

**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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**ORDER PURSUANT TO 11 U.S.C. §§ 105(a), 362, 363, 364, 503(b) AND 507 AND  
FED. R. BANKR. P. 4001 AND 6004 (I) AUTHORIZING DEBTORS TO  
OBTAIN POSTPETITION SECURED FIRST PRIORITY AIRCRAFT FINANCING  
AND GRANT SECURITY INTERESTS AND LIENS WITH RESPECT THERETO,  
(II) AUTHORIZING DEBTORS TO REPAY EXISTING PREPETITION DEBT  
RELATING TO CERTAIN AIRCRAFT; (III) DENYING REQUESTS BY U.S. BANK  
TRUST NATIONAL ASSOCIATION FOR RELIEF FROM AUTOMATIC STAY AND  
(IV) GRANTING RELATED RELIEF**

Upon the motion dated October 9, 2012 (the “**EETC Motion**”) (ECF No. 4959)<sup>1</sup> of AMR Corporation and its related debtors, as debtors and debtors in possession (collectively, the “**Debtors**”), pursuant to sections 105(a), 362, 363, 364(c), 364(e), 503(b) and 507 of chapter 11 of title 11, United States Code (the “**Bankruptcy Code**”) and Rules 4001 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), requesting entry of an order (this “**Order**”) authorizing the Debtors to:

(i) obtain postpetition financing in an amount of up to \$1.5 billion secured on a first priority basis by, among other things, up to 41 Boeing 737-823 aircraft, 14 Boeing 757-223 aircraft, one Boeing 767-323ER aircraft and 19 Boeing 777-223ER aircraft (each, together with related engines and equipment and certain related records as more fully described in the EETC Motion, an “**Aircraft**” and collectively, the “**Aircraft**”) as part of a new enhanced equipment trust certificate (“**EETC**”) financing (the “**New**

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<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the EETC Motion.

**EETC**”), as contemplated by (a) with respect to each Aircraft, the related Indenture and Security Agreement between American Airlines, Inc. (“**American**”) and Wilmington Trust Company, as loan trustee (in such capacity, the “**New Loan Trustee**”), substantially in the form annexed to the EETC Motion as **Exhibit “B”** (as such form or such agreement may be amended, supplemented or otherwise modified from time to time as agreed by the applicable parties, each such agreement, a “**New Indenture**”), providing for the issuance of secured equipment notes (the “**New Equipment Notes**”) by American to Wilmington Trust Company, as subordination agent (in such capacity, the “**New Subordination Agent**”), for the benefit of Wilmington Trust Company, as trustee (in such capacity, the “**New Pass Through Trustee**”), (b) the Participation Agreement with respect to each Aircraft substantially in the form annexed to the EETC Motion as **Exhibit “C”** (as such form or such agreement may be amended, supplemented or otherwise modified from time to time as agreed by the applicable parties, each such agreement, a “**New Participation Agreement**”), (c) the Pass Through Trust Agreement, the Trust Supplement, the Intercreditor Agreement, the Note Purchase Agreement, the Escrow and Paying Agent Agreement, the Deposit Agreement, the Class A Liquidity Facility and the Registration Rights Agreement, substantially in the forms annexed to the EETC Motion as **Exhibits “D”** through “**K**”, respectively (as such form or agreement may be amended, supplemented or otherwise modified from time to time as agreed by the applicable parties), (d) the Purchase Agreement, the Indemnity Agreement and the Fee Letter submitted to this Court under seal pursuant to the Order Authorizing Filing Under Seal (ECF No. 4960) and (e) any and all other instruments, documents, supplements and agreements that may be reasonably necessary or desirable to implement the New EETC

(all of (a), (b), (c), (d) and (e), and all exhibits, annexes, schedules and related documents, collectively, the “**New Financing Agreements**”),

