

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**STIPULATION AND AGREEMENT AMONG
THE DEBTORS, THE BANK OF NEW YORK MELLON,
BOKF, N.A., AND THE TRUSTEES OF THE TULSA MUNICIPAL AIRPORT TRUST**

This Stipulation and Agreement (the “**Stipulation**”) is entered into by and among AMR Corporation (“**AMR**”), American Airlines, Inc. (“**American**”) and certain of their subsidiaries, as debtors and debtors in possession (collectively, the “**Debtors**”), the Bank of New York Mellon (formerly known as Bank of New York), as successor indenture trustee for the Tulsa Bonds (as defined below) (“**BNYM**”), BOKF, N.A. (formerly known as Bank of Oklahoma, N.A.), as co-trustee, principal paying agent, registrar and guaranty trustee for the Tulsa Bonds (“**BOKF**”), and the Trustees of the Tulsa Municipal Airport Trust (“**TMAT**”) with respect to, among other things, the Debtors’ assumption of the Sublease (as defined below). The Debtors, BNYM, BOKF and TMAT shall each be referred to individually as a “**Party**” and collectively as the “**Parties**”.

RECITALS:

A. WHEREAS, on November 29, 2011, the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States code (the “**Bankruptcy Code**”) (such filings, the “**Chapter 11 Filing**”).

B. WHEREAS, BNYM is the indenture trustee for the publicly issued

\$453,270,000 in aggregate principal amount of Trustees of Tulsa Municipal Airport Trust Revenue Bonds (the “**Tulsa Bonds**”) issued by TMAT pursuant to the terms of a Bond Indenture, dated as of May 1, 1963, between TMAT and Morgan Guaranty Trust Company of New York (a predecessor indenture trustee) (the “**Indenture**”) of which \$237,565,000 in aggregate principal amount are held by persons other than the Debtors (the “**Non-Debtor Owned Tulsa Bonds**”) and \$215,705,000 in aggregate principal amount are held by the Debtors (the “**Debtor Owned Tulsa Bonds**”).

C. WHEREAS, the Non-Debtor Owned Tulsa Bonds consist of (i) \$27,500,000 in aggregate principal amount of Trustees of Tulsa Municipal Airport Trust Revenue Bonds, Series 1992 (the “**1992 Bonds**”), (ii) \$97,710,000 in aggregate principal amount of Trustees of Tulsa Municipal Airport Trust Revenue Bonds, Series 1995 (the “**1995 Bonds**”), and (iii) \$112,355,000 in aggregate principal amount of Trustees of Tulsa Municipal Airport Trust Revenue Bonds, Refunding Series 2000A (the “**2000A Bonds**”).¹

D. WHEREAS, the Debtor Owned Tulsa Bonds consist of (i) \$63,000,000 in aggregate principal amount of revenue bonds, Refunding Series 2000B (the “**2000B Bonds**” and together with the 2000A Bonds, the “**2000 Bonds**”) and (ii) \$152,705,000 in aggregate principal amount of revenue bonds, Refunding Series 2001A and 2001B (the “**2001 Bonds**”).

E. WHEREAS, BOKF is the co-trustee, principal paying agent and bond registrar for the Tulsa Bonds pursuant to the terms of (i) the Indenture and (ii) the Tripartite Agreement, dated as of November 1, 1995, among TMAT, BNYM and BOKF (the “**Tripartite Agreement**”).

F. WHEREAS, BOKF is the guaranty trustee for each of the 1992 Bonds,

¹ The 2000A Bonds were remarketed in 2004 and assigned a new cusip (899661EG3). References in this Stipulation to the 2000A Bonds shall be understood to refer to the 2000A Bonds currently outstanding.

1995 Bonds, 2000 Bonds and 2001 Bonds, pursuant to the terms of (i) a Guaranty by AMR dated November 1, 1992, (ii) a Guaranty by AMR dated November 1, 1995, (iii) a Guaranty by AMR dated October 1, 2000, and (iv) a Guaranty by AMR dated April 1, 2001 (the guarantees collectively, the “**Guarantees**”), each in favor of BOKF.

