Debtors will pay all additional reasonable fees and expenses of the Trustee in respect of the Bonds, subject to certain restrictions on the types of fees which may be incurred as more fully described in the Agreed Order;
- After the Trustee receives the Cure Payments from the Debtors, the Holders of the 2002C Bonds due 2012 will be paid \$12,254,450³, i.e. the total amount of regularly scheduled payments of principal and interest between December 1, 2011 and December 3, 2012 (without interest on overdue principal or interest), and following such payment the 2002C Bonds due 2012 will be deemed paid in full and no longer outstanding;

² As noted below, this hearing has been subsequently adjourned to January 9, 2013.

³ A portion of this amount will be paid on or about January 15, 2013 as described below.

- After the Trustee receives the Cure Payments from the Debtors, the Holders of the 2002A Bonds, 2002B Bonds and 2002C Bonds due 2024 will be paid all outstanding but unpaid regularly scheduled interest payments for which the relevant regularly scheduled interest payment dates have already passed (without interest on overdue interest);
- Within thirty days after the Debtors' emergence from bankruptcy, the Debtors shall make a cash payment to the Trustee in full satisfaction of the reduced completion fee of the Trustee's financial advisor (Seabury Advisors) that is allocable to the Bonds; and
- The Debtors, the Trustee, RAIC, each holder of the Bonds that directed the Trustee not to object to the Motion, and each of their respective legal counsel and/or financial advisors shall have no liability for any claims, demands, suits, actions or causes of action in any way related to the matters that are the subject of the Agreed Order.

To allow time for notice to Holders regarding the Agreed Order, the Trustee and RAIC entered into a stipulation with the Debtors whereby the Trustee and RAIC agreed not to object to the assumption of the Sublease and to further adjourn, to January 9, 2013, the hearing on the Assumption Motion solely with respect to the cure amounts owed thereunder. Pursuant to this stipulation, the deadline for the Trustee and RAIC to object to the Debtors' motion with respect to cure payments has been extended to January 3, 2013 at 4:00 p.m. (Eastern Time). A copy of this stipulation is attached as Exhibit E to this notice.

BNYM encourages all holders to carefully review the Agreed Order. The Agreed Order contemplates that Holders will be enjoined from asserting claims against the Trustee, RAIC, and the Debtors for any claims, demands, suits, actions or causes of action in any way related to the matters that are the subject of the Agreed Order. The Agreed Order, once entered by the Bankruptcy Court, will be binding on all Holders irrespective of any rights which they may have under the Indenture or any other relevant documents.

Distributions of Post-Petition Payments

As noted above, one of the reasons the Trustee has refrained from distributing the Post-Petition Payments to Holders was due to the concern that the Debtors would seek to recharacterize the Sublease and related transactions as a financing and seek to claw-back some or all of the Post-Petition Payments. However, in light of the effectiveness of the Assumption Order as of December 14, 2012, these concerns are to a large degree ameliorated, allowing the Trustee to distribute a significant portion of the Post-Petition Payments. However, until the Agreed Order has been entered and the Trustee has received the Cure Payments, the Trustee will be required to hold back a certain amount of funds to assure payment of its fees and expenses.⁴ Additionally, due to certain issues in allocating the amount held back between interest and principal, the Trustee will, until after entry of the Agreed Order, refrain from distributing Post-Petition Payments in respect of principal.

⁴ Pursuant to Sections 10.11 and 11.02 of the Indenture, the Trustee has a first lien on the trust estate with right of payment of its fees and expenses prior to payment of principal and interest on the Bonds.

Interim Distribution to Holders

Of the Post-Petition Payments made by the Debtors under the Sublease, \$26,172,962.50 have been made in respect of interest due on the Bonds and \$11,440,000.00 has been made in respect of principal due on the 2002C Bonds due 2012. The Trustee expects that on or about January 15, 2013 it will make an interim distribution (the “Interim Distribution”) of \$24,172.962.50 to Holders of record as of January 2, 2013, representing the Post-Petition Payments made in respect of interest on the Bonds less a holdback of \$2 million in respect of current and future fees and expenses of the Trustee. As noted above, this Interim Distribution will also not include the \$11,440,000 of Post-Petition Payments representing principal on the 2002C Bonds due 2012. The following table lists the amount per series of Bonds which the Trustee expects to distribute to Holders on or about January 15, 2013. These amounts have been calculated by allocating the \$2 million holdback to each series of Bonds pro rata, based on the amount of accrued and unpaid interest on each series of Bonds.

Cusip	Principal Amount Outstanding	Aggregate amount of Interest Distribution	Rate Per Thousand Principal Outstanding
544628GX2	\$15,720,000.00	\$1,551,692.51	98.70818
544628GY0	\$26,740,000.00	\$2,778,375.37	103.90334
544628HD5	\$183,735,000.00	\$19,090,680.59	103.90334
544628HC7	\$11,440,000.00	\$752,214.02	65.75297

Second Distribution to Holders after Receipt of Cure Payments

If the Agreed Order is entered on or about January 9, 2013, the Debtors will be required to make the Cure Payments to the Trustee within thirty days thereafter. After receiving the Cure Payment, the Trustee will be able to distribute the balance of the Post-Petition Payments not distributed in the Interim Distribution (the “Second Distribution”). The following table lists the amount per series of Bonds which the Trustee expects to distribute to Holders as part of the Second Distribution.

Cusip	Principal Amount Outstanding	Aggregate Amount of Interest Distribution	Rate Per Thousand Principal Outstanding of Interest Distribution	Aggregate Amount of Principal Distribution	Rate Per Thousand Principal Outstanding of Principal Distribution
544628GX2	\$15,720,000.00	\$128,382.49	8.16682	\$0	\$0
544628GY0	\$26,740,000.00	\$229,874.63	8.59666	\$0	\$0
544628HD5	\$183,735,000.00	\$1,579,506.91	8.59666	\$0	\$0
544628HC7	\$11,440,000.00	\$62,235.98	5.44021	\$11,440,000.00	\$1000

Please note that the above chart under the heading “Second Distribution to Holders after Receipt of Cure Payments” is being provided for informational purposes only and the above amounts will not be distributed as part of the Interim Distribution on January 15, 2013, but rather will be distributed after the Agreed Order has become final and non-appealable and the Debtors have paid the Cure Payments. After entry of the Agreed Order, the Trustee will send a notice to Holders setting a record date and payment date for the Second Distribution.