(ii) as more fully described in the EETC Motion, (a) use cash on hand (including proceeds of the New EETC as such proceeds are released to the Debtors as described in this Order) to indefeasibly repay the existing obligations secured by the Aircraft, as applicable, which are currently financed through, as the case may be, an EETC financing entered into by American in July 2009 (the “**2009-1 EETC**”), a secured notes financing entered into by American in July 2009 (the “**2009-2 Secured Notes Financing**”) and an EETC financing entered into by American in October 2011 (with American’s obligations in respect thereof guaranteed by AMR Corporation) (the “**2011-2 EETC**”, together with the 2009-1 EETC and the 2009-2 Secured Notes Financing, the “**Existing Financings**”; the secured equipment notes issued by American in connection with the 2011-2 EETC and the 2009-1 EETC, collectively with the secured notes issued by American in connection with the 2009-2 Secured Notes Financing, are collectively referred to as the “**Prepetition Notes**”; the indentures pursuant to which the Prepetition Notes were issued are collectively referred to as the “**Prepetition Notes Indentures**” and, in the case of the 2011-2 EETC and the 2009-1 EETC, forms thereof are annexed to the EETC Motion as **Exhibits “L”** and “**M**”, respectively, and in the case of the 2009-2 Secured Notes Financing, the single Prepetition Notes Indenture is annexed to the EETC Motion as **Exhibit “N”**), in each case, without the payment of any Make-Whole Amount (as defined in the applicable Prepetition Notes Indenture) or other premium or prepayment penalty (the “**Prepetition Make-Whole Amount**”), (b) obtain the release of the liens securing the Prepetition Notes and (c) enter into any instruments, documents,

supplements and agreements and take such other actions as may be reasonably necessary or desirable to implement the repayment in full of the Secured Obligations (as defined in the Prepetition Notes Indentures, the “**Prepetition Secured Obligations**”) (all of (a), (b) and (c), the “**Prepetition Notes Repayment**”), and

(iii) pay costs, expenses and fees in connection with the New EETC, together with any additional fees, costs, indemnities and expenses that may be payable from time to time under the New Financing Agreements;

and upon the Motions dated December 6, 2012, filed by U.S. Bank Trust National Association (“**U.S. Bank**”), as Loan Trustee for the 2009-1 EETC and 2011-2 EETC transactions and as Trustee and Security Agent for the 2009-2 Secured Notes Financing, for Orders Granting Limited Relief from the Automatic Stay (the “**Stay Relief Motions**”) (ECF Nos. 5589 and 5590); and upon the Stipulation and Order entered by the Court on January 15, 2013 (ECF No. 6203); and the Court having heard argument of the parties on November 8, 2012, November 29, 2012 and January 9, 2012; and the Court having issued a Memorandum of Decision dated January 17, 2013 (the “**Decision**”) (ECF No. 6265) relating to these proceedings and the adversary proceedings filed by U.S. Bank styled U.S. Bank Trust National Association, not in its individual capacity, but solely as Loan Trustee under Indenture and Security Agreements with respect to the AMR 2009-1 EETC transaction and AMR2011-2 EETC transaction v. American Airlines Inc., Adv. Proc. No. 12-01946 (SHL) and U.S. Bank Trust National Association, not in its individual capacity but solely as Trustee and Security Agent with respect to the AMR 2009-2 Secured Notes 2016 v. American Airlines Inc., Adv. Proc. No. 12-01932 (SHL) (collectively, the “**Adversary Proceedings**”); and no further notice needing to be given; and upon all of the proceedings before the Court; and it appearing that the relief requested is in the best interests of

the Debtors and their respective stakeholders, as set forth in the Decision; and after due deliberation and sufficient cause appearing therefor:

THE COURT HEREBY FINDS AND DETERMINES THAT:

A. On November 29, 2011 (the “**Commencement Date**”), the Debtors each commenced with this Court a voluntary case under 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.

B. On December 5, 2011, the United States Trustee for the Southern District of New York appointed the Official Committee of Unsecured Creditors (the “**UCC**”).

