

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:
	:
AMR CORPORATION, <i>et al.</i> ,	:
	:
Debtors.	:
	:
-----X	

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

STIPULATION BETWEEN THE
DEBTORS AND WAYNE COUNTY AIRPORT
AUTHORITY REJECTING LEASE AGREEMENT AND
WAIVING CLAIMS ARISING (I) PRIOR TO THE COMMENCEMENT
DATE AND (II) FROM THE REJECTION OF THE LEASE AGREEMENT

This Stipulation is entered into between AMR Corporation and its related debtors, as debtors and debtors in possession (collectively, the “Debtors”) and Wayne County Airport Authority (the “Authority,” and together with the Debtors, the “Parties”).

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 Bankruptcy Code §§ 1107(a) and 1108. 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 (the “Bankruptcy Rules”).

B. Prior to the Commencement Date, American Airlines, Inc. (“American Airlines”) and the Authority entered into the Lease Agreement (Building 610) (as amended, modified or supplemented from time to time, and together with any exhibits, annexes or

appendices, the “**Lease Agreement**”), dated June 1, 2010, for the lease of Air Freight Building No. 610 and certain other related facilities and premises at the Detroit Metropolitan Wayne County Airport.

C. The lease of certain properties under the Lease Agreement, referred to therein as the “Short Term Leased Premises”¹ terminated on September 30, 2010. The lease for the remaining “Leased Premises” would terminate pursuant to the terms of the Lease Agreement on May 31, 2015.²

D. 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 the Lease Agreement to September 30, 2012 (the “**Deadline**”) with consent of the Authority, without prejudice to the Debtors’ right to request further extensions in accordance with section 365(d)(4) (ECF No. 3318). On September 20, 2012, this Court entered an order, pursuant to section 365(d)(4) of the Bankruptcy Code, further extending the Deadline to assume or reject the Lease Agreement to December 30, 2012 with consent of the Authority, without prejudice to the Debtors’ right to request further extensions in accordance with section 365(d)(4) (ECF No. 4641). On December 11, 2012, the Debtors filed a motion, pursuant to section 365(d)(4) of the Bankruptcy Code, to further extend the Deadline to assume or reject the Lease Agreement to February 27, 2013 with consent of the Authority, without prejudice to the Debtors’ right to reject further extensions in accordance with section 365(d)(4) (ECF No. 5660). A hearing on this

¹ The Short Term Leased Premises consisted of (a) Building 610 TI Room, containing 400 square feet; (b) Building 510 Machinery and Equipment/Stores Area, containing 11,498 square feet; and (c) 4,224 square feet of paved vehicle parking area.

² The remaining Leased Premises consist of (a) Air Freight Building No. 610 Auto Shop, containing 4,600 square feet; and (b) 23,523 square feet of paved aircraft ramp.

motion has been set for December 19, 2012. The Debtors are now seeking to reject the Lease Agreement.

E. American Airlines has used the Leased Premises to provide Ground Support Equipment maintenance and services during the term of the Lease Agreement; however, American has determined that it no longer needs the Leased Premises for this purpose.

F. American Airlines makes rental payments under the Lease Agreement in equal monthly installments of \$5,207.52 in advance on or before the first day of each month. Additionally, the Authority holds an amount equal to \$26,098.94 as a security deposit (the "**Deposit**") under the Lease Agreement.

G. The Parties have agreed that the Lease Agreement shall be rejected upon the entry of a final order of the Court approving this Stipulation (the "**Effective Date**").

H. The Authority has agreed that to the extent it has claims (as such term is defined in the Bankruptcy Code) against the Debtors arising (i) prior to the Commencement Date and (ii) from the rejection of the Lease Agreement, the Authority expressly waives any and all such claims.

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

1. The Recitals set forth above form an integral part of this Stipulation and are incorporated fully herein.

2. Upon the Effective Date, the Lease Agreement shall be rejected by the Debtors pursuant to section 365 of the Bankruptcy Code.

3. Upon the Effective Date, the Lease Agreement shall terminate; *provided, however*, each party's obligations under the Lease Agreement shall continue to apply through and including the Effective Date.

4. Upon the Effective Date, the Authority, together with its successors, assigns, executors, and heirs, and its past and future members, officers, directors, partners, principals, agents, insurers, servants, employees, representatives, trustees and attorneys, irrevocably waives any claim (as such term is defined in the Bankruptcy Code) it might otherwise be entitled to assert for any damages arising (i) prior to the Commencement Date and (ii) from the rejection of the Lease Agreement, and agrees not to assert any claims whatsoever against the Debtors, whether known or unknown, presently existing or arising in the future, whether or not asserted, arising under section 365 of the Bankruptcy Code or otherwise, and whether found in fact or law or in equity.

5. On August 3, 2012, this Court entered the Stipulation between the Debtors and Wayne County Airport Authority and Agreed Order to Modify the Automatic Stay to Effect Setoff of Certain Claims (ECF No. 3836). Pursuant to such order, the Authority hereby agrees to withdraw proofs of claim number 7465 and 7466 filed by the Authority on July 12, 2012.

6. No later than ten (10) business days after the Effective Date, (i) the Debtors shall vacate the Leased Premises and (ii) the Authority shall remit the Deposit to American Airlines, as directed by the Debtors.

7. Nothing contained herein shall prejudice, or be deemed to prejudice, any other rights of the Parties and any rights, claims, defenses, obligations and challenges any party in interest may have with respect thereto.

8. This Stipulation may not be modified, amended, or vacated other than by a signed writing executed by the Parties or by order of the Court.

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

10. 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 principles of conflict of laws thereof.

11. 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 fax or by electronic transmission of a scanned copy of the signature pages or by exchange of an originally signed document, each of which shall be as fully binding on the party as a signed original.

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

13. This Stipulation shall not be effective until approved by a final order of the Court.

Dated: December 14, 2012
New York, New York

By: Emily K. Neuberger
Emily K. Neuberger
General Counsel
Wayne County Airport Authority
Detroit Metro Airport
Detroit, MI 48242
734-942-3825
734-247-3623

Attorney for the Wayne County Airport
Authority

By: Stephen Youngman
Harvey R. Miller
Stephen Karotkin
Alfredo R. Perez
Stephen A. Youngman
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, NY 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors
and Debtors in Possession

APPROVED AND SO ORDERED
this ____ day of January, 2012

BY THE COURT :

Sean H. Lane
United States Bankruptcy Judge