HEARING DATE AND TIME: June 4, 2013 at 11:00 a.m. (Eastern Time)

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

DEBTORS' OMNIBUS REPLY TO OBJECTIONS TO THE DISCLOSURE STATEMENT FOR DEBTORS' JOINT CHAPTER 11 PLAN AND RELATED SOLICITATION PROCEDURES

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

AMR Corporation ("**AMR**") and its related debtors, as debtors and debtors in possession (collectively, the "**Debtors**"), submit this omnibus reply (the "**Reply**") to the Objections (as defined below) interposed to their motion for an order approving, inter alia, (i) the disclosure statement (the "**Disclosure Statement**") filed in connection with the Debtors' Joint Chapter 11 Plan (the "**Plan**") and (ii) related solicitation procedures, dated April 15, 2013 (ECF No. 7633) (the "**Motion**"), and respectfully represent:

Preliminary Statement

1. Since the commencement of these chapter 11 cases, the Debtors' primary goal has been to restore their financial condition and operations to achieve a competitive and sustainable cost structure that preserves and enhances value for their creditors and stakeholders. Through the concerted efforts of the Debtors, the Official Committee of Unsecured Creditors (the "**UCC**"), the Ad Hoc Committee,[1] and numerous other parties in interest, the Debtors filed a consensual Plan and Disclosure Statement. The Plan enables the Debtors to emerge from chapter 11 stronger than ever through implementation of the proposed merger (the "**Merger**") with US Airways Group, Inc. ("**US Airways**") and serves as a powerful sign of the resurgence of the iconic American Airlines brand.

2. The Merger maximizes value for all parties in interest by, among other things, (i) providing the bases for a potential full recovery to holders of Allowed Claims and a minimum distribution of 3.5% of the New Common Stock to holders of AMR Equity Interests, with the potential for such holders to receive substantial additional value, (ii) mitigating future labor uncertainty, as the Merger is supported by the Debtors' and US Airways's labor groups, and (iii) increasing liquidity and reducing the Debtors' overall debt. Indeed, the recoveries for the Debtors' economic stakeholders under the Plan are unprecedented in cases of this nature.

3. The Debtors served notice of the hearing to consider the adequacy of their Disclosure Statement and the related solicitation procedures set forth in the Motion on over 400,000 creditors, equity interest holders, and parties in interest in these chapter 11 cases. As a testament to the tremendous efforts undertaken to achieve a consensual Plan, and the value provided thereunder, only seven objections and five reservations of rights were filed (together,

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

the "**Objections**"). A synopsis of the Debtors' response and/or proposed resolution to each Objection is outlined in the chart annexed hereto as **Exhibit "A**."[2]

4. As reflected on **Exhibit "A**," the Debtors have resolved most of the Objections through proposed amendments to the Disclosure Statement and the Plan. Prior to the hearing to consider the Motion, the Debtors intend to file an amended Disclosure Statement (the "**Amended Disclosure Statement**") and amended Plan (the "**Amended Plan**") that includes additional and/or amended language regarding, among other things, (i) the "9019 Settlement" contained in the Plan, (ii) substantive consolidation, (iii) the treatment and classification of certain Claims, and (iv) the Debtors' sources of Cash that may be used to satisfy Allowed Claims. **Exhibit "A**" also includes new solicitation procedures for certain aircraft-related Claims. The Debtors submit that the Amended Disclosure Statement satisfies section 1125 of the Bankruptcy Code and that the changes reflected in the Amended Plan are appropriate and reasonable.

5. The Court should overrule the remaining Objections that do not concern the adequacy of the information contained in the Disclosure Statement as procedurally improper Plan confirmation objections that should be deferred to the Confirmation Hearing. With respect to the U.S. Trustee's unsubstantiated assertion that the Plan is patently unconfirmable, such assertion conflicts with applicable provisions of the Bankruptcy Code and case law in this District where Courts have rejected similar arguments raised by the U.S. Trustee.

[2] Appaloosa Management L.P. filed a reservation of rights (ECF No. 8296) that does not object to the adequacy of the information contained in the Disclosure Statement or the solicitation procedures set forth in the Motion. The Debtors reserve the right to respond to any subsequent pleadings filed by Appaloosa or statements made by Appaloosa at the hearing to consider the Disclosure Statement or anytime thereafter. The Debtors also received informal comments from parties in interest that are reflected in the Amended Plan and the Amended Disclosure Statement (each as defined herein).

6. It is astonishing that in view of the unprecedented value to be distributed under the Plan, the U.S. Trustee seeks to sacrifice the interests of over 400,000 creditors and public stockholders of the Debtors by attempting to stop the Disclosure Statement and Plan process in its tracks in furtherance of its parochial and one-dimensional crusade against professional and executive compensation. To permit this to occur, particularly when the U.S. Trustee's objections are, at best, confirmation objections, would not only be antithetical to the intent and purpose of chapter 11 of the Bankruptcy Code, but also completely detrimental and prejudicial to the Debtors' creditors and shareholders.

The Court Should Overrule the Objections

A. The Plan Is Not Patently Unconfirmable

7. Solicitation of a chapter 11 plan should be delayed or prohibited only when the proposed plan is "patently" or "facially" unconfirmable. *See In re Cardinal Congregate I*, 121 B.R. 760, 764 (Bankr. S.D. Ohio 1990) ("the Court will not look behind the disclosure statement to decide [confirmation] issues at the hearing on the adequacy of the disclosure statement"); *In re Copy Crafters Quickprint, Inc.*, 92 B.R. 973, 980 (Bankr. N.D.N.Y. 1988) ("care must be taken to ensure that the hearing on the disclosure statement does not turn into a confirmation hearing, due process considerations are protected and objections are restricted to those defects that could not be cured by voting"). To establish that a chapter 11 plan is patently unconfirmable, the objecting party must prove as a matter of law that the plan "is so fatally flawed that confirmation is impossible." *See In re Cardinal Congregate I*, 121 B.R. at 764 (citing *In re Monroe Well Serv., Inc.*, 80 B.R. 324, 333 (Bankr. E.D. Pa. 1987)); *accord In re U.S. Brass Corp.*, 194 B.R. 420, 428 (Bankr. E.D. Tex. 1996).

8. The U.S. Trustee claims that the Plan is patently unconfirmable because (i) the reimbursement of reasonable professional fees and expenses under Sections 2.4 and 6.23 of the Plan to, among others, indenture trustees (to the extent payable under applicable bond documents) and individual members of the UCC (together, the "**Professional Fee Payments**") purportedly violates sections 503(b)(3)-(5) of the Bankruptcy Code and (ii) the proposed payment to Mr. Horton under the Chairman Letter Agreement purportedly violates section 503(c) of the Bankruptcy Code (the "**Horton Payment**," and together with the Professional Fee Payments, the "**Payments**"). (Trustee Objection at 9–11, 13–14.) As set forth below, the U.S. Trustee cannot satisfy its legal burden.

9. As expressly noted in the U.S. Trustee Objection, several Courts in this District have confirmed chapter 11 plans that included a reimbursement of professional fees to third parties and payments to individuals that are substantially similar to the proposed Payments under the Plan. (Trustee Objection at 12 n.4, 15) (citing *In re Journal Register Co.*, 407 B.R. 520, 537 (Bankr. S.D.N.Y. 2009) (Court approving post-emergence incentive plan for insiders pursuant to chapter 11 plan and overruling confirmation objections that incentive plan violated section 503(c)); *In re Adelphia Commc'ns Corp.*, 441 B.R. 6, 22 (Bankr. S.D.N.Y. 2010) (Court authorizing reimbursement of professional fees for ad hoc committee members pursuant to chapter 11 plan and overruling objection by U.S. Trustee that such reimbursements violated section 503(b)); *In re Lehman Bros. Holdings Inc.*, 487 B.R. 181, 193 (Bankr. S.D.N.Y. 2013), *appeal docketed*, No. 13-CV-0211 (RJS) (S.D.N.Y. Apr. 3, 2013) (Court authorizing reimbursement of professional fees for unsecured creditors' committee members pursuant to chapter 11 plan and stating objection by U.S. Trustee that such reimbursements violated section 503(b) was "not well-founded")).

10. In fact, although this Court did not express a formal opinion in its Memorandum of Decision dated April 11, 2013 (ECF No. 7587) as to whether the Debtors may invoke section 1129(a)(4) as a basis to satisfy the Horton Payment, the Court noted that, in *Journal Register*, "[a]s the payments were to be made under the confirmation order itself, the court concluded that they did not fall under Section 503(c) which covers only expenses to be paid as an administrative expense of the case. . . By presenting their request as part of a proposed plan of confirmation, the debtors in *Journal Register* took the proposed incentive payments outside of the coverage of Section 503 and placed them within the confines of Section 1129(a)(4)." (Mem. of Decision at 16 (discussing *Journal Register Co.*, 407 B.R. at 535–37)); *see also Lehman*, 487 B.R. at 186 (stating "[t]he flaw in the UST's argument is the embedded assumption that the administrative claim formulation of Section 503(b) functions as a trump card that extends across the Bankruptcy Code to block the formulation of a plan that proposes independent grounds for granting comparable payment rights," i.e., section 1129(a)(4)). Notably, at the hearing to consider the Debtors' motion to approve the Agreement and Plan of Merger Among AMR, AMR Merger Sub, Inc., and US Airways (ECF No. 6800), this Court suggested that the Chairman Letter Agreement, which provides for the Horton Payment, was more appropriately considered at the time of plan confirmation after voting on the Plan had been completed. (Mar. 27, 2013 Hr. Tr. at 24–26, 29.)

