Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the Quarterly Period Ended March 31, 2017

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the Transition Period From __________ to __________

Commission file number 1-8400

American Airlines Group Inc.
(Exact name of registrant as specified in its charter)

Delaware	**75-1825172**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
4333 Amon Carter Blvd., Fort Worth, Texas 76155	**(817) 963-1234**
(Address of principal executive offices, including zip code)	**(Registrant's telephone number, including area code)**

Commission file number 1-2691

American Airlines, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**13-1502798**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
4333 Amon Carter Blvd., Fort Worth, Texas 76155	**(817) 963-1234**
(Address of principal executive offices, including zip code)	**(Registrant's telephone number, including area code)**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

American Airlines Group Inc.	☒ Yes	☐ No
American Airlines, Inc.	☒ Yes	☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

American Airlines Group Inc.	☒ Yes	☐ No
American Airlines, Inc.	☒ Yes	☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

American Airlines Group Inc.	☒ Large Accelerated Filer	☐ Accelerated Filer	☐ Non-accelerated Filer	☐ Smaller Reporting Company	☐ Emerging Growth Company
American Airlines, Inc.	☐ Large Accelerated Filer	☐ Accelerated Filer	☒ Non-accelerated Filer	☐ Smaller Reporting Company	☐ Emerging Growth Company

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

American Airlines Group Inc.	☐
American Airlines, Inc.	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

American Airlines Group Inc.	☐ Yes	☒ No
American Airlines, Inc.	☐ Yes	☒ No

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

American Airlines Group Inc.	☒ Yes	☐ No
American Airlines, Inc.	☒ Yes	☐ No

As of April 21, 2017, there were 492,588,818 shares of American Airlines Group Inc. common stock outstanding.

As of April 21, 2017, there were 1,000 shares of American Airlines, Inc. common stock outstanding, all of which were held by American Airlines Group Inc.

American Airlines Group Inc.
American Airlines, Inc.
Form 10-Q
Quarterly Period Ended March 31, 2017
Table of Contents

		Page
	PART I: FINANCIAL INFORMATION	
Item 1A.	Condensed Consolidated Financial Statements of American Airlines Group Inc.	5
	Condensed Consolidated Statements of Operations	5
	Condensed Consolidated Statements of Comprehensive Income	6
	Condensed Consolidated Balance Sheets	7
	Condensed Consolidated Statements of Cash Flows	8
	Notes to the Condensed Consolidated Financial Statements	9
Item 1B.	Condensed Consolidated Financial Statements of American Airlines, Inc.	18
	Condensed Consolidated Statements of Operations	18
	Condensed Consolidated Statements of Comprehensive Income	19
	Condensed Consolidated Balance Sheets	20
	Condensed Consolidated Statements of Cash Flows	21
	Notes to the Condensed Consolidated Financial Statements	22
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	30
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	46
Item 4.	Controls and Procedures	47
	PART II: OTHER INFORMATION	
Item 1.	Legal Proceedings	48
Item 1A.	Risk Factors	49
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	65
Item 5.	Other Information	66
Item 6.	Exhibits	66
SIGNATURES		67

This combined Quarterly Report on Form 10-Q is filed by American Airlines Group Inc. (formerly named AMR Corporation) (AAG) and its wholly-owned subsidiary American Airlines, Inc. (American). References in this Quarterly Report on Form 10-Q to “we,” “us,” “our,” the “Company” and similar terms refer to AAG and its consolidated subsidiaries. “AMR” or “AMR Corporation” refers to the Company during the period of time prior to its emergence from Chapter 11 and its acquisition of US Airways Group, Inc. (US Airways Group) on December 9, 2013. References to “US Airways Group” and “US Airways,” a subsidiary of US Airways Group, represent the entities during the period of time prior to AAG’s internal corporate restructuring on December 30, 2015. References in this Quarterly Report on Form 10-Q to “mainline” refer to the operations of American only and exclude regional operations.

Note Concerning Forward-Looking Statements

Certain of the statements contained in this report should be considered forward-looking statements within the meaning of the Securities Act of 1933, as amended (the Securities Act), the Securities Exchange Act of 1934, as amended (the Exchange Act), and the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as “may,” “will,” “expect,” “intend,” “anticipate,” “believe,” “estimate,” “plan,” “project,” “could,” “should,” “would,” “continue,” “seek,” “target,” “guidance,” “outlook,” “if current trends continue,” “optimistic,” “forecast” and other similar words. Such statements include, but are not limited to, statements about our plans, objectives, expectations, intentions, estimates and strategies for the future, and other statements that are not historical facts. These forward-looking statements are based on our current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to, those described below under Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations, and Part II, Item 1A. Risk Factors, and in our other filings with the Securities and Exchange Commission (the SEC), and other risks and uncertainties listed from time to time in our filings with the SEC.

All of the forward-looking statements are qualified in their entirety by reference to the factors discussed in Part II, Item 1A. Risk Factors and elsewhere in this report. There may be other factors of which we are not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. We do not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting such statements other than as required by law. Forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q or as of the dates indicated in the statements.

PART I: FINANCIAL INFORMATION

This combined Quarterly Report on Form 10-Q is filed by both AAG and American and includes the Condensed Consolidated Financial Statements of each company in Item 1A and Item 1B, respectively.