G. WHEREAS, Bank of New York Mellon serves as the successor purchase trustee (the “**Purchase Trustee**”) for each of the 2000 Bonds and 2001 Bonds, pursuant to the terms of (i) the Bond Purchase Trust Agreement, dated as of October 1, 2000, between American and BNYM and (ii) the Bond Purchase Trust Agreement, dated as of April 1, 2001 (collectively, the “**Bond Purchase Trust Agreements**”).

H. WHEREAS, BNY Mellon Capital Markets, LLC serves as remarketing agent (the “**Remarketing Agent**”) with respect to certain of the Tulsa Bonds.

I. WHEREAS, TMAT and American are parties to that certain Sublease, dated June 24, 1958 (the “**Sublease**”).

J. WHEREAS, American is a party to that certain Leasehold Mortgage with Power of Sale, Assignment of Leases and Rents, Security and Financing Statement, dated as of December 1, 2004, by American and in favor of BNYM (as amended, the “**Leasehold Mortgage Agreement**”).

K. WHEREAS, the Parties have entered into certain other agreements which affect the rights, duties and responsibilities of the Parties and the holders of the Tulsa Bonds (such other agreements, together with the Indenture, the Sublease, the Guarantees, the Bond Purchase Trust Agreements, the Tripartite Agreement and the Leasehold Mortgage, the “**Transaction Documents**,” with references in this Stipulation to any such Transaction Document being to such document as it may have been amended or supplemented).

L. WHEREAS, on December 1, 2011, the 1992 Bonds matured according to their terms, and the amounts necessary to pay the 1992 Bonds in full were paid by American and received by BOKF or BNYM prior to the Chapter 11 Filing.

M. WHEREAS, on or about December 30, 2011, BOKF delivered a notice of default under the Guarantees to BNYM pursuant to Section 2.4 of the Guarantees (the **“Guaranty Default Notice”**).

N. WHEREAS, due to alleged uncertainties and allocation issues arising as a result of the Chapter 11 Filing and subsequent events, BNYM and BOKF have not made any distributions of moneys to holders of the Tulsa Bonds since the Chapter 11 Filing.

O. WHEREAS, on or about May 15, 2012, BNYM filed that certain Motion of the Bank of New York Mellon Trust Company, N.A., as Indenture Trustee, For Adequate Protection (the **“Adequate Protection Motion”**) pursuant to which BNYM sought adequate protection in connection with the Sublease and the Tulsa Bonds.

P. WHEREAS, the Debtors desire to assume the Sublease under Section 365(a) of the Bankruptcy Code and have filed that certain Sixteenth 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, dated July 5, 2012 (the **“Assumption Motion”**).

Q. WHEREAS, BNYM and BOKF assert that they have been directed by holders of a majority in principal amount of the Tulsa Bonds (excluding the Debtor Owned Tulsa Bonds) to enter into this Stipulation (each such holder a **“Directing Holder”**).

R. WHEREAS, the Parties desire to resolve and settle their differences regarding certain matters set forth in the Assumption Motion and certain other matters related to

the Chapter 11 Filing, and the rights of the Parties in respect thereof, on the terms set forth herein.

IT IS HEREBY STIPULATED AND AGREED by and among the Debtors, BNYM, BOFK and TMAT through their undersigned attorneys, that:

1. Each of the terms and conditions of the Stipulation contained herein is binding on the Parties.
2. TMAT, BNYM and BOKF consent (to the extent their consent is necessary) to the Debtors' assumption of the Sublease, subject to the terms of this Stipulation.
3. Effective upon the date (the "**Effective Date**") that an order approving this Stipulation (the "**Settlement Order**") becomes final and non-appealable, the Debtors shall be deemed to have assumed the Sublease.
4. As of the Effective Date, each of the Debtors 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 Tulsa Bonds pursuant to the Transaction Documents.
5. As of the Effective Date, the Adequate Protection Motion shall be deemed withdrawn without prejudice solely with respect to the Sublease, the Tulsa Bonds, and any interest in collateral claimed by BNYM or the bondholders in connection therewith; provided that nothing herein shall affect the remaining claims asserted in the Adequate Protection Motion or the Debtors' defenses thereto.
6. The Parties agree for the purposes of settlement that (i) the Guaranty Default Notice was and is of no effect, (ii) any default arising under the Sublease or other Transaction Documents as a result of the issuance of the Guaranty Default Notice or the Chapter

11 Filing shall be deemed cured upon the Effective Date and (iii) no acceleration or redemption obligations resulted from the issuance of the Guaranty Default Notice or the Chapter 11 Filing.

7. The Chapter 11 Filing has not, does not and shall not affect the validity or enforceability of the Guarantees or the Bond Purchase Agreements, 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.

8. Within thirty (30) days after the Effective Date or such later date as may be agreed to by and between the Debtors and the recipient of the applicable payment (i.e., BNYM, BOKF, TMAT, the Purchase Trustee or the Remarketing Agent), the Debtors shall pay all amounts outstanding under the Sublease, including an aggregate amount of \$911,795.35 representing prepetition and postpetition fees and expenses of BNYM, BOKF, TMAT the Purchase Trustee and the Remarketing Agent and their respective counsel and advisors (each such person and each of their respective counsel and advisors being a “**Payee**”) incurred in connection with the Tulsa Bonds and invoiced (such invoices the “**Invoices**”) to the Debtors prior to August 6, 2012 (such payments, the “**Cure Payments**”). For purposes of settlement, the Parties agree that as of the date of this Stipulation, with the exception of the aforementioned fees and expenses, there are no amounts outstanding under the Sublease whose dates of payment have passed. For the avoidance of doubt, the Parties acknowledge that each of BNYM, BOKF, TMAT, the Purchase Trustee or the Remarketing Agent and each of their respective counsel and advisors may have incurred fees and expenses after the last date reflected on the Invoices of such Payee which were not invoiced prior to August 6, 2012, and from the date of this Stipulation and after, BNYM, BOKF, TMAT, the Purchase Trustee or the Remarketing Agent and their respective counsel and advisors may continue to incur fees and expenses, and the Debtors will

pay such expenses at such times and to the extent required by the Transaction Documents; provided that nothing herein shall be construed to constitute a waiver of any defense to any such fees and expenses claimed. Each of the Parties retains any rights, claims and defenses they may have with respect to any claims for completion fees that may be asserted by the Parties or their non-legal advisors including completion fees relating in part to services allegedly performed prior to the dates reflected on the Invoices, it being understood that nothing herein shall constitute an admission by any of the Parties as to the validity or lack thereof of any claims with respect to any completion fees. It is understood by the Parties that, by executing this Stipulation, the Debtors have, in no way, indicated their agreement that a completion fee is warranted or allowable as a claim against them.

9. The Debtors, BNYM, BOKF and TMAT each represent that, other than any alleged defaults prompting the Cure Payments and any alleged defaults that may have resulted from the delivery of the Guaranty Default Notice (if any), they are not aware of any existing defaults under the Tulsa Sublease. The Parties agree 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 Cure Payments (if any).

10. The Debtors have provided adequate assurance of future performance of the Sublease, and no further showing of adequate assurance is necessary.

11. As promptly as practicable after receiving the Cure Payments, BNYM or BOKF shall distribute from moneys in the Bond and Interest Fund to the holders of the 1992 Bonds the total amount of \$28,510,625.00, being the amount of principal and interest due on such Bonds at their maturity on December 1, 2011. Immediately following such distribution, the 1992 Bonds shall be deemed paid in full and no longer outstanding, and there shall be no further

obligations by the Debtors, TMAT, BNYM or BOKF in respect of the 1992 Bonds, whether for interest on overdue interest or principal that may have been deemed to accrue after November 30, 2011, or for any rent payable by American under the Sublease calculated based upon the debt service requirements of such Bonds.