BNYM will advise you of future significant developments regarding the Sublease and the Bonds. If you have any questions concerning this matter please contact Mr. Alex Chang of BNYM at (212) 815-2816 or Amy Caton of Kramer Levin Naftalis & Frankel, LLP at acaton@kramerlevin.com or (212) 715-7772.

The Bank of New York Mellon Trust Company,
N.A., Trustee

NOTE: The CUSIP numbers appearing herein have been included solely for the convenience of the Holders. The Bank of New York assumes no responsibility for the selection or use of such numbers and makes no representation as to the correctness of the CUSIP numbers above. Holders should not construe anything in this notice as legal business or tax advice and each Holder is urged to consult its own advisors as necessary.

Exhibit A

The Assumption Motion

HEARING DATE AND TIME: November 29, 2012 at 10:00 a.m. (Eastern Time)
OBJECTION DEADLINE: November 21, 2012 at 4:00 p.m. (Eastern Time)

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Alfredo R. Pérez
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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)
	:	
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**NOTICE OF HEARING ON TWENTY-FOURTH OMNIBUS MOTION
OF DEBTORS FOR ENTRY OF ORDER PURSUANT TO 11 U.S.C. § 365(a),
FED. R. BANKR. P. 6006, AND LBR 6006-1 AUTHORIZING ASSUMPTION OF
CERTAIN UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY
(LOS ANGELES INTERNATIONAL AIRPORT)**

PLEASE TAKE NOTICE that a hearing on the annexed motion, dated November 15, 2012 (the “**Motion**”), of AMR Corporation and its related debtors, 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 **November 29, 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 Official 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.), (v) the attorneys for the Section 1114 Committee of Retired Employees, Jenner & Block LLP, 353 North Clark Street, Chicago, Illinois 60654 (Attn: Catherine L. Steege, Esq. and Charles B. Sklarsky, Esq.) and 919 Third Avenue, 37th Floor, New York, New York 10022 (Attn: Marc B. Hankin, Esq.), and (vi) all entities that requested notice in these chapter 11 cases under Fed. R. Bankr. P. 2002 so as to be received no later than **November 21, 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
November 15, 2012

/s/ Stephen A. Youngman
Harvey R. Miller
Stephen Karotkin
Alfredo R. Pérez
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Attorneys for Debtors
and Debtors in Possession

HEARING DATE AND TIME: November 29, 2012 at 10:00 a.m. (Eastern Time)
OBJECTION DEADLINE: November 21, 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**

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

**TWENTY-FOURTH OMNIBUS MOTION OF DEBTORS
FOR ENTRY OF ORDER PURSUANT TO 11 U.S.C. § 365(a), FED.
R. BANKR. P. 6006, AND LBR 6006-1 AUTHORIZING ASSUMPTION OF
CERTAIN UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY
(LOS ANGELES INTERNATIONAL AIRPORT)**

This Omnibus Motion seeks, in part, to assume certain unexpired leases of nonresidential real property. If you have received this Motion and are a counterparty to a lease or agreement with the Debtors, please review Exhibit "B," annexed hereto, to determine if this Motion affects your lease or agreement and your rights thereunder.

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

AMR Corporation and its related debtors, as debtors and debtors in possession
(collectively, the "Debtors" or "American"), respectfully represent:

Background

1. On November 29, 2011 (the “**Commencement Date**”), each of the Debtors commenced a voluntary case under chapter 11 of title 11, United States Code (the “**Bankruptcy Code**”). The Debtors have continued 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 or examiner has been appointed in these chapter 11 cases.
2. On December 5, 2011, the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”) appointed the Official Committee of Unsecured Creditors (the “**UCC**”).
3. 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)
4. On June 21, 2012, this Court entered an order, pursuant to section 365(d)(4) of the Bankruptcy Code, further extending the time for the Debtors to assume or reject a certain unexpired lease of nonresidential real property (the “**Deadline**”) with consent of the respective lessors, without prejudice to the Debtors’ right to request further extensions in accordance with section 365(d)(4) (ECF No. 3318) (the “**First Consensual Extension Order**”).
5. On July 24, 2012, August 8, 2012, August 22, 2012, September 20, 2012, and October 9, 2012, respectively, this Court entered orders, pursuant to section 365(d)(4) of the Bankruptcy Code, further extending the Deadline to assume or reject a certain unexpired lease of nonresidential real property with consent of the respective lessors, without prejudice to the Debtors’ right to request further extensions in accordance with section 365(d)(4) (ECF No.

3664), the Second Consensual Extension Order, (ECF No. 3953), the Third Consensual Extension Order, (ECF No. 4132), the Fourth Consensual Extension Order, (ECF No. 4641), (the Fifth Consensual Extension Order, (ECF No. 4947), the Sixth Consensual Extension Order, (ECF No. 5292), the Seventh Consensual Extension Order, (ECF No. 5293), and the Eighth Consensual Extension Order (collectively, the “**Consensual Extension Orders**”). The Debtors are now seeking to assume certain of the unexpired leases as to which the time to assume or reject was previously extended pursuant to the Consensual Extension Orders.

Jurisdiction

6. The 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).

Relief Requested

7. The Debtors request entry of an order, substantially in the form annexed hereto as **Exhibit “A,”** pursuant to section 365 of the Bankruptcy Code, Rule 6006 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 6006-1 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”), authorizing the assumption of the Debtors’ unexpired leases of nonresidential real property as set forth on **Exhibit “B”** annexed hereto (collectively, the “**Assumed Leases**”). The proposed cure amounts for the Assumed Leases are set forth on Exhibit “B.”

8. Pursuant to the Assumed Leases, the Debtors lease certain ground and airport terminal space at the Los Angeles International Airport (“**LAX**”). Specifically, pursuant to that certain Terminal Facilities Lease, dated as of November 26, 1984, as amended by the First Amendment to Lease No. LAA-4687, dated as of January 18, 2002 (collectively, the “**Ground Lease**”), between the City of Los Angeles (the “**City**”) and American, the Debtors lease the

space substantially comprising Terminal 4 at LAX.¹ The Debtors lease other space at LAX from the City pursuant to the remaining leases comprising the Assumed Leases.