Table of Contents

ITEM 1A. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.

AMERICAN AIRLINES GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except shares and per share amounts)(Unaudited)

	Three Months Ended March 31,	
	2017	2016
Operating revenues:		
Mainline passenger	$ 6,607	$ 6,564
Regional passenger	1,548	1,523
Cargo	172	162
Other	1,297	1,186
Total operating revenues	9,624	9,435
Operating expenses:		
Aircraft fuel and related taxes	1,402	1,029
Salaries, wages and benefits	2,825	2,652
Regional expenses	1,573	1,432
Maintenance, materials and repairs	492	419
Other rent and landing fees	440	422
Aircraft rent	295	306
Selling expenses	318	308
Depreciation and amortization	405	355
Special items, net	119	99
Other	1,154	1,078
Total operating expenses	9,023	8,100
Operating income	601	1,335
Nonoperating income (expense):		
Interest income	21	13
Interest expense, net	(257)	(239)
Other, net	—	8
Total nonoperating expense, net	(236)	(218)
Income before income taxes	365	1,117
Income tax provision	131	417
Net income	$ 234	$ 700
Earnings per common share:		
Basic	$ 0.46	$ 1.15
Diluted	$ 0.46	$ 1.14
Weighted average shares outstanding (in thousands):		
Basic	503,902	606,245
Diluted	507,797	611,488
Cash dividends declared per common share	$ 0.10	$ 0.10

See accompanying notes to condensed consolidated financial statements.

AMERICAN AIRLINES GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)(Unaudited)

	Three Months Ended March 31,	
	2017	2016
Net income	$ 234	$ 700
Other comprehensive loss, net of tax:		
Pension, retiree medical and other postretirement benefits	(14)	(19)
Investments	—	2
Total other comprehensive loss, net of tax	(14)	(17)
Total comprehensive income	$ 220	$ 683

See accompanying notes to condensed consolidated financial statements.

Table of Contents

AMERICAN AIRLINES GROUP INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except shares and par value)

	March 31, 2017 (Unaudited)	December 31, 2016
ASSETS		
Current assets		
Cash	$ 374	$ 322
Short-term investments	6,302	6,037
Restricted cash and short-term investments	543	638
Accounts receivable, net	1,397	1,594
Aircraft fuel, spare parts and supplies, net	1,154	1,094
Prepaid expenses and other	856	639
Total current assets	10,626	10,324
Operating property and equipment		
Flight equipment	38,352	37,028
Ground property and equipment	7,332	7,116
Equipment purchase deposits	1,247	1,209
Total property and equipment, at cost	46,931	45,353
Less accumulated depreciation and amortization	(14,640)	(14,194)
Total property and equipment, net	32,291	31,159
Other assets		
Goodwill	4,091	4,091
Intangibles, net of accumulated amortization of $590 and $578, respectively	2,236	2,173
Deferred tax asset	1,379	1,498
Other assets	2,004	2,029
Total other assets	9,710	9,791
Total assets	$ 52,627	$ 51,274
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current maturities of long-term debt and capital leases	$ 1,714	$ 1,855
Accounts payable	1,882	1,592
Accrued salaries and wages	1,064	1,516
Air traffic liability	5,298	3,912
Loyalty program liability	3,056	2,789
Other accrued liabilities	2,272	2,208
Total current liabilities	15,286	13,872
Noncurrent liabilities		
Long-term debt and capital leases, net of current maturities	22,829	22,489
Pension and postretirement benefits	7,808	7,842
Deferred gains and credits, net	494	526
Other liabilities	2,753	2,760
Total noncurrent liabilities	33,884	33,617
Commitments and contingencies		
Stockholders' equity		
Common stock, $0.01 par value; 1,750,000,000 shares authorized, 495,749,816 shares issued and outstanding at March 31, 2017; 507,294,153 shares issued and outstanding at December 31, 2016	5	5
Additional paid-in capital	6,726	7,223
Accumulated other comprehensive loss	(5,097)	(5,083)
Retained earnings	1,823	1,640
Total stockholders' equity	3,457	3,785
Total liabilities and stockholders' equity	$ 52,627	$ 51,274

See accompanying notes to condensed consolidated financial statements.

AMERICAN AIRLINES GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)(Unaudited)

	Three Months Ended March 31,	
	2017	2016
Net cash provided by operating activities	$ 2,250	$ 2,620
Cash flows from investing activities:		
Capital expenditures and aircraft purchase deposits	(1,714)	(1,557)
Purchases of short-term investments	(1,922)	(1,715)
Sales of short-term investments	1,660	1,150
Decrease in restricted cash and short-term investments	95	4
Proceeds from sale of property and equipment and other investments	32	4
Net cash used in investing activities	(1,849)	(2,114)
Cash flows from financing activities:		
Payments on long-term debt and capital leases	(686)	(310)
Proceeds from issuance of long-term debt	899	1,500
Deferred financing costs	(31)	(20)
Treasury stock repurchases	(484)	(1,525)
Dividend payments	(51)	(61)
Other financing activities	4	15
Net cash used in financing activities	(349)	(401)
Net increase in cash	52	105
Cash at beginning of period	322	390
Cash at end of period	$ 374	$ 495
Non-cash investing and financing activities:		
Settlement of bankruptcy obligations	$ —	$ 3
Supplemental information:		
Interest paid, net	255	228
Income taxes paid	4	4

See accompanying notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.
(Unaudited)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of American Airlines Group Inc. (we, us, our and similar terms, or AAG) should be read in conjunction with the consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2016. The accompanying unaudited condensed consolidated financial statements include the accounts of AAG and its wholly-owned subsidiaries. AAG's principal subsidiary is American Airlines, Inc. (American). All significant intercompany transactions have been eliminated.