C. The Court has jurisdiction to consider the EETC Motion, the Stay Relief Motions and the relief requested therein pursuant to 28 U.S.C. § 1334 and the Amended Standing Order of Reference M-431 dated January 31, 2012 (Preska, C.J.). Consideration of the EETC Motion, the Stay Relief Motions and the requested relief is a core proceeding that this Court can determine pursuant to 28 U.S.C. § 157. The statutory predicates for the relief sought herein are sections 105(a), 362, 363, 364(c), 364(e), 503(b) and 507 of the Bankruptcy Code and Bankruptcy Rules 4001, 6004 and 9014 and the Local Bankruptcy Rules of the Southern District of New York.

D. The Debtors contend that as of September 30, 2012, American was indebted under the Prepetition Notes and the Prepetition Notes Indentures in the principal amount outstanding of \$445,618,425 for the 2009-1 EETC, \$174,163,156 for the 2009-2 Secured Notes Financing and \$703,645,330 for the 2011-2 EETC, plus, in each case, all unpaid interest, fees, costs and expenses under the applicable Prepetition Notes Indenture (excluding, for the

avoidance of doubt, any Prepetition Make-Whole Amount) and the other Operative Documents or Pass Through Documents (as such terms are defined in the applicable Prepetition Notes Indenture, the “**Prepetition Operative Documents**” and the “**Prepetition Pass Through Documents**”, respectively).

E. All of the Prepetition Notes became immediately due and payable on the Commencement Date.

F. On January 11, 2012, pursuant to Section 1110(a) of the Bankruptcy Code and that this Court’s Order approving the Debtor’s *Motion for an Order Authorizing the Debtors to (I) Enter Into Agreements Under Section 1110(A) Of The Bankruptcy Code, (II) Enter Into Stipulations To Extend The Time To Comply With Section 1110 Of The Bankruptcy Code And (III) File Redacted Section 1110(B) Stipulations* [Docket No. 190], American elected pursuant to section 1110(a) of the Bankruptcy Code to agree to perform under the Prepetition Notes during these chapter 11 cases and has made all regularly scheduled payments of principal and interest due under the Prepetition Notes since the Commencement Date.

G. The Debtors are unable to obtain postpetition financing in an amount required to fund the Prepetition Notes Repayment on more favorable terms than those reflected in the New Financing Agreements. The Debtors are unable to obtain unsecured credit to fund the Prepetition Notes Repayment allowable only as an administrative expense pursuant to section 503(b)(1) of the Bankruptcy Code. The Debtors are also unable to obtain credit to fund the Prepetition Notes Repayment without granting to the New Loan Trustee (for the ratable benefit of the holders of the New Equipment Notes) liens on assets of the Debtors pursuant to section 364(c)(2) of the Bankruptcy Code. The New EETC will result in substantial benefits to the Debtors in light of the reduced interest rates payable thereunder.

H. Pursuant to the New EETC, American is required, among other things, to make the Prepetition Notes Repayment and to obtain the release of the liens securing the Prepetition Secured Obligations on the terms set forth in this Order.

I. The Prepetition Notes Repayment does not require the payment of any Prepetition Make-Whole Amount pursuant to the Prepetition Notes Indentures and operation of law.

J. The Aircraft constitute “equipment” within the meanings of sections 1110(a)(3)(A)(i) and 1110(a)(3)(B) of the Bankruptcy Code and, together with the New Indentures and the New Equipment Notes, are subject to the provisions of section 1110 of the Bankruptcy Code, except as described in the last sentence of this paragraph. American holds an air carrier operating certificate issued by the Secretary of Transportation pursuant to chapter 447 of title 49, United States Code, for aircraft capable of carrying 10 or more individuals or 6,000 pounds or more of cargo. As provided in Section 7.12 of the New Participation Agreements and Section 10.12 of the New Indentures, the stay arising under section 1110 of the Bankruptcy Code will not be applicable to the Aircraft during these chapter 11 cases with respect to the New Financing Agreements and obligations thereunder.

K. Good cause exists for granting the New Loan Trustee relief from the automatic stay pursuant to section 362 of the Bankruptcy Code to permit the New Loan Trustee and the other parties to the New Financing Agreements to enforce the terms of the New Financing Agreements to which each such person is a party and to exercise any and all remedies thereunder without further order of this Court (except as provided herein), on the terms and conditions set forth in the New Financing Agreements and this Order.