9. LAX is one of the Debtors' cornerstone hubs – serving, among other things, as the gateway to flights nationally and internationally. The Debtors have determined that maintaining their operations at LAX is integral to the ongoing success of their business and future growth. Consequently, after careful review of their business needs, as well as their obligations under the Assumed Leases, the Debtors have determined that assuming the Assumed Leases is in the best interests of their estates.

**Assumption of the Assumed Leases Is a Sound
Exercise of the Debtors' Business Judgment**

10. 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 or unexpired lease 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). The purpose behind allowing the assumption of unexpired leases “is to permit the trustee or debtor-

¹ In 2002, the Regional Airports Improvement Corporation (the “**RAIC**”), a California nonprofit public benefit corporation, issued three separate series of special facilities revenue bonds (collectively, the “**2002 Bonds**”), the proceeds of which were used to finance the costs of acquiring, constructing, equipping, and improving certain facilities located in Terminal 4 of LAX and to refinance bonds previously issued by the RAIC in 1984. Pursuant to a Partial Assignment of Terminal Facilities Lease dated as of December 1, 1984, as amended by that certain Amendment to Partial Assignment of Lease dated as of January 1, 2002 (collectively, the “**Partial Assignment**”), between American and the RAIC, as consented to by the City, American assigned certain of its rights, title and interest in the Ground Lease to the RAIC. Substantially contemporaneously therewith, under that certain Amended and Restated Facilities Sublease and Agreement dated as of January 1, 2002 (the “**Sublease**”), the RAIC subleased to American the premises assigned by American to the RAIC pursuant to the Partial Assignment. Pursuant to the terms of the Sublease, American agreed to make rental payments to the RAIC in amounts sufficient to pay the principal and purchase price of, premium, if any, and interest on the 2002 Bonds (the “**Facility Rent**”). Pursuant to a certain Trust Indenture dated as of January 1, 2002 (the “**Indenture**”) between the RAIC and BNY Western Trust Company, Los Angeles, California (the “**Trustee**”), the RAIC assigned to the Trustee, among other things, the RAIC's rights to receive Facility Rent under the Sublease. As of the Petition Date, approximately \$232 million remained outstanding on the 2002 Bonds.

in-possession to use valuable property of the estate.” *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1098 (2d Cir. 1993).

11. Courts defer to a debtor’s business judgment in assuming an unexpired lease. *See, e.g., In re Child World, Inc.*, 142 B.R. 87, 89 (Bankr. S.D.N.Y. 1992) (stating that a debtor may assume or reject an unexpired lease under section 365(a) of the Bankruptcy Code in the exercise of its “business judgment”). Indeed, under the business judgment standard, a debtor’s decision to assume must be summarily affirmed unless it is the product of bad faith, whim, or caprice. *In re Trans World Airlines, Inc.*, 261 B.R. 103, 121 (Bankr. D. Del. 2001) (quotation omitted).

12. The Debtors’ assumption of the Assumed Leases represents a sound exercise of their business judgment and should be approved. The Debtors have conducted an extensive review of their nonresidential real property leases and, in their business judgment, determined that the Assumed Leases (a) are important to their business operations and (b) preserve and enhance the value of the Debtors’ estates. The use of commercial spaces at LAX pursuant to the Assumed Leases is necessary for the Debtors’ long-term viability. LAX represents one of the Debtors’ cornerstone hubs for which alternative locations are not readily available. Maintaining a significant presence at LAX represents an integral part of the Debtors’ business plan. Thus, the Debtors’ assumption of the Assumed Leases will maximize value for all stakeholders.

**The Debtors Will Pay Cure Amounts and Have
Provided Adequate Assurance of Future Performance**

13. Section 365(b) of the Bankruptcy Code establishes certain conditions that must be satisfied prior to the assumption of an unexpired lease:

(b)(1) If there has been a default in an executory contract or unexpired lease of the debtor, the trustee may not assume such contract or lease unless, at the time of assumption of such contract or lease, the trustee—

(A) cures, or provides adequate assurance that the trustee will promptly cure, such default . . .

(B) compensates, or provides adequate assurance that the trustee will promptly compensate, a party other than the debtor to such contract or lease, for any actual pecuniary loss to such party resulting from such default; and

(C) provides adequate assurance of future performance under such contract or lease.

11 U.S.C. § 365(b)(1).

14. In satisfaction of section 365(b), the Debtors propose to pay the cure amounts set forth on Exhibit “B.”²

15. Section 365(b)(1)(C) provides that a debtor seeking to assume a contract or unexpired lease must provide “adequate assurance of future performance under such contract or lease.” 11 U.S.C. § 365(b)(1)(C). The meaning of “adequate assurance of future performance” depends on the facts and circumstances of each case, but should be given

² With regard to many of the Assumed Leases, the Debtors submit that they have been current in their rental payments as of the Commencement Date and have remained current in their rental payments postpetition. Accordingly, the Debtors submit that no further payment with respect to such Assumed Leases is required to satisfy section 365(b). With the prior written consent of the Debtors, any prepetition amounts due and owing to the Debtors as of the Commencement Date may be applied against the cure amount set forth on Exhibit “B” due and owing by the Debtors and the automatic stay shall be modified solely to the limited extent necessary for such purpose pursuant to sections 362 and 553 of the Bankruptcy Code.

“practical, pragmatic construction.” See *Carlisle Homes, Inc. v. Arrari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D.N.J. 1989) (citation omitted); see also *In re Jennifer Convertibles, Inc.*, 447 B.R. 713, 719 (Bankr. S.D.N.Y. 2011) (“A debtor need not prove that it will thrive and make a profit but only that it appears that it will meet its obligations.”); *In re Natco Indus., Inc.*, 54 B.R. 436, 440 (Bankr. S.D.N.Y. 1985) (adequate assurance of future performance “does not mean absolute insurance that the debtor will thrive and make a profit”).