11. The U.S. Trustee's unsubstantiated plea to the Court that the *Lehman*, *Adelphia*, and *Journal Register* decisions were "wrongly decided" only highlights that this legal dispute is properly reserved for the Confirmation Hearing and should not derail commencement

of a process to permit eligible holders of Claims and AMR Equity Interests from voting on the Plan.[3] Accordingly, the Court should overrule the U.S. Trustee Objection.

B. Plan Confirmation Objections Should Be Determined at the Confirmation Hearing

12. The remaining Objections described on **Exhibit "A"** that do not concern the adequacy of the information contained in the Disclosure Statement should be overruled as procedurally improper Plan confirmation objections that are not ripe for determination at this time. Pursuant to section 1125 of the Bankruptcy Code, this Court must determine whether the Disclosure Statement contains "adequate information" to enable a hypothetical investor/creditor to make an informed judgment regarding the Plan. *See, e.g., In re Uno Rest. Holdings Corp.*, No. 10-10209, 2010 Bankr. LEXIS 2931, at *39–40 (Bankr. S.D.N.Y. May 11, 2010); *Cadle Co. II, Inc. v. PC Liquidation Corp.* (*In re PC Liquidation Corp.)*, 383 B.R. 856, 866 (E.D.N.Y. 2008).

13. Objections to the Plan should be determined at the Confirmation Hearing. *See, e.g., In re CRIIMI MAE, Inc.*, 251 B.R. 796, 799 (Bankr. D. Md. 2000) ("objections to confirmation of the plan, as opposed to the adequacy of disclosure of information in the Disclosure Statement, would not be heard and determined at the [disclosure statement] [h]earing"); *In re Waterville Timeshare Grp.*, 67 B.R. 412, 414 (Bankr. D.N.H. 1986) (holding that a conflict regarding the wisdom of a litigation compromise that was an integral part of the plan did not render the debtor's disclosure statement inadequate); *In re Featherworks Corp., Inc.*, 45 B.R. 455, 457 (Bankr. E.D.N.Y. 1984) (same).

[3] The U.S. Trustee's claim that the U.S. Supreme Court decision in *RadLAX Gateway Hotel, LLC v. Amalgamated Bank*, 132 S. Ct. 2065 (2012), somehow renders the *Lehman*, *Adelphia*, and *Journal Register* decisions meaningless is flawed. First, *RadLAX* did not involve sections 503(b), 503(c), or 1129(a)(4) of the Bankruptcy Code. Second, the Supreme Court resolved a textual dispute in that case by relying on the well-established "general/specific" cannon of construction, which has been used by Courts since at least 1890. *See id.* at 2071 (citing *United States v. Chase*, 135 U.S. 255, 260 (1890)). It is unreasonable to presume that Courts in this District did not utilize or were unaware of this established canon of construction prior to *RadLAX*.

14. The Objections reflected on **Exhibit" A"** that relate to Plan confirmation have no bearing on the adequacy of the information contained in the Disclosure Statement. For example, numerous Objections filed by U.S. Bank National Association and U.S. Bank Trust National Association (together, "**U.S. Bank**"), in their respective capacities as trustees or servicers for various indentures, assert that (i) the Plan should include them as exculpated parties, (ii) the Plan may be unconfirmable to the extent it contemplates a violation of their rights under section 1110 of the Bankruptcy Code, and (iii) the Plan may violate the absolute priority rule. In addition, Mr. Plog asserts that the treatment afforded to holders of AMR Class 5 (AMR Equity Interests) may not satisfy the requirements of section 1129 of the Bankruptcy Code based on the erroneous assumption that AMR Class 6 (AMR Other Equity Interests) are held by the Debtors' employees. The Debtors will respond to Plan confirmation challenges at the Confirmation Hearing, where the Court will have the benefit of a vote on the Plan and an appropriate record. Therefore, these Objections should be overruled.

C. The Remaining Objections Should Be Overruled in Light of the Proposed Amendments in the Amended Plan and the Amended Disclosure Statement

15. **Exhibit "A"** also includes amendments or additional language reflected in the Amended Plan and the Amended Disclosure Statement that resolve Objections relating to the adequacy of the information contained in the Disclosure Statement. The principal objection made by certain secured creditors is that the Plan and the Disclosure Statement do not adequately describe their treatment or classification. By providing amended disclosures that specify their treatment and classification, which conclusively establishes that such creditors are not impaired, their Objections are now moot. In addition, the Debtors propose to resolve several of the U.S. Bank Objections by (i) providing additional information in the Disclosure Statement on the 9019 Settlement contained in the Plan, the U.S. Bank appeal concerning the "Make-Whole Amount," substantive

consolidation, and the Debtors' sources of Cash that may be used to satisfy Allowed Claims, (ii) amending Section 1.202 (Definition of Servicers), Section 5.2(a) (Disbursing Agent), Section 5.4 (Delivery of Distributions and Undeliverable Distributions), Section 6.14 (Cancellation of Existing Notes and Aircraft Securities), and Section 10.7 (Exculpation) of the Plan, and (iii) including solicitation procedures for certain aircraft-related Claims. The amended disclosures regarding the 9019 Settlement and substantive consolidation also address requests by the U.S. Trustee on these issues. Further, at the request of the U.S. Trustee, the Amended Disclosure Statement will also include information regarding the "No-Objection Provisions" contained in separate settlement letters between the Debtors and the Transport Workers Union of America and the Association of Professional Flight Attendants, and AMR's Board of Directors' consideration of Mr. Horton's compensation agreements. The Debtors submit that, with the amendments to the Plan and the Disclosure Statement, the Amended Disclosure Statement should be approved.

Conclusion

16. For the reasons set forth herein, it is in the best interests of the Debtors, their creditors, holders of Equity Interests, and all parties in interest that the Disclosure Statement and the related procedures in the Motion be approved and any unresolved Objections be overruled.

Dated: New York, New York
May 31, 2013

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Exhibit A

In re AMR Corporation, et al.
Case No. 11-15463[1]

CHART SUMMARIZING OBJECTIONS/RESERVATION OF RIGHTS AND RESPONSES ("CHART")

ECF No.	Objecting Party	Summary of Objection/Reservation of Rights	Response
8283	**U.S. Bank National Association and U.S. Bank Trust National Association, as Trustees ("U.S. Bank Trustees") with respect to all of the transactions as to which the U.S. Bank Trustees act in a trustee capacity (the "Trustee Transactions")** ***(Limited Objection)***	1. Section 5.2(a) of the Plan is inconsistent with Section IV.E.2 of the Disclosure Statement, in that the Plan provision omits the phrase "or Servicer" in the first clause of the first sentence. 2. Section 5.4(c) of the Plan and Section IV.E.4 of the Disclosure Statement appear to limit distributions by Servicers to instances where securities are going to be surrendered. Instances where securities are not going to be surrendered should also be addressed under the Plan.	1. The first clause of the first sentence in Section 5.2(a) of the Plan has been revised to include the phrase "or Servicer." 2. Section 5.4(c) of the Plan and Section IV.E.4 of the Disclosure Statement have been amended to state the following: "Any distribution on account of Allowed Claims made to any of the Indenture Trustees or Servicers in accordance herewith shall be (i) deemed a distribution to the respective registered holders thereunder, (ii) subject to the applicable Indenture Trustee's or Servicer's right to assert its charging lien against such distributions, and (iii) in accordance with Section 5.10 hereof. Each Indenture Trustee and Servicer shall make such distributions, as soon as reasonably practicable after receipt thereof and pursuant to the terms of the applicable Indenture or other governing agreement, (A) with respect to Indenture Trustees, in accordance with Section 5.2 hereof to the registered holders as of the date of surrender of the debt securities pursuant to Section 5.13 hereof and (B) with respect to Servicers, in accordance with Section 5.2 hereof to the registered holders as provided in the applicable governing agreement."

[1] Capitalized terms used and not otherwise defined herein shall have the meaning ascribed to such terms in the applicable Objection.

ECF No.	Objecting Party	Summary of Objection/Reservation of Rights	Response
		3. Section 6.14 of the Plan and Section IV.F.15 of the Disclosure Statement are insufficient to deal with a variety of situations that will exist on the Effective Date as a result of, among other things, negotiated settlements or lease rejections, such as the continuation of Trustee Transactions where one or more of the Debtors are obligors.	3. Section 6.14 of the Plan and Section IV.F.15 of the Disclosure Statement have been amended to include additional language that resolves this objection. The amended language is annexed as **Exhibit "1"** to this Chart.
		4. A "Servicer" is similarly situated to an "Indenture Trustee" and should also be provided with exculpation under Section 10.7 of the Plan.	4. The Plan has been amended to provide exculpation for Servicers and the Disclosure Statement has been amended to reflect that change.
		5. The voting procedures in the Disclosure Statement Motion do not adequately address the complicated nature of the Trustee Transactions.	5. **Exhibit "D"** to the revised proposed order approving the Disclosure Statement includes voting procedures for aircraft claims that resolve this objection. The new procedures are also annexed as **Exhibit "2"** to this Chart.
8291	**U.S. Bank National Association, as Loan Trustee with respect to Indentures issued in the 2001-1 EETC Transaction** ***(Reservation of Rights)***	1. **Lack of Adequate Information** a. The Trustee cannot determine whether it has a significant unsecured claim because the Disclosure Statement fails to indicate whether the Debtors intend to assume or reject the leases underlying the 2001-1 EETC Transaction and what, if any, treatment is proposed with respect the related "Equipment Notes and Indentures" that are in default.	a. The Debtors are not required to specifically identify in the Disclosure Statement the proposed assumption or rejection of any of their approximately 28,000 executory contracts and unexpired leases. As set forth in Section 8.2 of the Plan, the Debtors will file, no later than ten (10) days prior to the Plan voting deadline, Schedule 8.1 of the Plan Supplement, as it may be amended or supplemented, which will set forth the executory contracts and unexpired leases that the Debtors intend to assume. As provided in Section 8.1 of the Plan, all executory contracts and unexpired leases that are not scheduled to be assumed automatically shall be deemed rejected.
		b. The Disclosure Statement should be amended to more fully describe the details and terms of the 9019 Settlement contained in the Plan.	b. The Disclosure Statement has been amended to include additional information concerning the 9019 Settlement. *See* **Exhibit "3"** annexed to this Chart. Nevertheless, objections concerning: (i) whether the 9019 Settlement is fair and equitable, (ii) substantive consolidation, or (iii) whether the Plan satisfies the requirements of section 1129 of the Bankruptcy Code are confirmation objections that should be deferred to the confirmation hearing.