L. The terms and conditions of the New Financing Agreements are fair, reasonable and appropriate under the circumstances, including, without limitation, provisions requiring

American to (a) deposit the proceeds of the New EETC in escrow with the Depositary pursuant to the Escrow and Paying Agent Agreement and the Deposit Agreement, (b) pay certain fees, costs and expenses of the Initial Purchasers, the Liquidity Provider, the Depositary, the Escrow Agent, the Paying Agent, the New Loan Trustee, the New Subordination Agent and the New Pass Through Trustee (including certain fees and expenses of their respective counsel) and (c) pay the Section 4.02 Premium, if any, as provided in the New Indentures.

M. The New Financing Agreements were negotiated in good faith and at arm's-length among American, the Initial Purchasers, the Liquidity Provider, the Depositary, the Escrow Agent, the Paying Agent, the New Loan Trustee, the New Subordination Agent and the New Pass Through Trustee.

N. Credit to be extended to American by the Initial Purchasers and the other holders from time to time of the Pass Through Certificates under the New Financing Agreements will be so extended in good faith, in consequence of which the Initial Purchasers, the New Loan Trustee, the New Pass Through Trustee, the New Subordination Agent, the Liquidity Provider, the Depositary, the Escrow Agent, the Paying Agent and the holders of the New Equipment Notes and of the Pass Through Certificates are entitled to the protection and benefits of section 364(e) of the Bankruptcy Code in the event that this Order or any provision hereof is vacated, reversed or modified, on appeal or otherwise.

O. Good and sufficient cause has been shown for the entry of this Order. The entry into the New Financing Agreements and consummation of the transactions contemplated thereby (including the Prepetition Notes Repayment and the grant of liens on the Collateral to the New Loan Trustee) on the terms and subject to the conditions set forth in the New Financing Agreements reflect the Debtors' exercise of sound business judgment and are in the best interests



of the Debtors and their economic stakeholders and will result in substantial cost savings to the Debtors.

P. The proceeds of the New EETC shall initially be held in escrow and deposited with the Depositary pursuant to the Escrow and Paying Agent Agreement and the Deposit Agreement and shall only be released from escrow in accordance with the terms and conditions of the Note Purchase Agreement, the Escrow and Paying Agent Agreement, the Deposit Agreement and each New Participation Agreement. Until their release from escrow in accordance with the terms and conditions of the Note Purchase Agreement, the Escrow and Paying Agent Agreement, the Deposit Agreement and each New Participation Agreement, and the utilization of such proceeds by the New Pass Through Trustee to purchase the New Equipment Notes, such proceeds shall not be property of the estates of the Debtors under section 541 of the Bankruptcy Code.

Q. Due and appropriate notice of the EETC Motion, the relief requested therein and the Hearing has been served by the Debtors on each party required to be served pursuant to the Amended Case Management Order (ECF No. 3952). Under the circumstances, the notice given by the Debtors of the EETC Motion and the Hearing constitutes due and sufficient notice thereof and complies with Bankruptcy Rule 4001.

R. Judgments are concurrently being rendered against U.S. Bank in each of the Adversary Proceedings referencing the determinations made in the Decision.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED  
THAT:

1. The EETC Motion is granted and the Objections to the EETC Motion are overruled.

2. The Stay Relief Motions are denied.

**Prepetition Notes Repayment and Release of Liens**

3. The Debtors are authorized, as more fully described in the EETC Motion and subject to the terms of this Order, to (a) use cash on hand (including proceeds of the New EETC as such proceeds are released to the Debtors as described in this Order) to indefeasibly repay to (or as directed by) the applicable loan trustee for the Prepetition Notes all principal of, accrued and unpaid interest on, and other Prepetition Secured Obligations due and owing under, the Prepetition Notes, the Prepetition Notes Indentures, the Prepetition Operative Documents, the Prepetition Pass Through Documents and the Parent Guarantee (as defined in the Prepetition Notes Indentures with respect to the 2011-2 EETC, the “**Prepetition Parent Guarantee**”), through the date of repayment of the Prepetition Notes, in each case, in full satisfaction of all amounts due and owing under the Prepetition Notes, the Prepetition Notes Indentures, the Prepetition Operative Document, the Prepetition Pass Through Documents and the Prepetition Parent Guarantee, without the payment of any Prepetition Make-Whole Amount and (b) enter into any instruments, documents, supplements and agreements and take such other actions as may be reasonably necessary or desirable to implement the Prepetition Notes Repayment.