16. The facts of these chapter 11 cases sufficiently demonstrate the Debtors’ adequate assurance of future performance. First, the Debtors have sufficient liquidity through access to more than \$4.2 billion in unrestricted cash and short-term investments and additional cash flow from their ongoing business operations, such that the Debtors can meet their future obligations under the Assumed Leases (See Debtors’ Monthly Operating Report as of September 30, 2012 (ECF No. 5164)).

17. Courts have found that sufficient income to cover lease obligations provides “adequate assurance of future performance.” See *Tex. Health Enters., Inc. v. Lytle Nursing Home (In re Tex. Health Enters., Inc.)*, 72 Fed. Appx. 122, 126 (5th Cir. 2003) (finding “an income stream sufficient to meet [Debtors’] obligations” provides adequate assurance of future performance) (citations omitted); *In re Lafayette Radio Elecs. Corp.*, 7 B.R. 189, 194 (Bankr. E.D.N.Y. 1980) (finding adequate assurance through the debtor’s renewed viability” that showed “sufficient income” to cover the lease).

18. In addition, the Debtors’ current reorganization efforts and likelihood for an effective reorganization provide adequate assurance of future performance. See *In re Shelco, Inc.*, 107 B.R. 483, 487 (Bankr. D. Del. 1989) (finding that “a realistic possibility of an effective reorganization” provides adequate assurance).

Notice

19. Notice of this Motion has been provided to all lessors listed on Exhibit “B” and parties in interest in accordance with the Amended 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 August 8, 2012 (ECF No. 3952). In view of the facts and circumstances, such notice is sufficient and no other or further notice need be provided.

20. No previous request for the relief sought in this Motion 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
November 15, 2012

/s/ Stephen A. Youngman

Harvey R. Miller
Stephen Karotkin
Alfredo R. Pérez
Stephen A. Youngman

WEIL, GOTSHAL & MANGES LLP
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Attorneys for Debtors
and Debtors in Possession

Exhibit "A"

Proposed Order

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

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

**TWENTY-FOURTH OMNIBUS ORDER PURSUANT TO 11 U.S.C. § 365(a),
FED. R. BANKR. P. 6006, AND LBR 6006-1 AUTHORIZING ASSUMPTION OF
CERTAIN UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY
(LOS ANGELES INTERNATIONAL AIRPORT)**

Upon the Motion, dated November 15, 2012 (the “**Motion**”),¹ of AMR Corporation and its related debtors, as debtors and debtors in possession (collectively, the “**Debtors**”), pursuant to section 365(a) of title 11, United States Code (the “**Bankruptcy Code**”), Rule 6006 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 6006-1 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”), for entry of an order authorizing the Debtors’ assumption of the Assumed Leases and proposed cure amounts, 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 the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, 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 due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the “**Hearing**”); and upon the record of

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

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 the Assumed Leases as set forth on Exhibit "A" annexed hereto are assumed; and it is further

ORDERED that the cure amounts set forth on Exhibit "A" annexed hereto are approved, and subject to the reservations specified on Exhibit "A," the Debtors shall not be required to make further payment in connection with any default under any Assumed Lease listed on Exhibit "A" in excess of the applicable cure amount; and it is further

ORDERED that the Debtors have provided adequate assurance of future performance of the Assumed Leases, and no further showing of adequate assurance is necessary; and it is further

ORDERED that a counterparty to an Assumed Lease, as set forth on Exhibit "A" annexed hereto, with the prior written consent of the Debtors, shall be permitted to apply prepetition amounts due and owing to the Debtors as of the Commencement Date against the cure amount set forth on Exhibit "A" due and owing by the Debtors to such counterparty to an Assumed Lease, and the automatic stay shall be modified solely to the limited extent necessary for such purpose pursuant to sections 362 and 553 of the Bankruptcy Code; and it is further

ORDERED that the Debtors are authorized to take any actions as are necessary or appropriate to implement and effectuate the assumption of the Assumed Leases; and it is further

ORDERED that notice of the Motion satisfies Bankruptcy Rule 6006 and Local Rule 6006-1; 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
_____, 2012

United States Bankruptcy Judge

Exhibit “A” to the Proposed Order

[Please see Exhibit “B” attached to the Motion.]

Exhibit “B” to the Motion

List of Assumed Leases¹

Row	Code	Contract Type	Counterparties to the Contracts and Leases to be Assumed	Debtor Parties to the Contracts and Leases to be Assumed	Contract or Lease Number	Date of Contract or Lease	Location of Real Property that is the subject of a Lease to be Assumed	Cure Amount
1.	LAX	Sublease	Regional Airports Improvement Corporation	American Airlines, Inc.	N/A	1/1/2002	Los Angeles International Airport	\$0*
2.	LAX	Off-Terminal Facility Lease	City Of Los Angeles	American Airlines, Inc.	LAX3595/LAA8556	12/16/2010	Los Angeles International Airport	\$78,971.21
3.	LAX	Terminal Lease	City Of Los Angeles	American Airlines, Inc.	LAX2019	11/26/1984	Los Angeles International Airport	\$5,149.85

¹ Except as expressly provided in the Motion, the Order, or Exhibit “B,” assumption of any Assumed Lease listed on this Exhibit “B” shall constitute an assumption of such Assumed Lease as amended, supplemented, or modified from time to time; *provided, however*, that the Debtors reserve the right to challenge whether any lease, contract, or agreement purporting to amend, supplement, or modify an Assumed Lease listed on Exhibit “B” amends, supplements, or modifies such Assumed Lease.

* Cure amount does not include amounts (if any) that may be due on account of reasonable professional fees subject to, and to the extent provided in, the Sublease. Section 12(b) of the Sublease requires American to pay to the Trustee all amounts due to the Trustee under the terms of the Indenture. Among other things, pursuant to Section 11.02 of the Indenture, the Trustee is entitled to payment and reimbursement for reasonable fees and expenses reasonably and necessarily made or incurred by the Trustee in connection with certain services performed by the Trustee, however, Section 11.02 of the Indenture also provides that there “shall be no default [under the Indenture] for failure to pay [the fees and expenses required to be paid under the Indenture] during any good faith contest of the necessity and reasonableness of such fees, expenses, and charges.” The Debtors have received, and are reviewing for reasonableness, invoices from counsel and advisors to the Trustee for fees and expenses allegedly arising under the Indenture. The Debtors dispute, in good faith, the necessity and reasonableness of some of the fees and expenses asserted in such invoices. The Debtors reserve the right to challenge any such amounts claimed.