12. As promptly as practicable after receiving the Cure Payments, BNYM and BOKF shall distribute from moneys in the Bond and Interest Fund to the holders of the 1995 Bonds, the 2000 Bonds and the 2001 Bonds, 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 without giving effect to any circumstances or alleged defaults set forth in, or arising out of or in connection with the delivery of, the Guaranty Default Notice, and no holder of the Tulsa Bonds shall be entitled to any interest on overdue interest or any acceleration of payment of principal or redemption of the Tulsa Bonds in connection with, or as a result of, the foregoing.

13. BNYM shall be entitled, in its sole discretion, and in accordance with its obligation under Section 8.1 of the Indenture, to establish one or more record dates for the holders of the Tulsa Bonds, or any series thereof, for the purpose of distributions on the Tulsa Bonds provided for in this Stipulation.

14. Upon the Effective Date, the Transaction Documents shall be deemed amended or modified, solely to the extent necessary to effectuate the terms and conditions of this Stipulation.

15. On or prior to August 6, 2012, or such other later date as the Debtors, BNYM and TMAT may agree, the Debtors shall file a motion with the Bankruptcy Court, in form and substance acceptable to BNYM, BOKF and TMAT, seeking approval of this

Stipulation pursuant to Bankruptcy Rule 9019 (the “**Motion**”). The Motion shall propose a Settlement Order that is binding upon the Parties and the holders of the Tulsa Bonds, that recites the finding of the Bankruptcy Court to the effect that the terms and conditions of the Stipulation are fair and reasonable and in the interests of all holders of the Tulsa Bonds, that provides for the assumption of the Sublease and that includes language substantially to the following effect, unless otherwise agreed to by BNYM, BOKF and TMAT:

ORDERED that, each of the terms and conditions of the Stipulation are hereby approved, and the Stipulation shall be binding on the Parties and all of the holders of Tulsa Bonds; and it is further

ORDERED that, the Transaction Documents shall be deemed amended or modified, and compliance with the provisions thereof shall be deemed waived, to the extent necessary to effectuate the terms and conditions of the Stipulation; and it is further

ORDERED that, all holders of the Tulsa Bonds are deemed to have irrevocably consented to each of the terms and conditions of the Stipulation, including, without limitation, any deemed amendments and modifications of the Transaction Documents, or deemed waiver of compliance with the provisions of the Transaction Documents, to the extent necessary to effectuate the terms and conditions of the Stipulation; and it is further

ORDERED that, the Bankruptcy Court having found that the Debtors, TMAT, BNYM and BOKF, and their respective legal counsel and/or financial advisors have used the same degree of care and skill in the exercise of their respective rights and powers a prudent person would exercise and use under the circumstances, and there is no bona fide basis for any claims or actions against the Debtors, BNYM (as indenture trustee or purchase trustee for the Tulsa Bonds or in any other fiduciary capacity with respect to the Tulsa Bonds or in its individual capacity), BOKF (as co-trustee, paying agent, bond registrar, guaranty trustee or in any other fiduciary capacity with respect to the Tulsa Bonds or in its individual capacity), TMAT, any Directing Holder, or any of their respective legal counsel and/or financial advisors in any way related to the matters that are the subject of the Motion, the Stipulation or this Order; *provided, however*, that, other than to the extent the respective obligations of TMAT, BNYM and BOKF have been altered by the Stipulation and Settlement Order, (i) nothing in this Order shall relieve TMAT from its obligations to perform under the Indenture (as amended or modified to the extent necessary to

effectuate the Stipulation and this Order), if any, or restrict the ability of the holders of Tulsa Bonds or BNYM, as indenture trustee or BOKF, as co-trustee, to enforce such obligations against TMAT; and (ii) nothing in this Order shall relieve BNYM or BOKF from their respective obligations to perform under the Indenture and Tripartite Agreement (each as amended or modified to the extent necessary to effectuate the Stipulation and this Order) or restrict the ability of the holders of Tulsa Bonds to enforce such obligations against BNYM or BOKF; and it is further