4. With respect to each Existing Financing, the Debtors are authorized to take all steps necessary or desirable to obtain the release of the liens securing the Prepetition Notes related to such Existing Financing.

5. The loan trustees, security agents, subordination agents, pass through trustees, trustees and liquidity providers for, and the other secured parties with respect to, the Prepetition Notes are authorized and directed to (a) take all actions reasonably requested by the Debtors to implement the Prepetition Notes Repayment, including authorizing the release, termination or discharge of, and releasing, terminating or discharging, the liens securing, and any and all other

interests of record with respect to, the Prepetition Notes (including with the Federal Aviation Administration (“**FAA**”) and the International Registry), and (b) enter into and deliver any instruments, documents, certifications, supplements and agreements that may be reasonably necessary or desirable to implement the Prepetition Notes Repayment, including certifications as to the payment in full of the Prepetition Notes or related pass through certificates as contemplated by the applicable Prepetition Operative Documents or Prepetition Pass Through Documents and any payoff letters and any instruments authorizing the release, termination or discharge of, or releasing, terminating or discharging, the liens securing, and any and all other interests of record with respect to, the Prepetition Notes (including with the FAA and the International Registry pursuant to the Cape Town Treaty).

6. Upon the repayment in full in cash of the Prepetition Secured Obligations as provided herein, (a) the holders of the Prepetition Notes (or of related pass through certificates, as applicable) in such capacity (and any trustee or agent therefor) and any other secured party under the Prepetition Notes in such capacity shall have no further rights with respect to the Debtors, the Aircraft or any other Collateral (as defined in the applicable Prepetition Notes Indenture) or any claims or liens relating thereto (all of which claims and liens shall be deemed automatically terminated without further action), (b) the Debtors and their estates shall have no further obligations under the Prepetition Notes, the Prepetition Notes Indentures, the Prepetition Operative Documents or the Prepetition Pass Through Documents or to the holders of the Prepetition Notes (or of related pass through certificates, as applicable) in such capacity (or any trustee or agent therefor) or other secured party with respect thereto in such capacity, and (c) any person with an interest in the Prepetition Notes (including all holders thereof or of related pass through certificates, as applicable) and any other party in interest in these chapter 11 cases shall

be barred from bringing any action against the Debtors or the loan trustees, security agents, subordination agents, pass through trustees, trustees and liquidity providers for, and the other secured parties with respect to, the Prepetition Notes relating in any way to the Prepetition Note Repayment, the Prepetition Notes Indentures, the Prepetition Operative Documents, the Prepetition Pass Through Documents, the EETC Motion, this Order and any other actions contemplated thereby; provided, however, that nothing contained herein shall terminate any obligation of the Debtors to make payments (excluding, for the avoidance of any doubt, any obligation to pay the Prepetition Make-Whole Amount) under the Prepetition Operative Documents after the repayment of the Prepetition Notes and the release of liens on the Aircraft and other Collateral, but only to the extent that such payment obligation expressly survives such repayment and release.

7. Nothing in this Order (including without limitation paragraph 6 hereof) shall be interpreted as barring U.S. Bank from pursuing appeals from the Decision, this Order, and/or the Judgments, or from making applications to stay the effect of this Order and the Judgments pending appeal.

#### **New EETC**

8. The Debtors are authorized to obtain postpetition financing pursuant to the New EETC in accordance with the terms of this Order and the New Financing Agreements.

9. The terms, conditions and covenants of the New Indentures and the other New Financing Agreements are authorized and approved.