ECF No.	Objecting Party	Summary of Objection/Reservation of Rights	Response
		2. Pursuant to Section 6.14 of the Plan, the Debtors attempt to cancel certain "Aircraft Securities" without disclosing which securities will be cancelled. The Disclosure Statement should provide adequate information regarding the Aircraft Securities to be cancelled. Schedule 4 to the Disclosure Statement should include only those indentures, contracts, and securities that the Debtors have the right to cancel and are not required for purposes of making distributions to investors.	2. Section 6.14 of the Plan and Section IV.F.15 of the Disclosure Statement have been amended to include additional language that resolves this objection. The amended language is annexed as **Exhibit "1"** to this Chart.
		3. The Plan should exculpate all indenture trustees, including the Trustee, rather than provide exculpation to only the "Indenture Trustees" (as defined in the Plan).	3. The Debtors are not required to provide every indenture trustee or servicer exculpation under the Plan. This is a confirmation objection rather than an objection to the adequacy of the information contained in the Disclosure Statement and should be deferred to the confirmation hearing.
8292	**U.S. Bank National Association, as Trustee with respect to the 1991-A2 PTCs and 1991-C2 PTCs** ***(Reservation of Rights)***	1. The Disclosure Statement lacks adequate information and should be amended to more fully describe the details and terms of the 9019 Settlement contained in the Plan.	1. The Disclosure Statement has been amended to include additional information concerning the 9019 Settlement. *See* **Exhibit "3"** annexed to this Chart. Nevertheless, objections concerning: (i) whether the 9019 Settlement is fair and equitable, (ii) the treatment of various creditors, and (iii) whether the Plan satisfies the requirements of section 1129 of the Bankruptcy Code are confirmation objections that should be deferred to the confirmation hearing.
		2. Section 6.14 of the Plan and IV.F.15 of the Disclosure Statement are unclear as to whether certain "Aircraft Securities" will be cancelled, which are required to remain outstanding for the purposes of making distributions under the Plan.	2. Section 6.14 of the Plan and Section IV.F.15 of the Disclosure Statement have been amended to include additional language that resolves this objection. The amended language is annexed as **Exhibit "1"** to this Chart.
		3. Exculpation of certain trustees but not others, as provided for in Section 10.7 of the Plan, is not fair and equitable.	3. The Debtors are not required to provide every indenture trustee or servicer exculpation under the Plan. This is a confirmation objection rather than an objection to the adequacy of the information contained in the Disclosure Statement and should be deferred to the confirmation hearing.

ECF No.	Objecting Party	Summary of Objection/Reservation of Rights	Response
8295	**U.S. Bank National Association, as Indenture Trustee, with respect to 7.5% Senior Secured Notes due 2016** ***(Objection)***	1. **Lack of Adequate Information** a. The Disclosure Statement and Plan fail to provide adequate information to inform the Trustee: (i) whether Senior Secured Notes Claims are classified under American Class 1 (American Secured Aircraft Claims) or American Class 2 (American Other Secured Claims) or (ii) the classification of AMR's guarantee of the Senior Secured Notes. The Disclosure Statement also fails to provide adequate information regarding the treatment of the Senior Secured Notes Claims or the basis for the determination that such Claims are unimpaired. b. The Trustee is excluded from the Plan's definitions of "Indenture Trustee" and "Servicers" and it is unclear whether (i) ballots will be solicited from the beneficial holders of the Senior Secured Notes on the bases of the unsecured guarantee claim against AMR, (ii) the Debtors intend to permit the Trustee to serve as disbursing agent for any distributions contemplated under the Plan on account of the Senior Secured Notes, (iii) service with respect to a notice of unimpairment will be provided to beneficial holders of the Senior Secured Notes, or (iv) certain other provisions contained in the Disclosure Statement that are specifically applicable to "Indenture Trustees" apply equally to the Trustee.	a. The Disclosure Statement has been amended to provide that (i) the Senior Secured Notes Claims are classified in American Class 2 (American Other Secured Claims) and (ii) pursuant to Section 4.8 of the Plan, except to the extent that holders of Allowed Senior Secured Notes Claims agree to a different treatment, at the option of the American Debtors, such Claims will either be satisfied in full in Cash or will be reinstated, so as to leave unaltered the legal, equitable, and contractual rights to which the holders of such Allowed Senior Secured Notes Claims are entitled. To the extent such Claims are guaranteed by AMR, AMR will continue to be liable on such guarantee if the Claims are reinstated b. Section 1.202 of the Plan has been amended to include the Trustee in the definition of "Servicers." Holders of Senior Secured Notes will not vote on the Plan because such Claims are unimpaired. A Notice of Non-Voting Status (as defined in the Motion) will be provided to them.

ECF No.	Objecting Party	Summary of Objection/Reservation of Rights	Response
8301 8304	**U.S. Bank National Association, as Trustee with respect to the 2011-1A EETC and 2011-1B EETC Transactions** ***(Reservation of Rights)*** **U.S. Bank Trust National Association, as Trustee with respect to the 10.5% Senior Secured Notes due 2012** ***(Joinder)***	1. **Lack of Adequate Information** a. The Disclosure Statement and Plan fail to provide adequate information regarding the treatment of Claims relating to the 2011-1A EETCs, 2011-1B EETCs, and 10.5% Senior Secured Notes due 2012.	a. The Disclosure Statement has been amended to provide that (i) the Claims relating to the 2011-1A EETCs, 2011-1B EETCs, and 10.5% Senior Secured Notes due 2012 are classified as American Class 1 (American Secured Aircraft Claims) and (ii) pursuant to Section 4.7 of the Plan, except to the extent that holders of Allowed Secured Aircraft Claims agree to a different treatment, at the option of the American Debtors, such Claims will either be satisfied in full in Cash or will be reinstated, so as to leave unaltered the legal, equitable, and contractual rights to which the holders of such Allowed Secured Aircraft Claims are entitled.
		b. The Disclosure Statement and Plan fail to set forth the basis for the determination that Claims relating to the 2011-1A EETCs, 2011-1B EETCs, and 10.5% Senior Secured Notes due 2012 are unimpaired either through the payment of all amounts due in Cash, or through reinstatement (with details about how all of the components of the transaction will be reinstated).	b. *See* Response 1.a immediately above, which resolves this objection.
		2. The Plan, as drafted, may not be confirmable because the Claims relating to the 2011-1A EETCs, 2011-1B EETCs, and 10.5% Senior Secured Notes due 2012 may be impaired, thus entitling the Trustee to vote on the Plan.	2. Claims relating to the 2011-1A EETCs, 2011-1B EETCs, and 10.5% Senior Secured Notes due 2012 are unimpaired. *See* Response 1.a immediately above, which resolves this objection.
		3. Pursuant to Section 6.14 of the proposed Plan, the Debtors attempt to cancel certain "Aircraft Securities" without disclosing which securities will be cancelled. The Disclosure Statement should provide adequate information regarding the Aircraft Securities to be cancelled. Schedule 4 to the Disclosure Statement should include only those indentures, contracts, and securities that the Debtors have the right to cancel and are not required for purposes of making distributions to investors.	3. Section 6.14 of the Plan and Section IV.F.15 of the Disclosure Statement have been amended to include additional language that resolves this objection. The amended language is annexed as **Exhibit "1"** to this Chart.

ECF No.	Objecting Party	Summary of Objection/Reservation of Rights	Response
		4. Exculpation of certain trustees but not others, as provided for in Section 10.7 of the Plan, is not fair and equitable.	4. The Debtors are not required to provide every indenture trustee or servicer exculpation under the Plan. This is a confirmation objection rather than an objection to the adequacy of the information contained in the Disclosure Statement and should be deferred to the confirmation hearing.
8297 8302	**U.S. Bank National Association, as Trustee with respect to the 2009-1 EETC and 2011-2 EETC Transactions** ***(Reservation of Rights)*** **U.S. Bank National Association, as Trustee and Security Agent with respect to the American Airlines, Inc. 2009-2 Secured Notes Due 2016** ***(Objection)***	1. **Lack of Adequate Information** a. The Disclosure Statement does not provide information on how the Debtors will treat the Make-Whole Amount if the related appeal is decided in favor of the Trustee, and the Debtors elect to proceed with refinancing. b. The Disclosure Statement does not set forth the basis for the determination that the Claims relating to the 2009-1 EETCs, 2011-2 EETCs, and the American Airlines, Inc. 2009-2 Secured Notes due 2016 are unimpaired, including the treatment and classification of such Claims and whether they will be reinstated or paid in Cash. 2. Surrender of collateral is not permitted under the Indentures, thus the Trustee's Claims are impaired and the Plan is unconfirmable unless the Trustee's Claims are reinstated or paid in full in Cash.	a. The Disclosure Statement provides adequate information on this issue and no additional disclosure is necessary for purposes of section 1125 of the Bankruptcy Code. The Debtors are not required to speculate on events that may occur in the future and provide for the possible contingencies relating thereto. Nevertheless, the Disclosure Statement has been amended to include additional language that resolves this objection. The amended language is annexed as **Exhibit "4"** to this Chart. b. The Disclosure Statement has been amended to provide that, except to the extent a holder of Claims relating to the 2009-1 EETCs, 2011-2 EETCs, or the American Airlines, Inc. 2009-2 Secured Notes due 2016 agrees to a different treatment, at the option of the American Debtors, such Claims will either be satisfied in full in Cash pursuant to Court order or will be reinstated, so as to leave unaltered the legal, equitable, and contractual rights to which the holders of such Allowed Claims are entitled. 2. *See* Response 1.b immediately above, which resolves this objection.