ORDERED that the Debtors, BNYM (as indenture trustee or purchase trustee for the Tulsa Bonds or in any other fiduciary capacity with respect to the Tulsa Bonds or in its individual capacity), BOKF (as co-trustee, paying agent, bond registrar, guaranty trustee or in any other fiduciary capacity with respect to the Tulsa Bonds or in its individual capacity), TMAT, each Directing Holder, 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 Motion, the Stipulation and this Order; *provided, however*, that nothing in this Order shall relieve any party from its respective obligations under the Stipulation; and it is further

ORDERED that any holder of the Tulsa Bonds, in such capacity, shall be forever barred, estopped and permanently enjoined from asserting, prosecuting or otherwise pursuing claims against BNYM, individually or in any fiduciary capacity (including, without limitation, as indenture trustee and purchase trustee), BOKF, individually or in any fiduciary capacity (including as co-trustee, paying agent or guaranty trustee), TMAT, any Directing Holder or the Debtors that are in any way related to the matters that are the subject of the Motion, the Stipulation or this Order; *provided, however*, that nothing in this Order shall relieve any party from its respective obligations under the Stipulation.

16. Each of the Parties covenants that it will faithfully cooperate and perform at all times all of its covenants, undertakings, stipulations and provisions contained in this Stipulation. Each of the Parties agrees to make any amendments or modifications to the Indenture, Guarantees, Sublease and other Transaction Documents, to enter into any other documents or take any other actions that may be necessary or reasonably desirable to implement the terms and provisions or purposes of this Stipulation. The hearing to approve this Stipulation

shall be no earlier than thirty (30) days after a notice has been sent to bondholders describing or incorporating the material terms of this Stipulation.

17. The Debtors, BNYM and TMAT shall execute an agreement whereby they consent (to the extent such consent is necessary) to an extension of the deadline for the Debtors to assume the Sublease to the earlier of (i) September 12, 2012 (provided that if the Bankruptcy Court has granted the Motion, but not yet entered the Settlement Order, the date that is the earlier of (x) one day after the Effective Date and (y) September 19, 2012) and (ii) twenty-one (21) days after the date, if any, on which the Bankruptcy Court denies the Motion, or such other later date as to which BNYM, the Debtors and TMAT may agree.

18. This Stipulation may only be amended or otherwise modified by a signed writing executed by the Parties.

19. The Debtors hereby commit to pursue confirmation of a chapter 11 plan consistent with the terms and conditions of the Stipulation and the Settlement Order.

20. In the event that the Settlement Order is not entered by the Bankruptcy Court as a final non-appealable order, this Stipulation (other than paragraph 17 hereof) shall be terminated and shall become null and void and of no force and effect, unless otherwise agreed to in writing by the Parties.

21. In the event that, notwithstanding this Stipulation, the Debtors are entitled to and do reject the Sublease following the Effective Date, BNYM, BOKF and TMAT shall retain the right to assert all claims which they would have been entitled to assert had the Parties not entered into this Stipulation, and the Debtors shall retain any defenses thereto.

22. It is expressly understood and agreed that neither this Stipulation (including the terms thereof) nor any act or omission in connection herewith is intended or 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 Tulsa Bonds or the Chapter 11 Filing.

23. For the avoidance of doubt, this Stipulation shall be binding on any purchaser(s) of the Debtors, or any of their assets relating to the Tulsa maintenance airport base or the Sublease.

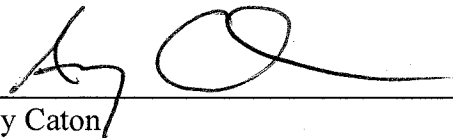
24. Each person who executes this Stipulation by or on behalf of a Party represents and warrants that he or she has been duly authorized and empowered to execute and deliver this Stipulation on behalf of such Party.