On December 9, 2013, a subsidiary of AMR Corporation (AMR) merged with and into US Airways Group, Inc. (US Airways Group), a Delaware corporation, which survived as a wholly-owned subsidiary of AAG, and AAG emerged from Chapter 11 (the Merger). Upon closing of the Merger and emergence from Chapter 11, AMR changed its name to American Airlines Group Inc. On December 30, 2015, in order to simplify AAG's internal corporate structure, US Airways, Inc. (US Airways), a wholly-owned subsidiary of US Airways Group, merged with and into American, with American as the surviving corporation.

Management believes that all adjustments necessary for the fair presentation of results, consisting of normally recurring items, have been included in the unaudited condensed consolidated financial statements for the interim periods presented. The preparation of financial statements in accordance with accounting principles generally accepted in the United States (GAAP) requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. The most significant areas of judgment relate to passenger revenue recognition, impairment of goodwill, impairment of long-lived and intangible assets, the loyalty program, valuation allowance for deferred tax assets, as well as pensions and retiree medical and other postretirement benefits. Certain prior period amounts have been reclassified to conform to the current year presentation.

Recent Accounting Pronouncements

Revenue

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, "Revenue from Contracts with Customers (Topic 606)." ASU 2014-09 completes the joint effort by the FASB and International Accounting Standards Board (IASB) to improve financial reporting by creating common revenue recognition guidance for GAAP and International Financial Reporting Standards (IFRS). Subsequently, the FASB has issued several additional ASUs to clarify the implementation. The new revenue standard applies to all companies that enter into contracts with customers to transfer goods or services and is effective for public entities for interim and annual reporting periods beginning after December 15, 2017. We will adopt the new revenue standard effective January 1, 2018. Entities have the choice to apply the new revenue standard either retrospectively to each reporting period presented or by recognizing the cumulative effect of applying the new revenue standard at the date of initial application and not adjusting comparative information. We currently expect to adopt the new revenue standard using the full retrospective method.

We are still in the process of evaluating how the adoption of the new revenue standard will impact our condensed consolidated financial statements. We currently expect that the new revenue standard will materially impact our liability for outstanding mileage credits earned by AAdvantage loyalty program members when flying on American. We currently use the incremental cost method to account for this portion of our loyalty program liability, which values these mileage credits based on the estimated incremental cost of carrying one additional passenger. The new revenue standard will require us to change our policy and apply a relative selling price approach whereby a portion of each passenger ticket sale attributable to mileage credits earned will be deferred and recognized in passenger revenue upon future mileage redemption. The carrying value of the earned mileage credits recognized in loyalty program liability is expected to be materially greater under the relative selling price approach than the value attributed to these mileage credits under the incremental cost method. The new revenue standard will also require us to reclassify certain ancillary fees to passenger revenue, which are currently included within other operating revenue.

Leases

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)." ASU 2016-02 requires lessees to recognize a lease liability and a right-of-use asset on the balance sheet and aligns many of the underlying principles of the new lessor model with those in Accounting Standards Codification Topic 606, Revenue from Contracts with Customers. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. Entities are required to adopt the new lease standard using a modified retrospective approach for all leases existing at or commencing after the date of initial application with an option to use certain practical expedients.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.
(Unaudited)

We are currently evaluating how the adoption of the new lease standard will impact our condensed consolidated financial statements. Interpretations are on-going and could have a material impact on our implementation. Currently, we expect that the adoption of the new lease standard will have a material impact on our condensed consolidated balance sheet due to the recognition of right-of-use assets and lease liabilities principally for certain leases currently accounted for as operating leases.

Statement of Cash Flows

In November 2016, the FASB issued ASU 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash." ASU 2016-18 requires that the change in total cash, cash at beginning of period and cash at end of period on the statement of cash flows include restricted cash and restricted cash equivalents. ASU 2016-18 also requires companies who report cash and restricted cash separately on the balance sheet to reconcile those amounts to the statement of cash flows. This standard is to be applied retrospectively to each period presented and is effective for public entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted. This standard is not expected to have a material impact on our condensed consolidated financial statements.

Retirement Benefits

In March 2017, the FASB issued ASU 2017-07, "Compensation – Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." ASU 2017-07 requires an entity to present the service cost component of net benefit cost in the income statement line items where it reports compensation cost. Entities will present all other components of net benefit cost outside of operating income, if this subtotal is presented. This standard is to be applied retrospectively to each period presented and is effective for public entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. We will adopt this standard on January 1, 2018. The new standard will require all components of our net periodic benefit cost (income), with the exception of service cost, currently reported within operating expenses as salaries, wages and benefits, to be reclassified and reported within nonoperating income (expense). The adoption of this new standard will have no impact on pre-tax income or net income reported. See Note 8 for our current components of net periodic benefit cost (income).