Exhibit B

The Assumption Order

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

-----X
: **Chapter 11 Case No.**
: **11-15463 (SHL)**
: **(Jointly Administered)**
: **Debtors.**
: **(Jointly Administered)**
: **(Jointly Administered)**
-----X

**TWENTY-FOURTH OMNIBUS ORDER PURSUANT TO 11 U.S.C. § 365(a),
FED. R. BANKR. P. 6006, AND LBR 6006-1 AUTHORIZING ASSUMPTION OF
CERTAIN UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY
(LOS ANGELES INTERNATIONAL AIRPORT)**

Upon the Motion, dated November 15, 2012 (the “**Motion**”),¹ of AMR Corporation and its related debtors, as debtors and debtors in possession (collectively, the “**Debtors**”), pursuant to section 365(a) of title 11, United States Code (the “**Bankruptcy Code**”), Rule 6006 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 6006-1 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”), for entry of an order authorizing the Debtors’ assumption of the Assumed Leases, 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 the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, 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 due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; 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

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

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 the Assumed Leases as set forth on Exhibit "A" annexed hereto are assumed; and it is further

ORDERED that the Debtors have provided adequate assurance of future performance of the Assumed Leases, and no further showing of adequate assurance is necessary; and it is further

ORDERED that the Debtors are authorized to take any actions as are necessary or appropriate to implement and effectuate the assumption of the Assumed Leases; and it is further

ORDERED that notice of the Motion satisfies Bankruptcy Rule 6006 and Local Rule 6006-1; 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
November 29, 2012

/s/ Sean H. Lane
United States Bankruptcy Judge

Exhibit “A”

List of Assumed Leases¹

Row	Code	Contract Type	Counterparties to the Contracts and Leases to be Assumed	Debtor Parties to the Contracts and Leases to be Assumed	Contract or Lease Number	Date of Contract or Lease	Location of Real Property that is the subject of a Lease to be Assumed	Cure Amount
1.	LAX	Sublease	Regional Airports Improvement Corporation	American Airlines, Inc.	N/A	1/1/2002	Los Angeles International Airport	See note #2
2.	LAX	Off-Terminal Facility Lease	City Of Los Angeles	American Airlines, Inc.	LAX3595/LAA8556	12/16/2010	Los Angeles International Airport	See note #3
3.	LAX	Terminal Lease	City Of Los Angeles	American Airlines, Inc.	LAX2019	11/26/1984	Los Angeles International Airport	See note #3

¹ Except as expressly provided in the Order or Exhibit “A,” assumption of any Assumed Lease listed on this Exhibit “A” shall constitute an assumption of such Assumed Lease as amended, supplemented, or modified from time to time; *provided, however*, that the Debtors reserve the right to challenge whether any lease, contract, or agreement purporting to amend, supplement, or modify an Assumed Lease listed on Exhibit “A” amends, supplements, or modifies such Assumed Lease.

² Pursuant to a stipulation between and among the Debtors, the Regional Airports Improvement Corporation (the “**RAIC**”), and Bank of New York Mellon, N.A. (“**BNYM**”), the RAIC and BNYM have consented to the Debtors’ assumption of this lease, and the hearing on the Motion solely with respect to the cure amounts owed thereunder is adjourned to December **19**, 2012.

³ Pursuant to a stipulation between the Debtors and the City of Los Angeles (the “**City**”) (ECF No. 5435), the City has consented to the Debtors’ assumption of this lease, and the hearing on the Motion solely with respect to the cure amounts owed thereunder is adjourned to January 23, 2013.

Exhibit C

The Stipulation to Adjourn Hearing on Cure Payments to December 19, 2012

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

-----x
:
In re: :
:
AMR CORPORATION, et al., :
:
Debtors. :
-----x

Chapter 11 Case No.
11-15463 (SHL)
(Jointly Administered)

STIPULATION AMONG DEBTORS, REGIONAL AIRPORTS IMPROVEMENT CORPORATION, AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. AND AGREED ORDER ADJOURNING HEARING DATE AND DEADLINE TO FILE OBJECTIONS WITH RESPECT TO MOTION OF DEBTORS FOR ENTRY OF ORDER PURSUANT TO 11 U.S.C. § 365, FED. R. BANKR. P. 6006, AND LBR 6006-1 AUTHORIZING ASSUMPTION OF CERTAIN UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY

This Stipulation is entered into between and among AMR Corporation and its related debtors, as debtors and debtors in possession (collectively, the “**Debtors**”), the Regional Airports Improvement Corporation (the “**RAIC**”) and The Bank of New York Mellon Trust Company, N.A., as indenture trustee (the “**Trustee**”).

RECITALS:

A. On November 29, 2011 (the “**Commencement Date**”), each of the Debtors commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors have continued to operate their business and their properties as debtors in possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code.

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.

D. On November 15, 2012, the Debtors filed their Twenty-Fourth Omnibus Motion For Entry of an Order Pursuant to 11 U.S.C. § 365, Fed. R. Bankr. P. 6006, and LBR 6006-1,

Authorizing Assumption of Certain Unexpired Leases of Nonresidential Real Property (the “**Motion**”). Under the Motion, the Debtors seek to assume three (3) agreements, one of which is that certain Restated Facilities Sublease and Agreement dated as of January 1, 2002, which is identified on Exhibit A to the Motion (the “**Sublease**”).

E. The Motion is currently scheduled to be heard by the Court on November 29, 2012 at 10:00 a.m. (Eastern Time) (the “**November 29 Hearing**”), and the deadline to object to the relief sought in the Motion is set for November 21, 2012 at 4:00 p.m. (Eastern Time).

F. The RAIC, the Trustee, and the Debtors have agreed to adjourn the hearing on the Motion to the omnibus hearing currently set for December 19, 2012 at 10:00 a.m. (Eastern Time) and to extend the deadline to object to the Motion to December 12, 2012 at 4:00 p.m. (Eastern Time), in each case solely with respect to the amounts (if any) owed as cure amounts in connection with the Debtors’ proposed assumption of the Sublease, but not with respect to the Debtors’ proposed assumption of the Sublease.