ECF No.	Objecting Party	Summary of Objection/Reservation of Rights	Response
		3. To the extent the Plan and Disclosure Statement contemplate the violation of the Trustee's rights under section 1110 of the Bankruptcy Code, the Plan cannot be confirmed.	3. Neither the Plan nor the Disclosure Statement contemplates any violation of the Trustee's rights under section 1110 of the Bankruptcy Code. To the extent the Trustee believes any such violation is contemplated, an objection based on such alleged violation would be a confirmation objection rather than an objection to the adequacy of the information contained in the Disclosure Statement and should be deferred to the confirmation hearing. Additionally, the section 1129(a)(1) requirement that a plan complies with the Bankruptcy Code, only relates to those provisions of the Bankruptcy Code regarding the form and content of a plan, and failure to comply with provisions unrelated to form and content would not implicate section 1129(a)(1). Section 1110 is not one of these sections. *See Kane v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 843 F.2d 636, 648 (2d Cir. 1988).
		4. The Disclosure Statement does not provide information on the source and availability of Cash to pay the Claims relating to the 2009-1 EETCs, 2011-2 EETCs, and/or the American Airlines, Inc. 2009-2 Secured Notes due 2016, if the Debtors elect to pay such Claims in Cash.	4. The Debtors' financial projections supply adequate information regarding their ability to make payments on Allowed Claims. *See* **Exhibit "D"** to the Disclosure Statement. In addition, the Disclosure Statement has been amended to include the following: (i) Allowed Claims may be paid with Cash on hand and, as of April 30, 2013, the Debtors had approximately $5.2 billion in Cash and cash equivalents, (ii) the Debtors were authorized to obtain up to $3.25 billion in additional financing under the Order Pursuant to 11 U.S.C. §§ 105(a), 362, 364, 503(b) and 507 and Fed. R. Bankr. P. 4001 (I) Authorizing Debtors to Obtain Postpetition Secured First Priority Aircraft Financing and Grant Security Interests and Liens with Respect Thereto and (II) Granting Related Relief (ECF No. 8124), (iii) as of March 31, 2013, US Airways Group Inc. held approximately $2.4 billion in Cash and cash equivalents, (iv) on May 21, 2013, US Airways Group Inc. announced its intention to make an offer, subject to market conditions and consummation of the Merger, of $500 million in senior secured notes due 2018, and (v) on May 22, 2013, US Airways Inc. announced that it priced an offer of Class C enhanced equipment trust certificates in the aggregate face amount of approximately $100 million.

ECF No.	Objecting Party	Summary of Objection/Reservation of Rights	Response
		5. The Debtors should create a reserve of Cash sufficient to guarantee payment of the Make-Whole Amount in order to protect the Trustee's right to receive payment in full as an administrative creditor if the Trustee succeeds on appeal.	5. *See* Response 4 immediately above. This is a confirmation objection which goes to the feasibility of the Plan and should be addressed at the confirmation hearing.
		6. The Disclosure Statement does not provide information on how the Trustee's Claims based upon AMR's guarantee will be treated in the event full payment is not received.	6. The Disclosure Statement has been amended to state that AMR will continue to be liable on the guarantee if the Claims are reinstated.
		7. Section 6.14 of the Plan impermissibly proposes to cancel Aircraft Securities, including those between third parties that are required for distribution purposes.	7. Section 6.14 of the Plan and Section IV.F.15 of the Disclosure Statement have been amended to include additional language that resolves this objection. The amended language is annexed as **Exhibit "1"** to this Chart.
		8. Exculpation of certain trustees but not others, as provided for in Section 10.7 of the Plan, is not fair and equitable.	8. The Debtors are not required to provide every indenture trustee or servicer exculpation under the Plan. This is a confirmation objection rather than an objection to the adequacy of the information contained in the Disclosure Statement and should be deferred to the confirmation hearing.
8298	**Citibank, N.A.** ***(Objection)***	• Disclosure Statement fails to adequately disclose how rejecting the Citibank Agreements would impact the chapter 11 cases.	• The Debtors have agreed to assume the Citibank Agreements pursuant to section 365 of the Bankruptcy Code, such assumption to be conditioned on, and to become effective on, the Confirmation Date (as such term is defined in the Plan).
8244	**Harold Plog** ***(Objection)***	• The treatment afforded to holders of AMR Equity Interests (AMR Class 5) under the Plan does not satisfy the nondiscrimination and fair and equitable requirements of section 1129 of the Bankruptcy Code.	• It appears Mr. Plog believes the Plan may not satisfy section 1129 of the Bankruptcy Code based on an erroneous assumption that AMR Class 6 (AMR Other Equity Interests) includes equity interests held by the Debtors' employees. AMR Class 6 is comprised of the equity interests that AMR owns in its direct subsidiaries, such as the stock of American that AMR owns. None of such equity interests are owned by any employees or any third parties.

ECF No.	Objecting Party	Summary of Objection/Reservation of Rights	Response
8309	**United States Trustee** ***(Objection)***	1. The Plan is patently unconfirmable because Sections 2.4 and 6.23 of the Plan provide for the reimbursement of professional fees and expenses of certain indenture trustees (to the extent payable under applicable bond documents), certain creditors, and the individual members of the UCC, which violates section 503(b) of the Bankruptcy Code.	1. This is not an objection to the adequacy of the information contained in the Disclosure Statement. In addition, the Plan is not patently unconfirmable because the proposed payments are permissible under, inter alia, section 1129(a)(4) of the Bankruptcy Code. *See In re Adelphia Commcn's Corp.*, 441 B.R. 6, 22 (Bankr. S.D.N.Y. 2010); *In re Lehman Bros. Holdings Inc.*, 487 B.R. 181, 193 (Bankr. S.D.N.Y. 2013). Regardless, this is a confirmation objection rather than an objection to the adequacy of the information contained in the Disclosure Statement and should be deferred to the confirmation hearing.
		2. The Plan is patently unconfirmable because the proposed payment to Mr. Horton pursuant to the Chairman Letter Agreement violates section 503(c) of the Bankruptcy Code.	2. This is not an objection to the adequacy of the information contained in the Disclosure Statement but rather is a confirmation objection that should be deferred to the confirmation hearing. In addition, the Plan is not patently unconfirmable because the proposed payments are permissible under, inter alia, section 1129(a)(4) of the Bankruptcy Code. *See In re Adelphia Commcn's Corp.*, 441 B.R. at 22; *In re Lehman Bros. Holdings Inc.*, 487 B.R. at 193; *In re Journal Register Co.*, 407 B.R. 520, 537 (Bankr. S.D.N.Y. 2009). Indeed, in this Court's Memorandum of Decision, dated April 11, 2013 (ECF No. 7587), and at the hearing to consider approval of the Merger Agreement, the Court suggested that the letter agreement with Mr. Horton was more appropriately considered at the time of Plan confirmation after voting on the Plan had been completed.
		3. **Lack of Adequate Information**	
		a. The Disclosure Statement should be amended to provide adequate disclosure concerning the details and terms of the 9019 Settlement contained in the Plan.	a. The Disclosure Statement has been amended to include additional information concerning the 9019 Settlement. *See* **Exhibit "3"** annexed to this Chart. Nevertheless, objections concerning: (i) whether the 9019 Settlement is fair and equitable, (ii) substantive consolidation, or (iii) whether the Plan satisfies the requirements of section 1129 of the Bankruptcy Code are confirmation objections that should be deferred to the confirmation hearing.
		b. The Disclosure Statement should be amended to provide adequate information concerning the bases for the proposed substantive consolidation of the Debtors.	b. The Disclosure Statement has been amended to include the following: "The limited substantive consolidation effectuated pursuant to the Plan results in no economic impact to holders of Claims or Equity Interests because no material intercompany obligations exist between the Debtors comprising each of the AMR Debtors, the American

ECF No.	Objecting Party	Summary of Objection/Reservation of Rights	Response
			Debtors, and the Eagle Debtors. While there are intercompany obligations between American, AMR, and Eagle, which result from intercompany payables, guarantees, and potential Claims arising from Avoidance Actions, such intercompany obligations are resolved pursuant to the 9019 Settlement." The Debtors submit that this revision is more than adequate for purposes of section 1125, particularly in view of the extremely limited nature of the substantive consolidation provided for in the Plan.
		c. The Disclosure Statement does not provide adequate information with respect to Mr. Horton and the proposed payments to be made to him under the Chairman Letter Agreement.	c. The Disclosure Statement provides more than adequate information with respect to Mr. Horton and the proposed payments to be made to him under the Plan. In any event, the appropriateness of the payments to Mr. Horton constitute an objection to confirmation and the reasonableness of such payments is properly addressed at the confirmation hearing. Nevertheless, the Disclosure Statement has been amended to state the following: "The Chairman Letter Agreement was approved by the AMR Board of Directors without Mr. Horton participating in the decision or the deliberations of the Board with respect thereto. In connection with such approval, the AMR Board of Directors considered, among other things, the advice of professionals retained by the Debtors. The Chairman Letter Agreement was the result of negotiations involving the AMR Board of Directors, US Airways, and the Creditors' Committee and is an integral element of the Plan. The compensation provided under the Chairman Letter Agreement encompasses several items, including Mr. Horton's ongoing service to the merged enterprise, particularly related to the integration of AMR and US Airways. The AMR Board of Directors believed that Mr. Horton's involvement in this process was critical to a successful integration effort and to the ability to realize the synergies and substantial value to be achieved from the Merger for the benefit of holders of Claims and AMR Equity Interests. The Creditors' Committee supports the Chairman Letter Agreement."