2. Special Items, Net

Special items, net on the condensed consolidated statements of operations consisted of the following (in millions):

	Three Months Ended March 31,	
	2017	2016
Merger integration expenses [1]	$ 63	$ 104
Fleet restructuring expenses [2]	63	26
Mark-to-market adjustments for bankruptcy obligations and other	(18)	(5)
Other operating charges (credits), net	11	(26)
Mainline operating special items, net	119	99
Regional operating special items, net [3]	2	5
Nonoperating special items, net [4]	5	—

(1) Merger integration expenses included costs related to information technology, professional fees, re-branding of aircraft and airport facilities and training. Additionally, the 2016 period also included costs related to alignment of labor union contracts, re-branded uniforms, severance and relocation.

(2) Fleet restructuring expenses driven by the Merger included the acceleration of aircraft depreciation, impairments, remaining lease payments and lease return costs for aircraft currently grounded or expected to be grounded earlier than planned.

(3) Regional operating special items, net principally related to Merger integration expenses.

(4) Nonoperating special items, net primarily consisted of debt issuance and extinguishment costs associated with a term loan refinancing.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.
(Unaudited)

3. Earnings Per Common Share

The following table sets forth the computation of basic and diluted earnings per common share (EPS) (in millions, except share and per share amounts):

	Three Months Ended March 31,	
	2017	2016
Basic EPS:		
Net income	$ 234	$ 700
Weighted average common shares outstanding (in thousands)	503,902	606,245
Basic EPS	$ 0.46	$ 1.15
Diluted EPS:		
Net income for purposes of computing diluted EPS	$ 234	$ 700
Share computation for diluted EPS (in thousands):		
Basic weighted average common shares outstanding	503,902	606,245
Dilutive effect of stock awards	3,895	5,243
Diluted weighted average common shares outstanding	507,797	611,488
Diluted EPS	$ 0.46	$ 1.14
Restricted stock unit awards excluded from the calculation of diluted EPS because inclusion would be antidilutive (in thousands)	395	1,089

4. Share Repurchase Programs and Dividends

Since July 2014, our Board of Directors has approved six share repurchase programs aggregating $11.0 billion of authority. As of March 31, 2017, $1.5 billion remained unused under a repurchase program that expires on December 31, 2018. Share repurchases under our share repurchase programs may be made through a variety of methods, which may include open market purchases, privately negotiated transactions, block trades or accelerated share repurchase transactions. Any such repurchases will be made from time to time subject to market and economic conditions, applicable legal requirements and other relevant factors. Our share repurchase programs do not obligate us to repurchase any specific number of shares and may be suspended at any time at our discretion.

During the three months ended March 31, 2017, we repurchased 11.7 million shares of AAG common stock for $512 million at a weighted average cost per share of $43.81. Since the inception of our share repurchase programs in July 2014, we have repurchased 240.0 million shares of AAG common stock for $9.5 billion at a weighted average cost per share of $39.62.

Our Board of Directors declared the following cash dividends during the first quarter of 2017:

Period	Per share	For stockholders of record as of	Payable on	Cash paid (millions)
First Quarter	$ 0.10	February 13, 2017	February 27, 2017	$ 51

Any future dividends that may be declared and paid from time to time will be subject to market and economic conditions, applicable legal requirements and other relevant factors. We are not obligated to continue a dividend for any fixed period, and payment of dividends may be suspended at any time at our discretion.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.
(Unaudited)

5. Debt

Long-term debt and capital lease obligations included in the condensed consolidated balance sheets consisted of (in millions):

	March 31, 2017	December 31, 2016
Secured		
2013 Credit Facilities, variable interest rate of 2.98%, installments through 2020	$ 1,843	$ 1,843
2014 Credit Facilities, variable interest rate of 3.38%, installments through 2021	735	735
April 2016 Credit Facilities, variable interest rate of 3.48%, installments through 2023	1,000	1,000
December 2016 Credit Facilities, variable interest rate of 3.41%, installments through 2023	1,250	1,250
Aircraft enhanced equipment trust certificates (EETCs), fixed interest rates ranging from 3.00% to 9.75%, maturing from 2017 to 2029	11,181	10,912
Equipment loans and other notes payable, fixed and variable interest rates ranging from 2.21% to 8.53%, maturing from 2017 to 2029	5,305	5,343
Special facility revenue bonds, fixed interest rates ranging from 5.00% to 8.00%, maturing from 2017 to 2035	891	891
Other secured obligations, fixed interest rates ranging from 3.60% to 12.24%, maturing from 2017 to 2028	831	849
	23,036	22,823
Unsecured		
5.50% senior notes, interest only payments until due in 2019	750	750
6.125% senior notes, interest only payments until due in 2018	500	500
4.625% senior notes, interest only payments until due in 2020	500	500
	1,750	1,750
Total long-term debt and capital lease obligations	24,786	24,573
Less: Total unamortized debt discount, premium and issuance costs	243	229
Less: Current maturities	1,714	1,855
Long-term debt and capital lease obligations, net of current maturities	$ 22,829	$ 22,489

The table below shows availability under revolving credit facilities, all of which were undrawn, as of March 31, 2017 (in millions):

2013 Revolving Facility	$1,400
2014 Revolving Facility	1,025
Total	$2,425

The April 2016 and December 2016 Credit Facilities each provide for a revolving credit facility that may be established in the future.