25. This Stipulation may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation to present any copy, copies, electronic copies, or facsimiles signed by the Parties.

26. This Stipulation shall be governed by, construed, and enforced in accordance with the laws of the State of New York without giving effect to the provisions, policies, or principles thereof relating to choice of law or conflict of laws.

27. Any disputes or controversies arising from this Stipulation shall be within the exclusive jurisdiction of the Bankruptcy Court.

Dated: August 6, 2012
New York, New York



Amy Caton
David Blabey Jr.

KRAMER LEVIN NAFTALIS & FRANKEL LLP
1177 Avenue of the Americas
New York, New York 10036
Telephone: (212) 715-9100
Facsimile: (212) 715-8000

Attorneys for The Bank of New York Mellon, as
Indenture Trustee for the Tulsa Bonds

Dated: _____, 2012
Tulsa, Oklahoma

Samuel S. Ory

FREDERIC DORWART, LAWYERS
124 East Fourth Street
Tulsa, OK 74103-5010
(918) 583-9913 – Direct
(918) 583-8251 – Facsimile

Attorneys for BOKF, N.A., as Guaranty Trustee,
Co-Trustee, Principal Paying Agent and Bond
Registrar for the Tulsa Bonds

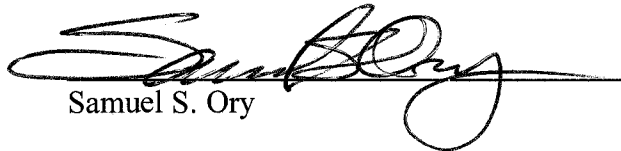
Dated: _____, 2012
New York, New York

Amy Caton
David Blabey Jr.

KRAMER LEVIN NAFTALIS & FRANKEL LLP
1177 Avenue of the Americas
New York, New York 10036
Telephone: (212) 715-9100
Facsimile: (212) 715-8000

Attorneys for The Bank of New York Mellon, as
Indenture Trustee for the Tulsa Bonds

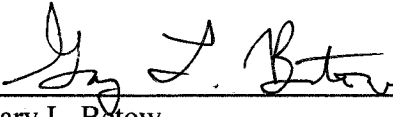
Dated: August 6, 2012
Tulsa, Oklahoma


Samuel S. Ory

FREDERIC DORWART, LAWYERS
124 East Fourth Street
Tulsa, OK 74103-5010
(918) 583-9913 – Direct
(918) 583-8251 – Facsimile

Attorneys for BOKF, N.A., as Guaranty Trustee,
Co-Trustee, Principal Paying Agent and Bond
Registrar for the Tulsa Bonds

Dated: August 6, 2012
Tulsa, Oklahoma



Gary L. Betow

CONNER & WINTERS LLP, ATTORNEYS AND
COUNSELORS AT LAW
4000 One Williams Center
Tulsa, Oklahoma 74172
Telephone: (918) 586-5714
Facsimile: (918) 586-8688

Attorney for The Trustees of the Tulsa Municipal
Airport Trust

Dated: _____, 2012
Houston, Texas

Harvey R. Miller
Stephen Karotkin
Alfredo R. Perez

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors
and Debtors in Possession

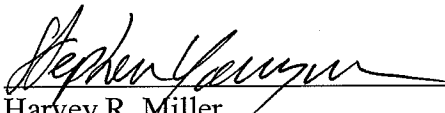
Dated: _____, 2012
Tulsa, Oklahoma

Gary L. Betow

CONNER & WINTERS LLP, ATTORNEYS AND
COUNSELORS AT LAW
4000 One Williams Center
Tulsa, Oklahoma 74172
Telephone: (918) 586-5714
Facsimile: (918) 586-8688

Attorney for The Trustees of the Tulsa Municipal
Airport Trust

Dated: August 6, 2012
Dallas, Texas



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

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors
and Debtors in Possession