ECF No.	Objecting Party	Summary of Objection/Reservation of Rights	Response
		d. The Disclosure Statement should be amended to provide additional information on each of the proposed severance agreements with the "named executive officers," including whether they are insiders for purposes of section 503(c) of the Bankruptcy Code.	d. Certain employee arrangements agreed to as part of the Merger Agreement, including those with the "named executive officers" other than Mr. Horton, were approved by the Court, together with the Merger Agreement, pursuant to the order dated May 10, 2013 (ECF No. 8096). The Disclosure Statement has been amended to provide additional information with respect to such employee arrangements.
		e. The Disclosure Statement should advise creditors of the No-Objection Provisions in the TWU and APFA Settlement Letters and disclose any other agreements that may be in effect regarding the Chairman Letter Agreement or other executive compensation matters.	e. The Disclosure Statement has been amended to provide additional information regarding the existence of No-Objection Provisions in the TWU and APFA Settlement Letters.
		f. The Disclosure Statement should be amended to provide additional information as to why exculpations to certain third-parties and releases under the Plan are appropriate.	f. The release and exculpation provisions contained in the Plan are fully described in the Disclosure Statement and no additional disclosure is necessary. The release and exculpation provisions are consistent with applicable law and the Plan does not provide for any third party releases. To the extent the U.S. Trustee believes the release and exculpation provisions are too broad or otherwise inappropriate, that is a confirmation objection which should be deferred to the confirmation hearing.

ECF No.	Objecting Party	Summary of Objection/Reservation of Rights	Response
		g. The Disclosure Statement and Plan should be amended to provide adequate information concerning the Debtors' obligation to pay UST Fees through entry of a final decree, dismissal, or conversion of each Debtor's chapter 11 case.	g. The Disclosure Statement and Plan have been revised to state the following: "On the Effective Date, and thereafter as may be required, each of the Debtors shall ~~each~~ (i) pay all the respective fees payable pursuant to section 1930 of chapter 123 of title 28 of the United States Code, together with interest, if any, pursuant to section 3717 of title 31 of the United States Code, until the earliest to occur of the entry of (a) a final decree closing such Debtor's Chapter 11 Case, (b) a Final Order converting such Debtor's Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code, or (c) a Final Order dismissing such Debtor's Chapter 11 Case, and (ii) be responsible for the filing of consolidated postconfirmation quarterly status reports with the Bankruptcy Court in accordance with Rule 3021-1 of the Southern District of New York Local Bankruptcy Rules, which status reports shall include reports on the disbursements made by each of the Debtors."

ECF No.	Objecting Party	Summary of Objection/Reservation of Rights	Response
8296	**Appaloosa Management L.P.** ***(Reservation Of Rights)***	1. Appaloosa reserves all of its rights to challenge, either at the hearing on the Disclosure Statement Motion or thereafter, the Initial Thresholds and any revised thresholds that the Debtors propose with respect to determining which holders of Claims will be required to file a Notice of Substantial Claim Ownership on or by the Final Reporting Deadline.	1. This is not an objection to the adequacy of the information contained in the Disclosure Statement. Accordingly, no additional disclosure is required for the purposes of section 1125 of the Bankruptcy Code. Nevertheless, the Disclosure Statement has been amended to indicate the principal components of the methodology used to calculate the reporting thresholds for purposes of holders of Claims filing a Notice of Substantial Claim Ownership with respect to ownership of Claims and Owned Interests as of the Final Determination Date. In this regard, the Claims Trading Procedures (as defined in the Disclosure Statement) are designed to prevent a holder from acquiring unsecured Claims or Owned Interests of an amount that could result in such holder potentially becoming a 5% shareholder of New AAG immediately after the Effective Date in order to preserve the Debtors' ability to qualify for relief under section 382(l)(5) of the Tax Code. In making this determination, in order to qualify for certain favorable presumptions under the applicable tax rules, only the stock outstanding immediately after the Effective Date and certain options or rights to acquire stock are taken into account on a holder-by-holder basis. Therefore, for each class of Claims or Owned Interests, the calculation of the threshold necessarily assumes that such class of Claims or Owned Interests acquires the maximum stock ownership to which it may be entitled. Moreover, the calculation necessarily takes into account a range of potential values for the stock as of the Effective Date and during the 120-day period afterwards, since such values affect the maximum stock ownership to which a holder may be entitled under the Plan but is not knowable as of the date of the Disclosure Statement. The thresholds are relevant only for purposes of determining whether a holder of unsecured Claims is required to file a Notice of Substantial Claim Ownership, and does not mean that a holder will be required to sell down a portion of its Claims.

ECF No.	Objecting Party	Summary of Objection/Reservation of Rights	Response
		2. Appaloosa reserves its rights to request relief from, or modification of, the Claims Trading Order and to challenge (i) any motion seeking approval of a Sell-Down Notice or any other mandatory injunctive relief, (ii) any denial of a Claims Acquisition Request, and (iii) any other motions or requests relating to Appaloosa's holdings of Claims and Owned Interests.	2. This is not an objection to the adequacy of the information contained in the Disclosure Statement. Accordingly, no additional disclosure is required for purposes of section 1125 of the Bankruptcy Code.

Exhibit 1

Amended Section 6.14 of the Plan

6.14 Cancellation of Existing Notes and Aircraft Securities. Except as otherwise provided herein, on the Effective Date, all notes, instruments, certificates, and other documents evidencing the Notes, the Special Facility Revenue Bonds (excluding the Covered Special Facility Revenue Bonds), and the Aircraft Securities shall be cancelled, and the obligations of the Debtors thereunder and in any way related thereto shall be deemed fully satisfied, released, and discharged; *provided, however*, that (i) with respect to Special Facility Revenue Bonds (excluding the Covered Special Facility Revenue Bonds), the obligations of the Debtors thereunder and in any way related thereto shall be fully terminated, satisfied, released, and discharged in exchange for the treatment provided herein for Allowed Claims and any other treatment provided for by Final Order, if any, arising thereunder, (ii) the cancellations set forth in this Section 6.14 and the termination, satisfaction, release, and discharge of the Debtors' obligations with respect to the Special Facility Revenue Bonds (excluding the Covered Special Facility Revenue Bonds) and the Aircraft Securities shall not alter the obligations or rights of any non-Debtor third parties applicable after the Effective Date vis-à-vis one another with respect to such notes, instruments, certificates, or other documents, (iii) the cancellations set forth in this Section 6.14 and the termination, satisfaction, release, and discharge of the Debtors' obligations with respect to the Special Facility Revenue Bonds (excluding the Covered Special Facility Revenue Bonds) shall not be deemed to cause a default, termination, waiver, or other forfeiture of the Debtors in any document, instrument, lease, or other agreement (including, but not limited to, that certain Amended and Restated Airport Use Agreement – Terminal Facilities Lease, dated as of January 1, 1985, by and between the City of Chicago and American, as amended from time to time (the "**Chicago Lease**")) pursuant to which the Debtors lease or use land, facilities, improvements, or equipment financed, in whole or in part, with the proceeds of any Special Facility Revenue Bonds that have been deemed to be satisfied or cancelled hereunder or otherwise, and (iv) any provision in any document, instrument, lease, or other agreement (including, but not limited to, the Chicago Lease) that causes or effectuates, or purports to cause or effectuate, a default, termination, waiver, or other forfeiture of, or by, the Debtors or their interests, as a result of the cancellations, terminations, satisfaction, releases, or discharges provided for in this Section 6.14 shall be deemed null and void and shall be of no force and effect, and the Debtors shall be entitled to continue to use (in accordance with the remaining provisions of such document, instrument, lease, or other agreement) any land, facilities, improvements, or equipment financed with the proceeds of Special Facility Revenue Bonds (including, but not limited to, the premises leased pursuant to the Chicago Lease), notwithstanding such cancellations, terminations, satisfactions, releases, or discharges provided in this Section 6.14. Except as otherwise provided herein, on the Effective Date, any indentures or similar agreements relating to any of the foregoing, including, without limitation, the Indentures, the Special Facility Revenue Bond Indentures, and any related notes, guaranties, or similar instruments of the Debtors or otherwise (excluding the Special Facility Revenue Bond Indentures, and any related notes, guaranties, or similar instruments of the Debtors or otherwise, associated with the Covered Special Facility Revenue Bonds) shall be deemed cancelled, as permitted by section 1123(a)(5)(F) of the Bankruptcy Code, and discharged (a) with respect to all rights of and obligations owed by any Debtor under any such indentures or similar agreements and (b) except as provided below in this Section, with respect to the rights and obligations of the Indenture Trustees under any such indentures or similar agreements against (or to) the holders of Note Claims, the holders of the Special Facility Revenue Bond Claims, or any other pPerson. Solely for the purpose of clause (b) in the immediately preceding