2017 Aircraft Financing Activities

2017-1 EETCs

In January 2017, American created three pass-through trusts which issued approximately $983 million aggregate principal amount of Series 2017-1 Class AA, Class A and Class B EETCs (the 2017-1 EETCs) in connection with the financing of 24 aircraft scheduled to be delivered to American through May 2017 (the 2017-1 Aircraft). A portion of the proceeds received from the sale of the 2017-1 EETCs has been used to acquire Series AA, A and B equipment notes issued by American to the pass-through trusts and the balance of such proceeds is being held in escrow for the benefit of the holders of the 2017-1 EETCs until such time as American issues additional Series AA, A and B equipment notes to the pass-through trusts, which will purchase such additional equipment notes with the escrowed funds. These escrowed funds are not guaranteed by American and are not reported as debt on our condensed consolidated balance sheet because the proceeds held by the depository are not American’s assets.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.
(Unaudited)

As of March 31, 2017, approximately $635 million of the escrowed proceeds from the 2017-1 EETCs have been used to purchase equipment notes issued by American. Interest and principal payments on the equipment notes will be payable semi-annually in February and August of each year, with interest payments beginning in August 2017 and principal payments beginning in February 2018. The equipment notes are secured by liens on the 2017-1 Aircraft.

Certain information regarding the 2017-1 EETC equipment notes and the remaining escrowed proceeds of the 2017-1 EETC, as of March 31, 2017, is set forth in the table below.

	2017-1 EETCs		
	Series AA	Series A	Series B
Aggregate principal amount	$537 million	$248 million	$198 million
Remaining escrowed proceeds	$190 million	$88 million	$70 million
Fixed interest rate per annum	3.65%	4.00%	4.95%
Maturity date	February 2029	February 2029	February 2025

2016-3 EETCs

During the first quarter of 2017, all remaining proceeds of the Series 2016-3 Class AA and Class A (the 2016-3 EETCs), in the amount of $109 million, were used to purchase equipment notes issued by American and, after giving effect to such purchase, all of the proceeds received from the sale of the 2016-3 EETCs have been used to purchase equipment notes issued by American in connection with the financing of new aircraft on or following the delivery thereof. Interest and principal payments on the equipment notes are payable semi-annually in April and October of each year, with interest payments beginning in April 2017 and principal payments beginning in October 2017. These equipment notes are secured by liens on the aircraft financed with the proceeds of the 2016-3 EETCs.

Certain information regarding the 2016-3 EETC equipment notes, as of March 31, 2017, is set forth in the table below.

	2016-3 EETCs	
	Series AA	Series A
Aggregate principal amount	$558 million	$256 million
Fixed interest rate per annum	3.00%	3.25%
Maturity date	October 2028	October 2028

Equipment Loans and Other Notes Payable Issued in 2017

In the first quarter of 2017, American entered into loan agreements to borrow $155 million in connection with the financing of certain aircraft. Debt incurred under these loan agreements matures in 2027 through 2029.

2017 Other Financing Activities

2013 Credit Facilities

In March 2017, American and AAG amended the Amended and Restated Credit and Guaranty Agreement dated October 26, 2015 (which amended and restated the Credit and Guaranty Agreement dated May 21, 2015), pursuant to which we refinanced the $1.8 billion term loan facility due June 2020 established thereunder (the 2013 Term Loan Facility and, together with the $1.4 billion revolving credit facility established under such agreement, the 2013 Credit Facilities) to reduce the London Interbank Offered Rate margin from 2.50% to 2.00% and the base rate margin from 1.50% to 1.00%. The $1.4 billion revolving credit facility under the 2013 Credit Facilities (the 2013 Revolving Facility) remains unchanged. As of March 31, 2017, $1.8 billion of principal was outstanding under the 2013 Term Loan Facility and there were no borrowings or letters of credit outstanding under the 2013 Revolving Facility.

6. Income Taxes

At December 31, 2016, we had approximately $10.5 billion of gross net operating losses (NOLs) carried over from prior taxable years (NOL Carryforwards) to reduce future federal taxable income, substantially all of which are expected to be available for use in 2017. The federal NOL Carryforwards will expire beginning in 2022 if unused. We also had approximately $3.7 billion of NOL Carryforwards to reduce future state taxable income at December 31, 2016, which will expire in years 2017 through 2036 if unused.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.
(Unaudited)

At December 31, 2016, we had an alternative minimum tax credit carryforward of approximately $339 million available for federal income tax purposes, which is available for an indefinite period.

In the first quarter of 2017, we recorded an income tax provision of $131 million, which was substantially non-cash due to the utilization of the NOLs described above. Substantially all of our income before income taxes is attributable to the United States.

7. Fair Value Measurements

Assets Measured at Fair Value on a Recurring Basis

We utilize the market approach to measure fair value for our financial assets. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets. Our short-term investments classified as Level 2 primarily utilize broker quotes in a non-active market for valuation of these securities. No changes in valuation techniques or inputs occurred during the three months ended March 31, 2017.