10. The Debtors are authorized to do and perform all acts (including, without limitation, to agree to an interest rate for the New Equipment Notes and Pass Through Certificates), make, execute and deliver all instruments and documents (including the execution or recordation of security agreements, mortgages and financing statements, filings and

recordations with the FAA and registrations and discharges with the International Registry) and pay all fees, expenses, indemnities and costs required under the New Financing Agreements. No obligation, payment, transfer or grant of security under any of the New Financing Agreements or this Order shall be stayed, restrained, voidable or recoverable under the Bankruptcy Code or under any applicable law (including, without limitation, under section 502(d) of the Bankruptcy Code) or subject to any defense, reduction, setoff, recoupment or counterclaim.

11. The automatic stay imposed under section 362(a) of the Bankruptcy Code and any stay imposed by section 1110 of the Bankruptcy Code are hereby lifted, as necessary, to permit (i) the Debtors to grant the Postpetition Liens (as defined in Paragraph 14 below) to the New Loan Trustee (for the ratable benefit of the holders of the New Equipment Notes), (ii) the Debtors to perform the Secured Obligations and incur the liabilities to the New Loan Trustee, the Initial Purchasers, the Liquidity Provider, the Depositary, the New Subordination Agent, the Paying Agent, the New Pass Through Trustee and the holders of the New Equipment Notes under the New Financing Agreements, (iii) subject to the terms of this Order, the exercise of remedies by the New Loan Trustee or the holders of New Equipment Notes following an Event of Default under any New Indenture, including delivery of an Enforcement Notice (as defined in Paragraph 21 below) and (iv) any action of the New Loan Trustee to file and record financing statements or other instruments to provide further notice of and evidence the grant and perfection of the Postpetition Liens granted to the New Loan Trustee, as the New Loan Trustee shall determine.

12. Upon execution and delivery, each New Financing Agreement to which American is or is to be a party shall constitute a valid and binding obligation of American, enforceable against American in accordance with its terms. Any amounts accruing or owing under the New

Financing Agreements to any party by American, including but not limited to the indemnity obligations under section 4.02 of each New Participation Agreement, section 9(b) of the Indemnity Agreement, section 7 of the Purchase Agreement, section 5 of the Registration Rights Agreement and section 7.07 of the Pass Through Trust Agreement, shall constitute an allowed administrative expense claim pursuant to section 503(b)(1) of the Bankruptcy Code entitled to priority set forth in section 507(a) of the Bankruptcy Code.

13. No costs or expenses of administration of these chapter 11 cases or any future proceeding or any other charge or amount that may result therefrom, including liquidation in bankruptcy (including, without limitation, under chapter 7 of the Bankruptcy Code) or other proceedings under the Bankruptcy Code shall be charged against or recovered from the Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law.

14. The Initial Purchasers, the New Loan Trustee, the New Pass Through Trustee, the New Subordination Agent, the Liquidity Provider, the Depositary, the Escrow Agent, the Paying Agent and the holders of the New Equipment Notes and of the Pass Through Certificates are entitled to the protection and benefits of section 364(e) of the Bankruptcy Code in the event that this Order or any provision hereof is vacated, reversed or modified, on appeal or otherwise.

15. None of the fees, costs, indemnities or expenses payable by American under the New Financing Agreements shall be subject to further approval of this Court and no recipient of any such payment shall be required to file with respect thereto any interim or final fee application with this Court. This Court shall retain jurisdiction to resolve disputes about the reasonableness of any such fees, costs, indemnities or expenses paid pursuant to the New Financing Agreements.

### **Grant of Liens**

16. After the Prepetition Notes Repayment in respect of an Existing Financing, as security for the Secured Obligations under each New Indenture relating to an Aircraft that was the subject of such Existing Financing, effective and perfected upon the issuance of the New Equipment Notes pursuant to such New Indenture and without the necessity of the execution, recordation or filing by American of mortgages, security agreements, control agreements, pledge agreements, financing statements or other similar documents, the New Loan Trustee (for the ratable benefit of the holders of the New Equipment Notes) will be granted a valid, binding, continuing, enforceable, fully-perfected first priority senior security interest in and lien upon or pledge of all the Collateral, including the Aircraft pursuant to section 364(c)(2) of the Bankruptcy Code (the “**Postpetition Liens**”).