sentence, only the following rights of each such Indenture Trustee shall remain in effect after the Effective Date: (1) rights as trustee, co-trustee, agent, paying agent, distribution agent, authentication agent, guarantee trustee, remarketing agent, bond registrar, and registrar, including, but not limited to, any rights to payment of fees, expenses, and indemnification obligations, including, but not limited to, from property distributed hereunder to such Indenture Trustee (but excluding any other property of the Debtors, the Reorganized Debtors, or their respective estates), whether pursuant to the exercise of a charging lien or otherwise, (2) rights relating to distributions to be made to holders of Allowed Note Claims or Allowed Special Facility Revenue Bond Claims by such Indenture Trustee from any source, including, but not limited to, distributions hereunder (but excluding any other property of the Debtors, the Reorganized Debtors, or their respective estates), (3) rights relating to representation of the interests of the holders of Note Claims or Special Facility Revenue Bond Claims by such Indenture Trustee in the Chapter 11 Cases to the extent not discharged or released hereunder or under any order of the Bankruptcy Court, and (4) rights relating to participation by such Indenture Trustee in any proceedings or appeals related to the Plan. Notwithstanding the continued effectiveness of such rights after the Effective Date, such Indenture Trustees shall have no obligation to object to Claims against the Debtors or to locate certificated holders of Notes, Special Facility Revenue Bonds, or Aircraft Securities who fail to surrender their respective Notes, Special Facility Revenue Bonds, or Aircraft Securities in accordance with Section 5.13 hereof. Nothing contained herein shall be deemed to cancel, terminate, release, or discharge the obligation of the Debtors or any of their counterparties under any executory contract or lease (including, but not limited to, executory contracts or leases pursuant to which a Debtor leases any land, facilities, improvements, and/or equipment financed, in whole or in part, with proceeds of Special Facility Revenue Bonds) to the extent such executory contract or lease has been assumed by the Debtors pursuant to a Final Order of the Bankruptcy Court or hereunder. Notwithstanding any other provisions set forth in this Section 6.14, with respect to any aircraft identified on Schedule "4" hereto, and any Aircraft Securities issued in respect of such aircraft, until (I) the execution of Postpetition Aircraft Agreements with respect to such aircraft, (II) the payment in full of distributions as provided herein in respect of the Claims addressed by such Postpetition Aircraft Agreements with respect to such aircraft, (III) any monies, other consideration, or other value to be passed through such Aircraft Securities at any time pursuant to the Postpetition Agreements in respect of such aircraft or otherwise arising from the sale, lease, or other disposition of such aircraft have been finally and indefeasibly paid and/or conveyed to the holders of such Aircraft Securities (including, without limitation, any equipment trust certificates), and (IV) in the case of any pass-through trust certificates, all of the matters described in the foregoing clauses (I) through (III) shall be completed with respect to each related aircraft and equipment trust certificate, any such Aircraft Securities shall not be cancelled; *provided*, *however*, on the Effective Date or the applicable Rejection Effective Date (as set forth on Schedule "4" hereto), as applicable, all obligations of the Debtors (to the extent the Debtors had any obligations) with respect to the Aircraft Securities shall be deemed satisfied, released, and discharged. For the avoidance of doubt, the release, satisfaction, or discharge of any of the Debtors' obligations under the Aircraft Securities shall not affect the rights and obligations of any non-Debtor third parties after the Effective Date or the applicable Rejection Effective Date, as applicable, vis-à-vis one another with respect to such Aircraft Securities.

Exhibit 2

Aircraft Solicitation Procedures

AIRCRAFT SOLICITATION PROCEDURES

a. With respect to Aircraft Claims relating to public debt aircraft financings (including those involving the public issuance of pass-through certificates):

1. The Debtors propose to deliver, or cause to be delivered, on behalf of each Aircraft Trustee serving in such capacity in each such financing (each such Aircraft Trustee, a "**Public Debt Aircraft Trustee**"), copies of the Notice Package and a certificateholder letter of instruction to be in a form reasonably acceptable to the Public Debt Aircraft Trustees (the "**Certificateholder Instruction**") to the holders of certificates in the tranche or tranches of certificates entitled, in accordance with the provisions of the underlying aircraft financing documents, to direct and instruct such Public Debt Aircraft Trustee in connection with the Aircraft Claims (the "**Controlling Certificateholders**"), on whose behalf the Public Debt Aircraft Trustee shall be executing, completing, and delivering a Ballot. Any Certificateholder Instruction executed and completed by a Controlling Certificateholder shall be returned to the applicable Public Debt Aircraft Trustee, as provided in such Certificateholder Instruction.

2. Each Public Debt Aircraft Trustee shall provide the Debtors with a list of the record holders and the CUSIP numbers (if any) of those certificates that are held by the Controlling Certificateholders. The Debtors shall rely exclusively on such information in distributing solicitation materials to such holders of certificates reflected in the records maintained by The Depository Trust Company ("**DTC**") for each CUSIP number as of the record date (each such holder, a "**DTC Holder**") and shall have no responsibility to distribute a Notice Package, Certificateholder Instruction, or any other solicitation materials to any holder of any beneficial interest in any certificates held by any DTC Holder, or to any holder of any beneficial interest in any certificates held of record by a record holder identified by a Public Debt Aircraft Trustee that is neither DTC nor a nominee of DTC (each such holder, a "**Non-DTC Holder**"); *provided, however*, that, to the extent that any such DTC Holder or any such Non-DTC Holder is a broker, bank, dealer, or other agent or nominee (each, an "**Aircraft Voting Nominee**"), (A) such Aircraft Voting Nominee shall seek the necessary instruction from any holder of any beneficial interest in the certificates held by such Aircraft Voting Nominee, (B) each Aircraft Voting Nominee shall be entitled to receive an appropriate number of Certificateholder Instructions and a reasonably sufficient number of Notice Packages to distribute to such beneficial interest holders, and (C) the Debtors shall be responsible for each such Aircraft Voting Nominee's reasonable and customary out-of-pocket expenses associated with (1) distribution of the Notice Packages and Certificateholder Instructions to the relevant beneficial interest holders, and (2) completion and return of

the Certificateholder Instructions to the applicable Public Debt Aircraft Trustee, if requested.

3. Each Public Debt Aircraft Trustee shall facilitate the procurement of the relevant participant listings from DTC, if necessary. Upon request, GCG shall assist a Public Debt Aircraft Trustee to obtain a list of recordholders from DTC.

4. If requested (and provided with appropriate information) by any Public Debt Aircraft Trustee, the Debtors shall cause GCG to reasonably cooperate with the Public Debt Aircraft Trustee in tallying the Certificateholder Instructions. Each Public Debt Aircraft Trustee shall be authorized to determine whether a binding instruction has been given by the applicable Controlling Certificateholders pursuant to the provisions set forth in the respective underlying aircraft financing documents, and if it should so determine, such Public Debt Aircraft Trustee shall be authorized to cast a Ballot on behalf of the applicable public debt aircraft transaction either accepting or rejecting the Plan and to submit such Ballot to GCG by the Voting Deadline.

b. With respect to Aircraft Claims relating to private debt aircraft financings:

1. Upon the request of an Aircraft Trustee serving in such capacity in each such financing (each such Aircraft Trustee, a "**Private Debt Aircraft Trustee**"), the Debtors propose to deliver, or cause to be delivered, to such Private Debt Aircraft Trustee sufficient copies of the Notice Package and any letter of instruction (the "**Private Aircraft Instruction**") for delivery by the Private Debt Aircraft Trustee to the applicable holders of record as determined by the register for the applicable private debt aircraft financing as of the record date of private debt aircraft certificates (the "**Private Debt Aircraft Certificateholder**," and together with the Controlling Certificateholders, the "**Aircraft Certificateholders**").

2. Each Private Debt Aircraft Trustee shall be instructed to transmit the Notice Packages and the Private Aircraft Instruction to each Private Debt Aircraft Certificateholder; *provided, however*, that upon the written request of a Private Debt Aircraft Trustee, the Debtors shall deliver or cause to be delivered Notice Packages and Private Aircraft Instructions directly to those Private Debt Aircraft Certificateholders whose names and last known addresses are listed in the written request.

3. Each Private Debt Aircraft Certificateholder wishing to instruct the applicable Private Debt Aircraft Trustee regarding the casting of a Ballot must complete and return the Private Aircraft Instruction to the applicable Private Debt Aircraft Trustee. Each Private Debt Aircraft Trustee shall be further authorized to determine whether a binding instrument has been

given by the requisite Private Debt Aircraft Certificateholders pursuant to the provisions of the respective underlying aircraft financing documents, and if it should so determine, such Private Debt Aircraft Trustee shall be authorized to cast a Ballot on behalf of the applicable private debt aircraft transaction either accepting or rejecting the Plan and to submit such Ballot to GCG by the Voting Deadline.

c. Each Aircraft Trustee shall be entitled to rely on the applicable indenture and/or other governing documents of the relevant aircraft financing transaction in determining the direction to be provided by the Aircraft Certificateholders regarding execution, completion, and delivery of the relevant Ballot by the Aircraft Trustee to GCG by the Voting Deadline. If so directed by the relevant Aircraft Certificateholders, each such Aircraft Trustee shall be entitled to vote the full amounts of the relevant Aircraft Claims held by such Aircraft Trustee on behalf of the Aircraft Certificateholders either accepting or rejecting the Plan. To the extent that the applicable indenture and/or other governing documents so provide, an Aircraft Trustee shall be entitled to vote the relevant Aircraft Claims in accordance with the percentage of instructions received.