Assets measured at fair value on a recurring basis are summarized below (in millions):

	Fair Value Measurements as of March 31, 2017			
	Total	Level 1	Level 2	Level 3
Short-term investments (1) (2):				
Money market funds	$ 605	$ 605	$ —	$ —
Corporate obligations	2,400	—	2,400	—
Bank notes/certificates of deposit/time deposits	3,297	—	3,297	—
	6,302	605	5,697	—
Restricted cash and short-term investments (1)	543	95	448	—
Total	$ 6,845	$ 700	$ 6,145	$ —

(1) Unrealized gains or losses on short-term investments and restricted cash and short-term investments are recorded in accumulated other comprehensive loss at each measurement date.

(2) All short-term investments are classified as available-for-sale and stated at fair value. Our short-term investments mature in one year or less except for $1.1 billion of bank notes/certificates of deposit/time deposits and $421 million of corporate obligations.

Fair Value of Debt

The fair value of our long-term debt was estimated using quoted market prices or discounted cash flow analyses, based on our current estimated incremental borrowing rates for similar types of borrowing arrangements. If our long-term debt was measured at fair value, it would have been classified as Level 2 in the fair value hierarchy.

The carrying value and estimated fair value of our long-term debt, including current maturities, were as follows (in millions):

	March 31, 2017		December 31, 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, including current maturities	$24,543	$25,113	$24,344	$24,983

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.
(Unaudited)

8. Employee Benefit Plans

The following table provides the components of net periodic benefit cost (income) (in millions):

Three Months Ended March 31,	Pension Benefits		Retiree Medical and Other Postretirement Benefits	
	2017	2016	2017	2016
Service cost	$ 1	$ 1	$ 1	$ 1
Interest cost	180	188	10	12
Expected return on assets	(197)	(187)	(5)	(5)
Amortization of:				
Prior service cost (benefit)	7	7	(59)	(60)
Unrecognized net loss (gain)	36	31	(6)	(4)
Net periodic benefit cost (income)	$ 27	$ 40	$ (59)	$ (56)

Effective November 1, 2012, substantially all of our defined benefit pension plans were frozen.

9. Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive income (loss) (AOCI) are as follows (in millions):

	Pension, Retiree Medical and Other Postretirement Benefits	Income Tax Benefit (Provision) (1)	Total
Balance at December 31, 2016	$ (4,406)	$ (677)	$ (5,083)
Amounts reclassified from accumulated other comprehensive income (loss)	(22)	8 (2)	(14)
Net current-period other comprehensive income (loss)	(22)	8	(14)
Balance at March 31, 2017	$ (4,428)	$ (669)	$ (5,097)

(1) Relates principally to pension, retiree medical and other postretirement benefits obligations that will not be recognized in net income until the obligations are fully extinguished.

(2) Relates to pension, retiree medical and other postretirement benefits obligations and is recognized within the income tax provision on the condensed consolidated statement of operations.

Reclassifications out of AOCI for the three months ended March 31, 2017 and 2016 are as follows (in millions):

AOCI Components	Amount reclassified from AOCI Three Months Ended March 31, 2017	2016	Affected line items on the condensed consolidated statements of operations
Amortization of pension, retiree medical and other postretirement benefits:			
Prior service cost (benefit)	$ (33)	$ (33)	Salaries, wages and benefits
Actuarial loss	19	17	Salaries, wages and benefits
Total reclassifications for the period, net of tax	$ (14)	$ (16)	

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.
(Unaudited)

10. Regional Expenses

Expenses associated with our wholly-owned regional airlines and third-party regional carriers operating under the brand name American Eagle are classified as regional expenses on the condensed consolidated statements of operations. Regional expenses consist of the following (in millions):

	Three Months Ended March 31,	
	2017	2016
Aircraft fuel and related taxes	$ 318	$ 219
Salaries, wages and benefits	345	326
Capacity purchases from third-party regional carriers	393	394
Maintenance, materials and repairs	69	95
Other rent and landing fees	152	128
Aircraft rent	9	9
Selling expenses	80	78
Depreciation and amortization	79	68
Special items, net	2	5
Other	126	110
Total regional expenses	$ 1,573	$ 1,432

11. Legal Proceedings

Chapter 11 Cases. On November 29, 2011, AMR, American, and certain of AMR's other direct and indirect domestic subsidiaries (the Debtors) filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court). On October 21, 2013, the Bankruptcy Court entered an order approving and confirming the Debtors' fourth amended joint plan of reorganization (as amended, the Plan). On the Effective Date, December 9, 2013, the Debtors consummated their reorganization pursuant to the Plan and completed the Merger.

Pursuant to rulings of the Bankruptcy Court, the Plan established the Disputed Claims Reserve to hold shares of AAG common stock reserved for issuance to disputed claimholders at the Effective Date that ultimately become holders of allowed claims. As of March 31, 2017, there were approximately 25.2 million shares of AAG common stock remaining in the Disputed Claims Reserve. As disputed claims are resolved, the claimants will receive distributions of shares from the Disputed Claims Reserve on the same basis as if such distributions had been made on or about the Effective Date. However, we are not required to distribute additional shares above the limits contemplated by the Plan, even if the shares remaining for distribution are not sufficient to fully pay any additional allowed unsecured claims. To the extent that any of the reserved shares remain undistributed upon resolution of all remaining disputed claims, such shares will not be returned to us but rather will be distributed to former AMR stockholders.