17. The Collateral shall not be subject to any lien (other than the Postpetition Liens or the Permitted Liens) arising after the Commencement Date including, (a) to the extent permitted by applicable law, any liens or security interests granted in favor of any federal, state municipal or other governmental unit, commission, board or court for any liability of any of the Debtors and (b) pursuant to section 364(d)(1) or section 364(c)(3) of the Bankruptcy Code.

18. The Postpetition Liens and the priority thereof, and any payments made by the Debtors pursuant to the New Financing Agreements and this Order, shall be binding (subject to the terms of this Order) on the Debtors, any trustee or examiner, and all creditors of the Debtors, as provided in section 364(e) of the Bankruptcy Code.

19. This Order shall be sufficient and conclusive notice and evidence of the grant, validity, perfection and priority of the Postpetition Liens without the necessity of filing or recording this Order (other than as docketed in these cases) or any financing statement, mortgage or other instrument or document which may otherwise be required under the law of any

jurisdiction (including any filing or recording with the FAA or any registration with the International Registry) or the taking of any other action to validate or perfect the Postpetition Liens; *provided* that the Debtors are authorized to execute and the New Loan Trustee may file or record financing statements, mortgages or other instruments further to evidence or further to perfect the Postpetition Liens; and *provided further* that no such filing or recordation shall be necessary or required in order to create, perfect or effect the priority of the Postpetition Liens. The Debtors and the New Loan Trustee are authorized and directed to cooperate and take (or cause to be taken) all steps necessary to make all required or desired registrations with the International Registry pursuant to the Cape Town Treaty.

20. The New Loan Trustee, in its discretion, may file a copy of this Order as a mortgage, financing statement or similar perfection document with any recording officer designated to file financing statements or with any registry of deeds or similar office in any jurisdiction in which American has real or personal property (but is not required to perfect any Postpetition Lien).

21. As security for certain of American's indemnity obligations to the Depositary under the Indemnity Agreement, American shall deposit with, and pledge to, the Depositary, cash to be held as collateral pursuant to the Indemnity Agreement.

#### **Section 1110 of the Bankruptcy Code**

22. With respect to the New Financing Agreements only: (i) American is an air carrier within the meaning of section 1110(a)(3)(A)(i) of the Bankruptcy Code; (ii) The Aircraft constitute "equipment" within the meanings of sections 1110(a)(3)(A)(i) and 1110(a)(3)(B) of the Bankruptcy Code and, together with the New Indentures and the New Equipment Notes, are subject to the provisions of section 1110 of the Bankruptcy Code, except that with respect to the



New Financing Agreements and obligations thereunder the stay arising under section 1110 of the Bankruptcy Code will not be applicable to the Aircraft during these chapter 11 cases.

**Event of Default During Chapter 11 Cases**

23. Upon the occurrence of an Event of Default under any New Indenture or upon the occurrence of certain defaults under the Indemnity Agreement and at any time thereafter during the continuance thereof during these chapter 11 cases, after five business days following receipt by American of written notice (an “**Enforcement Notice**”) of any such occurrence (which Enforcement Notice shall be given to American and its counsel, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Alfredo R. Pérez, Esq.) and Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York 10022 (Attn: John T. Curry, Esq., Richard F. Hahn, Esq. and My Chi To, Esq.), counsel to the UCC, 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.) and the U.S. Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Brian Masumoto, Esq.)), the New Loan Trustee or the Depositary (or other party to the New Financing Agreements) shall be entitled to exercise its rights and remedies as set forth in the New Financing Agreements. Any Enforcement Notice shall also be filed with this Court. This Order shall not prejudice the rights of any party in interest to oppose the exercise of the New Loan Trustee’s or the Depositary’s (or such other party’s) remedies; *provided* that, in the case of an Event of Default under any New Indenture, the only issue that may be raised by any party in opposition thereto shall be whether an Event of Default under any New Indenture has in fact occurred and is continuing, and American hereby waives its right to seek any relief, whether under section 105 of the Bankruptcy Code or otherwise, that would in any way impair, limit or restrict, or delay the exercise or benefit of, the rights and remedies of the New Loan Trustee