Exhibit 3

Amended Disclosure Statement Discussion of 9019 Settlement

2. Plan Compromises

The Plan incorporates and reflects a compromise and settlement of issues relating to (i) the validity, enforceability, and priority of certain Intercompany Claims (defined below) held by and among AMR, American, and Eagle Holding, (ii) the validity and enforceability of guarantee Claims held by certain creditors, (iii) Claims that creditors have with respect to the marshaling of assets and liabilities of AMR, American, or Eagle Holding, and (iv) potential Avoidance Actions based on prepetition transfers made, and obligations incurred, between certain Debtors.

(a) *Disputed Issues*

(ii) Intercompany Claims

Prepetition intercompany payables and receivables that arose in connection with the operation of the Debtors' businesses and the centralized cash management (the "**Cash Management** ~~s~~**System**") utilized by the Debtors purportedly constitute Claims between the Debtors (collectively, the "**Intercompany Claims**"). The Cash Management System was used by American for many years prior to the formation of AMR in 1982. Under the Cash Management System, cash collected by American and its affiliates was deposited into a variety of deposit accounts and lockboxes, and, on each business day, available cash was swept from the various deposit accounts into one main concentration account owned by American. Deposits in the main concentration account were recorded in the affiliates' books and records as amounts loaned to American. Cash was transferred from the main concentration account as needed to satisfy the obligations of the various affiliated entities and to fund investment opportunities. Any excess funds in the main concentration account were invested by the American's investment advisor, American Beacon Advisors, Inc. ("**ABA**"). As of the Commencement Date, American's books and records reflected a payable to its affiliated Debtors in an amount exceeding $3 billion in the aggregate. In particular, American's books and records reflected a payable to AMR in excess of $2.4 billion on account of such intercompany transactions (the "**AMR Intercompany Loans**").

Although there were literally thousands of transactions between AMR and American, the material intercompany transactions from 2006 through the Commencement Date are set forth below. In 2006, before the transfers described below, the intercompany payable from American to AMR was approximately $85 million.

Intercompany Amount Transferred from (to) AMR	Date of Transfer	Description of Transfer
$385.0 million	May 2006	from sale of 15 million shares of AMR Common Stock
($84.6) million	Nov. 2006	payment of debt by American for AMR
$195.6 million	2006-2007 (multiple months)	share award issuance and options exercised
$497.9 million	Jan. 2007	from sale of 13 million shares of AMR Common Stock
$75.0 million	Aug. 2008	dividend from ABA to AMR and loaned to American
($311.7) million	Aug.-Sept. 2008	payment of debt by American for AMR
$464.1 million	Sept. 2008	from sale of ABA
$233.2 million	Sept. 2008	from other smaller sales of AMR Common Stock
$447.4 million	Sept. 2009	proceeds from issuance of convertible debt by AMR
$412.5 million	Sept. 2009	from sale of 52 million shares of AMR Common Stock
($282.9) million	Sept. 2009	payment of debt by American for AMR
$650.0 million	Dec. 2009	dividend received from Eagle Holding
($187.3) million	Nov. 2011	contribution of AMR Eagle including the cancellation of American intercompany obligations to AMR

Pursuant to the Bankruptcy Code, claims among co-debtors are generally treated similar to other claims; however, courts often examine such claims to determine whether they are properly characterized as debt obligations or equity (capital contributions). ~~When~~The factors considered by the courts when making such a determination~~, courts consider the facts and circumstances surrounding the transactions that gave rise to the obligations. Those factors~~ include ~~, among others: (i)~~ the ~~names given to the documents memorializing the obligations; (ii) the presence or absence of a specified maturity date, interest rate, and/or payment schedule, (iii) the source of funds used for repayment; (iv) whether payments made by a shareholder were in proportion to its equity interest in the entity that received such payments; (v) the capitalization of the entity receiving the funds and its ability to obtain outside financing; (vi) whether amounts owed were contractually subordinated to the claims of outside creditors; (vii) the extent to which contributions were used to acquire capital assets; and (viii) the presence or absence of a sinking fund for repayment.~~following:

- **The names given to the instruments, if any, evidencing the indebtedness.** An absence of notes or other instruments reflecting debt suggests that advances may be capital contributions rather than debt. The AMR Intercompany Loans generally were not formally documented and were only reflected on the Debtors' books and records. Capital contributions from AMR were noted in the Debtors' books and records and in American's SEC filings, and were separately recorded.

- **The presence or absence of a fixed maturity date and schedule of payments.** The absence of a fixed maturity and payment schedule suggest that an advance may be a capital contribution. There was no fixed maturity date or repayment schedule for the AMR Intercompany Loans. The loans were in the nature of a revolving loan in which balances were increased and reduced based on the receipts and disbursements received or made on behalf of AMR.

- **The presence or absence of a fixed rate of interest and interest payments**. The absence of a fixed interest rate and regularly scheduled interest payments may suggest that an advance is a capital contribution rather than a loan. The AMR Intercompany Loans did not bear a fixed rate of interest or provide for regularly scheduled interest payments.

- **The source of repayments.** A loan whose repayment depends on the success of the business of the borrower may be indicative of a capital contribution. American's repayment obligations were not tied to the success of its business. Although there was no fixed repayment date on the AMR Intercompany Loans, American regularly advanced payments to third parties and made investments in AMR affiliates on behalf of AMR, as needed. This was reflected in the books and records as a reduction of the total amount payable to AMR.

- **The identity of interest between the creditor and the stockholder.** Evidence that a shareholder made an advance in proportion to such shareholder's equity interest in a company may suggest that such advance was a capital contribution and not a loan. American is 100% owned by AMR. While AMR generally maintained all of its cash at American, the amounts that were deposited into American's bank accounts were not tied to AMR's ownership interest in American.

- **The adequacy or inadequacy of capitalization.** Thin or inadequate capitalization at the time of the initial capitalization and/or at the time of the transfer suggests that advances are capital contributions rather than debt obligations. American was not thinly capitalized at the time it was created or when AMR was established in 1982. American had been operating for almost 50 years by the time AMR was created. Even after AMR was established, American operated a global business and was generally adequately capitalized.

- **The security, if any, for the advances.** The absence of collateral for an advance may suggest that the advance may be a capital contribution rather than a loan. AMR did not receive a security interest for its advances to American.

- **The corporation's ability to obtain financing from outside lending institutions.** The fact that, at the time the purported loan was made, the company had other financing options available on similar terms is generally thought to suggest that a transaction is a loan rather than an capital contribution. The focus of this inquiry is whether a reasonable creditor would have acted in the same manner as AMR and extended credit to American. Although American had access to credit, in many instances such access was conditioned on the receipt of a guarantee from AMR.

- **The extent to which the advances were contractually subordinated to the claims of outside creditors.** Subordination of a creditor's advances to the claims of other creditors is indicative that the advance may be a capital contribution. The AMR Intercompany Loans are not

subordinated to the Claims of third party creditors against American, however, as stated, the AMR Intercompany Loans are not secured.

- **The extent to which advances were used to acquire capital assets.** Use of advances to meet the daily needs of a corporation, rather than for the purchase of capital assets, suggest that advances are loans rather than infusions of equity. The funds advanced to American by AMR were used to meet the daily needs of the Debtors' businesses, including for general working capital purposes and the purchase of aircraft and other assets.

- **The presence or absence of a sinking fund to provide repayments.** Failure to establish a sinking fund for repayment may suggest that advances may be capital contributions rather than debt. There was no sinking fund with respect to the AMR Intercompany Loans.

An analysis of whether intercompany claims are properly characterized as debt or equity contributions is a very ~~fact~~ fact-intensive undertaking. Although the Debtors believe that ~~while~~ several of the relevant factors would support a conclusion that the Intercompany Claims (including the AMR Intercompany Loans) are debt obligations, certain other factors are more indicative of capital contributions. Indeed based on the foregoing, the issue is hardly free from doubt and there are countervailing arguments that the Intercompany Claims should be recharacterized. The Plan and the distribution scheme provided therein, including the initial distribution to holders of Allowed AMR Equity Interests, incorporate a compromise of these complex issues and avoid the delay, expense, and uncertainty attendant to ~~a~~ litigation of these issues pursuant to a settlement that is in the best interests of the Debtors' economic stakeholders, and which is fully supported by the Creditors' Committee and the Consenting Creditors (defined below).

(iii) Guarantee Claims

Under the Bankruptcy Code, claims based upon guarantees issued by a debtor are generally allowed. Section 502(b)(1) of the Bankruptcy Code, however, provides that a court may allow a claim, "except to the extent that," among other things, such claim is "unenforceable against the debtor and property of the debtor, under any agreement or applicable law." 11 U.S.C. § 502(b)(1). Further, Bankruptcy Rule 3007(d)(1) states that a debtor may object to a claim on the basis that the claim is duplicative of another. The Debtors have assessed the enforceability of certain guarantees issued by AMR in connection with certain direct obligations of American, and vice versa. The assessment revealed that certain guarantees may be unenforceable because they ~~either~~ (i) guarantee a Debtor's own direct obligations, (ii) may have been issued without valid consideration, and/or (iii) are duplicative of other Claims. ~~Again, to~~To avoid the ~~time~~delay, expense, and uncertainty with respect to litigation in connection with these issues, the Plan incorporates a compromise and settlement in the distribution scheme with respect to the various classes of Claims and Equity Interests.

(iv) Eagle Aircraft Transaction

In August 2011 American entered into the Eagle Aircraft Transaction (defined below) with Eagle and Executive, whereby Eagle and Executive transferred 263 aircraft (collectively, the "**Eagle Aircraft**") and other related assets to American in exchange for, inter

alia, American's assumption of the outstanding debt obligations related to the Eagle Aircraft. Certain parties have asserted that such transfers are potentially subject to Avoidance Actions. Generally, a transfer (including the incurrence of an obligation) may be avoided as a fraudulent transfer where a debtor did not receive reasonably equivalent value in exchange for such transfer and the debtor was insolvent or rendered insolvent at the time the transfer was made.