There is also pending in the Bankruptcy Court an adversary proceeding relating to an action brought by American to seek a determination that certain non-pension, postemployment benefits are not vested benefits and thus may be modified or terminated without liability to American. On April 18, 2014, the Bankruptcy Court granted American's motion for summary judgment with respect to certain non-union employees, concluding that their benefits were not vested and could be terminated. The summary judgment motion was denied with respect to all other retirees. The Bankruptcy Court has not yet scheduled a trial on the merits concerning whether those retirees' benefits are vested, and American cannot predict whether it will receive relief from obligations to provide benefits to any of those retirees. Our financial statements presently reflect these retirement programs without giving effect to any modification or termination of benefits that may ultimately be implemented based upon the outcome of this proceeding.

DOJ Antitrust Civil Investigative Demand. In June 2015, we received a Civil Investigative Demand (CID) from the United States Department of Justice (DOJ) as part of an investigation into whether there have been illegal agreements or coordination of air passenger capacity. The CID seeks documents and other information from us, and other airlines have announced that they have received similar requests. We are cooperating fully with the DOJ investigation. In addition, subsequent to announcement of the delivery of CIDs by the DOJ, we, along with Delta Air Lines, Inc., Southwest Airlines Co., United Airlines, Inc. and, in the case of litigation filed in Canada, Air Canada, have been named as defendants in approximately 100 putative class action lawsuits alleging unlawful agreements with respect to air passenger capacity. The U.S. lawsuits have been consolidated in the Federal District Court for the District of Columbia. On October 28, 2016, the Court denied a motion by the airline defendants to dismiss all claims in the class actions. Both the DOJ investigation and these lawsuits are in their relatively early stages and we intend to defend these matters vigorously.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES GROUP INC.
(Unaudited)

Private Party Antitrust Action. On July 2, 2013, a lawsuit captioned Carolyn Fjord, et al., v. US Airways Group, Inc., et al., was filed in the United States District Court for the Northern District of California. The complaint named as defendants US Airways Group and US Airways, alleged that the effect of the Merger may be to create a monopoly in violation of Section 7 of the Clayton Antitrust Act, and sought injunctive relief and/or divestiture. On August 6, 2013, the plaintiffs re-filed their complaint in the Bankruptcy Court, adding AMR and American as defendants. On November 27, 2013, the Bankruptcy Court denied plaintiffs' motion to preliminarily enjoin the Merger. On August 19, 2015, after three previous largely unsuccessful attempts to amend their complaint, plaintiffs filed a fourth motion for leave to file an amended and supplemental complaint to add a claim for damages and demand for jury trial, as well as claims similar to those in the putative class action lawsuits regarding air passenger capacity. Thereafter, plaintiffs filed a request with the Judicial Panel on Multidistrict Litigation to consolidate the Fjord matter with the putative class action lawsuits, which was denied on October 15, 2015. A scheduling order setting deadlines for fact and expert discovery and the parties' summary judgment briefing (if any) was entered by the court on February 22, 2017. We believe this lawsuit is without merit and intend to vigorously defend against the allegations.

DOJ Investigation Related to the United States Postal Service. In April 2015, the DOJ informed us of an inquiry regarding American's 2009 and 2011 contracts with the United States Postal Service for the international transportation of mail by air. In October 2015, we received a CID from the DOJ seeking certain information relating to these contracts and the DOJ has also sought information concerning certain of the airlines that transport mail on a codeshare basis. The DOJ has indicated it is investigating potential violations of the False Claims Act or other statutes. We are cooperating fully with the DOJ with regard to its investigation.

General. In addition to the specifically identified legal proceedings, we and our subsidiaries are also engaged in other legal proceedings from time to time. Legal proceedings can be complex and take many months, or even years, to reach resolution, with the final outcome depending on a number of variables, some of which are not within our control. Therefore, although we will vigorously defend ourselves in each of the actions described above and such other legal proceedings, their ultimate resolution and potential financial and other impacts on us are uncertain but could be material. See Part II, Item 1A. Risk Factors – "*We may be a party to litigation in the normal course of business or otherwise, which could affect our financial position and liquidity*" for additional discussion.

12. Subsequent Event

Dividend Declaration

In April 2017, we announced that our Board of Directors had declared a $0.10 per share dividend for stockholders of record on May 16, 2017, and payable on May 30, 2017. Any future dividends that may be declared and paid from time to time will be subject to market and economic conditions, applicable legal requirements and other relevant factors. We are not obligated to continue a dividend for any fixed period, and payment of dividends may be suspended at any time at our discretion.

[Table of Contents](#)

ITEM 1B. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, INC.