G. The Debtors, the RAIC, and the Trustee (collectively, the “**Parties**”) are currently working consensually to resolve the amounts that may be owed as cure under the Sublease.

H. The RAIC and the Trustee have agreed not to oppose the Debtors’ requested assumption of the Sublease.

I. The Parties have agreed to the extensions with respect to the Motion on the terms and conditions set forth herein.

AND NOW, THEREFORE, the Parties stipulate and agree as follows:

1. The hearing on the Motion (solely with respect to the amounts (if any) that may be due and owing as cure payments in connection with the Debtors' assumption of the Sublease) is adjourned to December 19, 2012 at 10:00 a.m. (Eastern Time) (the "**December 19 Hearing**").

2. The deadline of the RAIC and the Trustee to file any objections to the Motion (solely with respect to the amounts (if any) that may be due and owing as cure payments in connection with the Debtors' assumption of the Sublease) is extended to December 12, 2012 at 4:00 p.m. (Eastern Time).

3. The RAIC and the Trustee consent to the assumption by the Debtors of the Sublease.

4. Notwithstanding the Debtors' assumption of the Sublease, on or after the November 29 Hearing, the Debtors shall not be required to make any cure payments in connection with their assumption of the Sublease until after the December 19 Hearing.

5. The extensions noted in paragraphs 1 and 2, above, are without prejudice to any further extensions as may be agreed to by the Parties or authorized by the Court.

6. The Stipulation may not be modified, amended, or vacated other than by a signed writing executed by the Parties.

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

8. This Stipulation 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 may be exchanged by facsimile or by electronic transmission of a scanned copy of the signature pages or by exchange of originally signed document, each of which shall be as fully binding on the party as a signed original.

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

Dated: November 21, 2012
New York, New York

By: /s/ David Blabey, Jr.
Amy Caton
David Blabey Jr.
KRAMER LEVIN NAFTALIS
& FRANKEL LLP
1177 Avenue of the Americas
New York, New York 10036
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Attorneys for The Bank of New York
Mellon Trust Company, N.A., as
Indenture Trustee

By: /s/ Stephen A. Youngman
Harvey R. Miller
Stephen Karotkin
Alfredo R. Perez
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Attorneys for Debtors
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/s/ Michael Heinrichs
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Facsimile: (213) 430-6407

Attorneys for the Regional Airports
Improvement Corporation

APPROVED AND SO ORDERED
this 6th day of December, 2012

BY THE COURT :

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

Exhibit D

The Form of Agreed Order

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

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

**AGREED ORDER PURSUANT TO 11 U.S.C. § 365(a),
FED. R. BANKR. P. 6006, AND LBR 6006-1 ESTABLISHING CURE
AMOUNT IN CONNECTION WITH ASSUMPTION OF CERTAIN
UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY
(LOS ANGELES INTERNATIONAL AIRPORT – RAIC SUBLEASE)**

Upon the Motion, dated November 15, 2012 (the “**Motion**”),¹ of AMR Corporation and its related debtors, as debtors and debtors in possession (collectively, the “**Debtors**”), pursuant to section 365(a) of title 11, United States Code (the “**Bankruptcy Code**”), Rule 6006 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 6006-1 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”), for entry of an order authorizing the Debtors’ assumption of the Assumed Leases and proposed cure amounts, 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 the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, 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 due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the “**Hearing**”); and upon the record of

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

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 the Court having entered an order (D.E. No. 5468) (the “**Assumption Order**”), dated November 29, 2012, granting the Motion and authorizing the assumption of the Assumed Leases, including the Sublease identified in Row 1 of Exhibit A thereto (the “**Sublease**”); and the Court having entered an order, dated December 6, 2012 (D.E. No. 5586) adjourning the hearing with respect to the cure amounts due in connection with the Debtors’ assumption of the Sublease to December 19, 2012; 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 the Debtors, and to the extent applicable, the Regional Airports Improvement Corporation and The Bank of New York Mellon Trust Company, N.A. (the “**Trustee**”), shall be deemed to have irrevocably waived and released, on behalf of themselves and their estates, any and all rights to recharacterize as financings any of the transactions entered into in connection with the 2002 Bonds pursuant to the Transaction Documents²; *provided, however,* that if the Debtors file a motion seeking to reject the Sublease, the foregoing waiver and release by the Trustee and RAIC shall be of no further force and effect, and it is further

ORDERED that the Motion of the Bank of New York Mellon Trust Company, N.A., as Indenture Trustee, for Adequate Protection, filed on May 15, 2012 [Dkt. No. 2792] shall

² The “Transaction Documents” refer to (i) the Ground Lease, (ii) the Partial Assignment, (iii) the Sublease, (iv) the Indenture, (v) the Guaranty from AMR Corporation to the Trustee dated as of January 1, 2002, relating to the 2002 Bonds (the “**AMR Guaranty**”), (vi) the Guaranty from American Airlines, Inc. to the Trustee dated as of January 1, 2002, relating to the 2002 Bonds (the “**American Airlines Guaranty**” and together with the AMR Guaranty, the “**Guarantees**”), and (vii) other agreements which affect the rights, duties and responsibilities of the Debtors, the Trustee and the holders of the 2002 Bonds. References herein to any Transaction Documents shall be understood to refer to such document as it may have been amended or supplemented.

be deemed withdrawn without prejudice solely with respect to the Sublease, the 2002 Bonds, the Transaction Documents, and any interest in collateral claimed by the Trustee or the bondholders in connection therewith; provided that nothing herein shall affect the remaining claims asserted in such motion or the Debtors' defenses thereto; and it is further

ORDERED that the Debtors' voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the "**Chapter 11 Filing**") have not, do not and shall not affect the validity or enforceability of any of the Guarantees or any other Transaction Document which, to the extent such documents were valid and enforceable prior to the Chapter 11 Filing, shall remain valid and enforceable as if there had never been a Chapter 11 Filing; provided that (i) all rights, positions, claims or defenses of any party in respect of the Guarantees are reserved and (ii) nothing herein shall be deemed or argued to be evidence or to constitute an admission by any party as to the validity or invalidity of any claim, defense or other issue raised or that might be raised by any party in connection with the Chapter 11 Filing; and it is further