In connection with the Eagle Aircraft Transaction, American agreed to assume $2.26 billion of Eagle's outstanding debt obligations in exchange for the Eagle Aircraft— valued at $1.8 billion at the time of the transaction—and the cancellation of approximately $450 million in intercompany obligations American owed Eagle. Accordingly, the Debtors have concluded that the likelihood of successfully prosecuting an Avoidance Action related to the Eagle Aircraft Transaction is remote because, among other things, (i) neither American nor Eagle appear to have been insolvent on the date, or rendered insolvent as a result, of the Eagle Aircraft Transaction and (ii) the underlying transfers appear to have been supported by reasonably equivalent value. If such an Avoidance Action were ultimately pursued, however, the Bankruptcy Court could determine that the value of the Eagle Aircraft was materially higher or lower than $1.8 billion, and therefore, Eagle or American did not receive reasonably equivalent value in exchange for the transfers made or obligations incurred in connection with the Eagle Aircraft Transaction. Moreover, pursuant to a Bankruptcy Court order dated November 9, 2012 (ECF No. 5294), American and Eagle expressly reserved their respective rights to assert Claims against each other based on an Avoidance Action related to the Eagle Aircraft Transaction, which, if Allowed, could be offset against otherwise valid prepetition Claims held between American and Eagle (including certain Intercompany Claims). The Claims reserved by American and Eagle also are compromised by reason of the distribution scheme provided in the Plan and will not be pursued if the Plan is consummated.

(b) *9019 Settlement*

Contemporaneous with the execution of the Merger Agreement, the Debtors entered into the 9019 Settlement (defined in Section IV.F.3 of this Disclosure Statement) to timely resolve the disputed issues and garner significant and timely support from holders of General Unsecured Claims to implement the Merger Agreement pursuant to the Plan. Pursuant to Bankruptcy Rule 9019 and section 363 of the Bankruptcy Code, as more fully described in this Disclosure Statement, the Plan and the distributions to be made to holders of Allowed General Unsecured Claims and holders of Allowed AMR Equity Interests incorporate and reflect the 9019 Settlement ~~(defined in Section IV.F.3 of this Disclosure Statement)~~. Among other things, the 9019 Settlement resolves: (i) all Claims or controversies relating to the contractual, legal, and subordination rights that a holder of a Claim may have with respect to any other Claim or any distribution on account thereof, including with respect to rights of parties holding guarantees against any Debtor and any Claims with respect to the marshaling of assets of any Debtor and (ii) any Claims held by one Debtor against another Debtor, including with respect to the validity, enforceability, or priority of the Intercompany Claims, and including whether any transfer is subject to avoidance for any reason. Thus, as part of the 9019 Settlement, and as reflected in the Plan, no distributions shall be made on any Intercompany Claims owing by American to AMR or owing by American to Eagle Holding and vice versa, and any potential Avoidance Action against such entities shall be extinguished on the Effective Date.

In sum, the 9019 Settlement resolves extremely complex factual and legal issues, greatly facilitates the resolution of these cases, avoids significant litigation costs, and expedites confirmation and consummation of a plan of reorganization which provides substantial returns for the Debtors' stakeholders.

Exhibit 4

Amended Disclosure Statement Discussion of EETC Refinancing

(ii) EETC Refinancing

American's prepetition debt obligations include, among other things: (i) the secured notes issued in July 2009, with an interest rate of 13% and a final maturity in 2016 (the "**2009-2 Secured Notes**"); (ii) the EETC issued in July 2009, with an interest rate of 10.375% and a final maturity of the related certificates in 2019 (the "**2009-1 EETC**"); and (iii) the EETC issued in October 2011, with an interest rate of 8.625% and a final maturity of the related certificates in 2021~~9~~ (the "**2011-2 EETC**," and together with the 2009-2 Secured Notes and 2009-1 EETC, the "**Prepetition Notes**"). Each of the Prepetition Notes is secured by different groups of Aircraft Equipment (the "**Aircraft**") and certain other assets. In addition to certain unpaid interest, fees, costs, and expenses owed in connection with the Prepetition Notes, as of ~~September~~March 3~~0~~1, 201~~2~~3, the principal amount outstanding under each of the Prepetition Notes was $~~445,618,425~~424,335,588 for the 2009-1 EETCs, $~~174,163,156~~159,036,999 for the 2009-2 Secured Notes, and $~~703,645,330~~681,595,987 for the 2011-2 EETCs.

During the second half of 2012, interest rates available in the EETC financing market were at historic lows. As a result, the Debtors determined that obtaining new EETC financing was in the best interest of the Debtors, their estates, and their creditors. On October 9, 2012, the Debtors filed a motion (the "**EETC Motion**") with the Bankruptcy Court seeking an order that, among other things: (i) authorized the Debtors to obtain postpetition financing in an amount up to $1.5 billion secured on a first priority basis by the Aircraft as part of a new EETC financing (the "**New EETC**"); (ii) authorized the Debtors to use Cash on hand, including proceeds of the New EETC, to indefeasibly repay certain existing prepetition obligations secured by the Aircraft, including obligations under the Prepetition Notes, without the payment of any make-whole amount or other premium or prepayment penalty; and (iii) authorized and directed the release of the liens on the Aircraft and other assets that secured the Prepetition Notes and approved the grant of new liens in connection with the New EETC.

By Order dated February 1, 2013, the Bankruptcy Court granted the EETC Motion (the "**EETC Order**") (ECF No. 6521). Shortly thereafter, certain parties in interest (the "**Appellants**") appealed the EETC Order and judgments rendered in certain related adversary proceedings. To avoid the expense of a ~~multi-level~~multilevel appellate process, the Debtors filed a motion for certification for direct appeal to the United States Court of Appeals for the Second Circuit ~~(the "**Second Circuit**")~~ on February 14, 2013. On February 28, 2013, the Bankruptcy Court granted the motion. The Debtors subsequently filed a petition for authorization of the direct appeal and a motion for expedited appeal with the Second Circuit. On April 2, 2013, the Second Circuit granted the Debtors' petition for direct appeal and granted the Debtors' motion for an expedited appeal. Briefing of the appeal ~~will be~~was fully submitted ~~by~~on April 30, 2013, and oral arguments have been scheduled for June 20, 2013.

The Appellants also filed separate motions with the Bankruptcy Court seeking a stay of the EETC Order. On February 22, 2013, ~~The~~the Bankruptcy Court granted a limited stay of the EETC Order until May 1, 2013, provided that the Appellants post a $100 million bond and agree to an expedited briefing schedule ~~(the "**Stay Order**")~~. Because the Appellants ~~have~~did not post~~ed~~ a bond, ~~there is no~~the stay ~~in~~never went into effect. Accordingly, the Debtors may proceed with the EETC Refinancing (either prior to, or in connection with, the consummation of the Plan) unless the Bankruptcy Court's ruling is modified or reversed on appeal. Because the

Debtors believe that they ultimately will prevail in such appeal, they may elect to proceed with the EETC Refinancing prior to an appellate decision by the Second Circuit. However, if the Debtors close the New EETC, and if, contrary to the Debtors' expectations, the Second Circuit ultimately modifies or reverses the Bankruptcy Court ruling, the Debtors could be required to pay a make-whole amount (the "**Make-Whole Amount**") with respect to each issue of the Prepetition Notes that the Debtors have paid off prior to the Second Circuit's modification or reversal of the Bankruptcy Court ruling. The amount of the Make-Whole Amount would depend on, among other things, prevailing Treasury interest rates and the outstanding principal amount of the applicable Prepetition Notes on the applicable determination date. The Debtors estimate that the aggregate Make-Whole Amounts for the Prepetition Notes, calculated as of March 31, 2013, would have be approximately $450 million. A payment of this magnitude would substantially exceed the expected interest savings from the EETC Refinancing and could have a negative impact on the Debtors' liquidity, financial condition, and results of operations.

The Debtors can entirely avoid any negative consequences associated with the payment of the Make-Whole Amount by electing not to close the New EETC. In addition, the Debtors are considering various options that may mitigate the potential negative impact on the Debtors in the event the Prepetition Notes are repaid prior to a decision by the Second Circuit and the Bankruptcy Court's ruling is subsequently modified or reversed by the Second Circuit on appeal. One such option is to purchase by tender offers some or all of the Prepetition Notes. On May 23, 2013, the Debtors filed a motion with the Bankruptcy Court seeking approval to offer to purchase for Cash any and all validly tendered (and not validly withdrawn) Prepetition Notes upon the terms and conditions described in such motion. Such tender offers, to the extent successful, would reduce the ongoing interest costs associated with further delay in consummating the repayment of the Prepetition Notes. Also, to the extent successful, the tender offers would mitigate risks associated with repaying the Prepetition Notes without a ruling from the Second Circuit should the Debtors choose to take this step because, if the Second Circuit subsequently rules that the Make-Whole Amount would be payable in connection with the repayment of any Prepetition Notes, the Debtors would be entitled to the Make-Whole Amount, if any, payable by the Debtors with respect to the Prepetition Notes purchased by the Debtors in such tender offers, and therefore the net out-of-pocket amounts payable by the Debtors in respect of the Make-Whole Amount would be reduced accordingly.

There ~~can be~~is no assurance that (i) any such tender offers would be successful or (ii) the Debtors will be able to effectuate the New EETC on acceptable terms, or at all.