under any of the New Financing Agreements or this Order. At the expiration of the five business day period, in the absence of a determination by this Court that an Event of Default under any New Indenture has not occurred or is not continuing, the New Loan Trustee (upon the direction of the holders of the New Equipment Notes or such other party pursuant to the terms of the New Financing Agreements) shall be entitled to pursue all remedies under the New Financing Agreements without further order of this Court. The automatic stay is hereby deemed modified to permit the pursuit of such remedies. In no event shall the New Loan Trustee or the Depositary (or such other party) be subject to the equitable doctrine of “marshalling” or any similar doctrine with respect to the Collateral.

**Additional Provisions**

24. Each officer of American hereby is authorized to execute and deliver each of the New Financing Agreements to which American is to be a party, such execution and delivery to be conclusive evidence of their respective authority to act in the name of and on behalf of American.

25. Any and all of the New Financing Agreements and other documents and agreements relating or necessary to consummate the Prepetition Note Repayment and the New EETC when executed by American and, if applicable, each other party thereto constitute and evidence the valid and binding obligations of American and each such other party and their respective successors and assigns, in accordance with the terms thereof and this Order, and American and each such other party are authorized to perform all obligations and make all payments as set forth therein all without further order of this Court.

26. The failure to include or reference any term of the New Financing Agreements in this Order shall not diminish or impair the effectiveness of such provisions of the New Financing Agreements which shall be approved and enforceable in their entirety.

27. Each and every federal, state and local governmental agency or department shall be, and hereby is, directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated hereby.

28. From and after the date any New Financing Agreement is duly executed, American may enter into or consent to amendments or other modifications to such New Financing Agreement without further order of this Court with the consent of each party whose consent is required under the agreement so modified, *provided* that prior notice of any proposed modification has been given to the U.S. Trustee and the UCC, each of which will have five (5) business days from the date of such notice to object to such modification in writing.

29. The rights and liens of the New Loan Trustee, the holders of the New Equipment Notes and of the Pass Through Certificates and the other parties to the New Financing Agreements, in each case as provided for in this Order and in the New Financing Agreements, and any actions taken pursuant thereto and hereto, shall not be modified, altered or impaired in any manner by the entry of an order converting any of these chapter 11 cases to a case under chapter 7 or the entry of an order confirming a plan of reorganization or liquidation in these chapter 11 cases, unless the obligations of American under the New Financing Agreements have first been indefeasibly paid in full and completely satisfied pursuant to the terms of the New Indentures and the New Financing Agreements and this Order.

30. The failure by the Initial Purchasers, the New Loan Trustee, the New Pass Through Trustee, the New Subordination Agent, the Depositary, the Liquidity Provider or any other party to the New Financing Agreements to seek relief or otherwise exercise their respective rights and remedies under any of the New Financing Agreements or this Order shall not constitute a waiver of any of such party's rights hereunder, thereunder or otherwise.

31. Except as otherwise expressly provided herein, this Order shall not limit or modify or constitute a waiver of any of the rights, claims, causes of action and remedies of the Initial Purchasers, the New Loan Trustee, the New Pass Through Trustee, the New Subordination Agent, the Liquidity Provider, the Depositary, the other parties to the New Financing Agreements, the holders of the New Equipment Notes or the Pass Through Certificates, the Debtors or the UCC with respect to any action that any such party may be entitled to take under applicable law or the New Financing Agreements, all of which are expressly preserved.

32. This Order shall constitute findings of fact and conclusions of law. The stay of this Order pursuant to Rule 4001 or 6004(h) of the Bankruptcy Rules shall expire after the expiration of seven calendar days after the entry of this Order.

33. To the extent of any actual conflict between or among the express terms or provisions of the New Financing Agreements and this Order, the provisions of this Order shall govern and control.

34. Any objection which has not been withdrawn or resolved is, to the extent not withdrawn or resolved, hereby overruled.

35. This Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: New York, New York  
February 1, 2013

/s/ Sean H. Lane  
United States Bankruptcy Judge