ORDERED that within thirty (30) days after the date of the entry of this Order or such later date as may be agreed to by and between the Debtors and the recipient of the applicable payment (*i.e.* the Trustee or RAIC), the Debtors shall pay all amounts outstanding under the Sublease, in the aggregate amount of \$1,352,245.13³ representing prepetition and postpetition fees and expenses of the Trustee and RAIC and their respective counsel and advisors (each such person and each of their respective counsel and advisors being a "**Payee**") incurred in

³ This amount is comprised of (i) pre- and post-petition fees in the amount of \$1,301,680.75 payable to the Trustee and its professionals and (ii) pre- and post-petition fees in the amount of \$50,564.38 payable to the RAIC.

connection with the 2002 Bonds through September 30, 2012⁴ (such payments, the “**Sublease Cure Payments**”); and it is further

ORDERED that, within the later of 30 days after (i) the date of receipt of an invoice therefor or (ii) the date of the entry of this Order (or such other later date as may be agreed upon between the Debtors and the applicable Payee), the Debtors shall pay the reasonable fees and expenses of such Payee incurred between September 30, 2012 and December 19, 2012 (subject to the limitation set forth in section (ii) of the paragraph below on payment of the fees and expenses of the Trustee’s non-legal advisors incurred on or after November 29, 2012), to the extent payment of such reasonable fees and expenses is required by the Sublease and to the extent such amounts were not otherwise paid by the Debtors as part of the Sublease Cure Payments; and it is further

ORDERED that from and after December 19, 2012, the Debtors shall continue to comply with the terms of the Sublease, including payment of reasonable fees and expenses required thereby; provided that, with respect to fees incurred by the Trustee or its counsel or other advisors between December 19, 2012 and the effective date of the Debtors’ chapter 11 plan, for so long as the Debtors continue to comply with the terms of the Sublease and have not taken any action to materially and adversely impair the 2002 Bonds, (i) the Debtors shall not be required to reimburse any amounts in excess of \$6,000 per month of the “general fees” that Trustee and/or its professionals may incur in connection with the Debtors’ bankruptcy cases and that the Trustee and/or its professionals allocate to the 2002 Bonds, (ii) the Debtors shall not be

⁴ In the case of fees incurred by the Trustee itself (and not its outside professionals), the foregoing number includes (i) fees incurred through November 30, 2012 (as opposed to September 30, 2012) and (ii) distribution fees in respect of the distribution by the Trustee to holders of the 2002 Bonds contemplated by, and following the date of, this Order. In the case of the fees incurred by the RAIC and its professionals, the foregoing number includes such fees incurred through November 30, 2012 (as opposed to September 30, 2012).

required to reimburse any fees or expenses incurred from and after November 29, 2012 by the Trustee's non-legal advisors (including, but not limited to, Seabury) in connection with the 2002 Bonds and (iii) if the Trustee's legal counsel believes that its fees and expenses related to the 2002 Bonds (including, but not limited to, any fees and expenses relating to the Guarantees) incurred from and after December 19, 2012 (other than the "general amounts" referenced in subsection (i) herein) (the "**Post-Effective Date 2002 Bond Fees**") are likely to exceed \$10,000 in any one month, the Trustee's legal counsel shall use its reasonable best efforts to notify the Debtors and discuss with the Debtors the issues that are related to such fees and expenses. If the Debtors dispute the reasonableness of the Post-Effective Date 2002 Bond Fees, the Trustee's legal counsel shall submit its Post-Effective Date 2002 Bond Fees to a fee examiner or the bankruptcy court for a review of their reasonableness; and it is further

ORDERED that, except to the extent expressly disallowed or proscribed by this Order, nothing herein shall be construed to constitute a waiver by any party with respect any defense to any fees and expenses claimed; and it is further

ORDERED that within 30 days after the effective date of the Debtors' chapter 11 plan, the Debtors shall make a cash payment of \$197,635.00 to the Trustee in respect of the portion of the reduced completion of the Trustee's financial advisor allocable to the 2002 Bonds (the "**2002 Bonds Completion Fee**"). Other than as provided in the immediately preceding sentence, the Debtors shall have no further obligations in respect of the 2002 Bonds Completion Fee; and it is further

ORDERED that the Debtors shall not be required to make any further payment in connection with any existing default (if any) under the Sublease in excess of the Sublease Cure Payments; and it is further

ORDERED that the Debtors have provided adequate assurance of future performance of the Sublease, and no further showing of adequate assurance is necessary; and it is further

ORDERED that as promptly as practicable after receiving the Sublease Cure Payments, the Trustee shall, to the extent it has not already done so, distribute from moneys in the Bond Fund (as such term is defined in the Indenture) established under the Indenture to the holders of the Series 2002C Bonds due 2012⁵ the total amount of \$12,254,450.00, being the aggregate amount of principal and interest which would have been due on such Series 2002C Bonds due 2012 on (i) December 1, 2011 (an interest payment date and the date on which a portion of such bonds were subject to mandatory redemption), (ii) June 1, 2012 (an interest payment date) and (iii) December 1, 2012 (the date of maturity) had all payments of principal and interest been made to the holders of Series 2002C Bonds due 2012 on the dates on which they were due under the Indenture. Immediately following such distribution, the Series 2002C Bonds due 2012 shall be deemed paid in full and no longer outstanding, and there shall be no further obligations by the Debtors, the Trustee or RAIC in respect of the Series 2002C Bonds due 2012, whether for interest on overdue interest or principal that may have been deemed to accrue after November 30, 2011, or for any rent or other amounts (if any) payable by American under the Sublease calculated based upon the debt service requirements of such Series 2002C Bonds due 2012; and it is further

ORDERED, that as promptly as practicable after receiving the Sublease Cure Payments, the Trustee shall, to the extent it has not already done so, distribute from moneys in

⁵ The “**Series 2002C Bonds due 2012**” refers to the Regional Airports Improvement Corporation Facilities Sublease Revenue Bonds, American Airlines, Inc. Terminal 4 Project (Los Angeles International Airport), Series 2002C Bonds due December 1, 2012 (CUSIP # 544628HC7).

the Bond Fund established under the Indenture to the holders of the 2002 Bonds (other than the Series 2002C Bonds due 2012) an amount equal to the sum of all accrued but unpaid interest under the terms of the Indenture due and payable on regularly scheduled interest payment dates occurring on or after December 1, 2011, without any interest on overdue interest, and no holder of the 2002 Bonds shall be entitled to any interest on overdue interest or any acceleration of payment of principal or redemption of the 2002 Bonds; and it is further

ORDERED that the Debtors, the Trustee (as indenture trustee for the 2002 Bonds), RAIC, each holder of the 2002 Bonds that directed the Trustee not to object to the Motion, and each of their respective legal counsel and/or financial advisors shall have no liability for any claims, demands, suits, actions or causes of action in any way related to the matters that are the subject of this Order; and it is further

ORDERED that the RAIC or the Trustee, as applicable, with the prior written consent of the Debtors, shall be permitted to apply prepetition amounts due and owing to the Debtors as of the Commencement Date against the cure amount set forth in this Order due and owing by the Debtors to the RAIC or the Trustee, as applicable, and the automatic stay shall be modified solely to the limited extent necessary for such purpose pursuant to sections 362 and 553 of the Bankruptcy Code; and it is further

ORDERED that for the avoidance of doubt, this Order shall be binding on any purchaser(s) of the Debtors or any of the premises leased under the Sublease; and it is further

ORDERED that notice of the Motion satisfies Bankruptcy Rule 6006 and Local Rule 6006-1; 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
_____, 2012

United States Bankruptcy Judge

Exhibit E

The Stipulation to Adjourn Hearing on Cure Payments to January 9, 2013

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

-----x
:
In re: :
:
AMR CORPORATION, et al., :
:
Debtors. :
-----x

Chapter 11 Case No.
11-15463 (SHL)
(Jointly Administered)

STIPULATION AMONG DEBTORS, REGIONAL AIRPORTS IMPROVEMENT CORPORATION, AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. AND AGREED ORDER ADJOURNING HEARING DATE AND DEADLINE TO FILE OBJECTIONS WITH RESPECT TO MOTION OF DEBTORS FOR ENTRY OF ORDER PURSUANT TO 11 U.S.C. § 365, FED. R. BANKR. P. 6006, AND LBR 6006-1 AUTHORIZING ASSUMPTION OF CERTAIN UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY

This Stipulation is entered into between and among AMR Corporation and its related debtors, as debtors and debtors in possession (collectively, the “**Debtors**”), the Regional Airports Improvement Corporation (the “**RAIC**”) and The Bank of New York Mellon Trust Company, N.A., as indenture trustee (the “**Trustee**”).

RECITALS:

A. On November 29, 2011 (the “**Commencement Date**”), each of the Debtors commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors have continued to operate their business and their properties as debtors in possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code.

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.

D. On November 15, 2012, the Debtors filed their Twenty-Fourth Omnibus Motion For Entry of an Order Pursuant to 11 U.S.C. § 365, Fed. R. Bankr. P. 6006, and LBR 6006-1,

Authorizing Assumption of Certain Unexpired Leases of Nonresidential Real Property (the “**Motion**”). Under the Motion, the Debtors sought to assume three (3) agreements, one of which is that certain Restated Facilities Sublease and Agreement dated as of January 1, 2002, which is identified on Exhibit A to the Motion (the “**Sublease**”).

E. On November 29, 2012, the Court entered the Twenty-Fourth Omnibus Order Pursuant to 11 U.S.C. § 365, Fed. R. Bankr. P. 6006, and LBR 6006-1, Authorizing Assumption of Certain Unexpired Leases of Nonresidential Real Property (the “**Assumption Order**”). The Assumption Order authorized the Debtors’ assumption of, among others, the Sublease, but did not establish the cure amount associated in connection therewith.

F. The Debtors, the RAIC and BNY previously agreed to adjourn the hearing with respect to the cure amount on the Sublease. A hearing on the Motion with respect to the cure amount of the Sublease is currently scheduled to be heard on December 19, 2012 at 10:00 a.m. (Eastern Time), and the deadline to object to the relief sought in the Motion with respect to the cure amount was set for December 12, 2012 at 4:00 p.m. (Eastern Time).

F. The RAIC, the Trustee, and the Debtors (collectively, the “**Parties**”) have agreed to further adjourn the hearing on the Motion to the omnibus hearing currently set for January 9, 2013 at 11:00 a.m. (Eastern Time) and to extend the deadline to object to the Motion to January 3, 2013 at 4:00 p.m. (Eastern Time), in each case solely with respect to the amounts (if any) owed as cure amounts in connection with the Debtors’ proposed assumption of the Sublease.

G. The Parties are currently working consensually to resolve the amounts that may be owed as cure under the Sublease.

I. The Parties have agreed to the extensions with respect to the Motion on the terms and conditions set forth herein.

AND NOW, THEREFORE, the Parties stipulate and agree as follows:

1. The hearing on the Motion (solely with respect to the amounts (if any) that may be due and owing as cure payments in connection with the Debtors' assumption of the Sublease) is adjourned to January 9, 2013 at 11:00 a.m. (Eastern Time) (the "**January 9 Hearing**").

2. The deadline of the RAIC and the Trustee to file any objections to the Motion (solely with respect to the amounts (if any) that may be due and owing as cure payments in connection with the Debtors' assumption of the Sublease) is extended to January 3, 2013 at 4:00 p.m. (Eastern Time).

3. Notwithstanding the Debtors' assumption of the Sublease pursuant to the Assumption Order, the Debtors shall not be required to make any cure payments in connection with their assumption of the Sublease until after the January 9 Hearing.

4. The extensions noted in paragraphs 1 and 2, above, are without prejudice to any further extensions as may be agreed to by the Parties or authorized by the Court.

5. The Stipulation may not be modified, amended, or vacated other than by a signed writing executed by the Parties.

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

7. This Stipulation 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 may be exchanged by facsimile or by electronic transmission of a scanned copy of the signature pages or by exchange of originally signed document, each of which shall be as fully binding on the party as a signed original.

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

Dated: _____, 2012
New York, New York

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Attorneys for the Regional Airports
Improvement Corporation

APPROVED AND SO ORDERED
this 14th day of **December**, 2012

BY THE COURT :

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