AMERICAN AIRLINES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions)(Unaudited)

	Three Months Ended March 31,	
	2017	2016
Operating revenues:		
Mainline passenger	$ 6,607	$ 6,564
Regional passenger	1,548	1,523
Cargo	172	162
Other	1,294	1,178
Total operating revenues	9,621	9,427
Operating expenses:		
Aircraft fuel and related taxes	1,402	1,029
Salaries, wages and benefits	2,823	2,650
Regional expenses	1,569	1,436
Maintenance, materials and repairs	492	419
Other rent and landing fees	440	422
Aircraft rent	295	306
Selling expenses	318	308
Depreciation and amortization	405	355
Special items, net	119	99
Other	1,154	1,080
Total operating expenses	9,017	8,104
Operating income	604	1,323
Nonoperating income (expense):		
Interest income	49	21
Interest expense, net	(241)	(218)
Other, net	(1)	8
Total nonoperating expense, net	(193)	(189)
Income before income taxes	411	1,134
Income tax provision	148	424
Net income	$ 263	$ 710

See accompanying notes to condensed consolidated financial statements.

AMERICAN AIRLINES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)(Unaudited)

	Three Months Ended March 31, 2017	2016
Net income	$ 263	$ 710
Other comprehensive loss, net of tax:		
Pension, retiree medical and other postretirement benefits	(14)	(19)
Investments	—	2
Total other comprehensive loss, net of tax	(14)	(17)
Total comprehensive income	$ 249	$ 693

See accompanying notes to condensed consolidated financial statements.

Table of Contents

AMERICAN AIRLINES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except shares and par value)

	March 31, 2017 (Unaudited)	December 31, 2016
ASSETS		
Current assets		
Cash	$ 363	$ 310
Short-term investments	6,298	6,034
Restricted cash and short-term investments	543	638
Accounts receivable, net	1,401	1,599
Receivables from related parties, net	7,407	6,810
Aircraft fuel, spare parts and supplies, net	1,091	1,032
Prepaid expenses and other	847	633
Total current assets	17,950	17,056
Operating property and equipment		
Flight equipment	38,003	36,671
Ground property and equipment	7,120	6,910
Equipment purchase deposits	1,247	1,209
Total property and equipment, at cost	46,370	44,790
Less accumulated depreciation and amortization	(14,357)	(13,909)
Total property and equipment, net	32,013	30,881
Other assets		
Goodwill	4,091	4,091
Intangibles, net of accumulated amortization of $590 and $578, respectively	2,236	2,173
Deferred tax asset	1,775	1,912
Other assets	1,934	1,979
Total other assets	10,036	10,155
Total assets	$ 59,999	$ 58,092
LIABILITIES AND STOCKHOLDER’S EQUITY		
Current liabilities		
Current maturities of long-term debt and capital leases	$ 1,717	$ 1,859
Accounts payable	1,829	1,546
Accrued salaries and wages	1,018	1,460
Air traffic liability	5,298	3,912
Loyalty program liability	3,056	2,789
Other accrued liabilities	2,131	2,106
Total current liabilities	15,049	13,672
Noncurrent liabilities		
Long-term debt and capital leases, net of current maturities	21,058	20,718
Pension and postretirement benefits	7,767	7,800
Deferred gains and credits, net	494	526
Other liabilities	2,715	2,727
Total noncurrent liabilities	32,034	31,771
Commitments and contingencies		
Stockholder’s equity		
Common stock, $1.00 par value; 1,000 shares authorized, issued and outstanding	—	—
Additional paid-in capital	16,642	16,624
Accumulated other comprehensive loss	(5,196)	(5,182)
Retained earnings	1,470	1,207
Total stockholder’s equity	12,916	12,649
Total liabilities and stockholder’s equity	$ 59,999	$ 58,092

See accompanying notes to condensed consolidated financial statements.

Table of Contents

AMERICAN AIRLINES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)(Unaudited)

	Three Months Ended March 31,	
	2017	2016
Net cash provided by operating activities	$ 1,696	$ 1,034
Cash flows from investing activities:		
Capital expenditures and aircraft purchase deposits	(1,695)	(1,539)
Purchases of short-term investments	(1,920)	(1,715)
Sales of short-term investments	1,660	1,150
Decrease in restricted cash and short-term investments	95	4
Proceeds from sale of property and equipment and other investments	31	2
Net cash used in investing activities	(1,829)	(2,098)
Cash flows from financing activities:		
Payments on long-term debt and capital leases	(686)	(309)
Proceeds from issuance of long-term debt	899	1,500
Deferred financing costs	(31)	(20)
Other financing activities	4	15
Net cash provided by financing activities	186	1,186
Net increase in cash	53	122
Cash at beginning of period	310	364
Cash at end of period	$ 363	$ 486
Non-cash investing and financing activities:		
Settlement of bankruptcy obligations	$ —	$ 3
Supplemental information:		
Interest paid, net	243	216
Income taxes paid	4	3

See accompanying notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, INC. (Unaudited)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of American Airlines, Inc. (American) should be read in conjunction with the consolidated financial statements contained in American's Annual Report on Form 10-K for the year ended December 31, 2016. American is the principal wholly-owned subsidiary of American Airlines Group Inc. (AAG). All significant intercompany transactions have been eliminated.

On December 9, 2013, a subsidiary of AMR Corporation (AMR) merged with and into US Airways Group, Inc. (US Airways Group), a Delaware corporation, which survived as a wholly-owned subsidiary of AAG, and AAG emerged from Chapter 11 (the Merger). Upon closing of the Merger and emergence from Chapter 11, AMR changed its name to American Airlines Group Inc. On December 30, 2015, in order to simplify AAG's internal corporate structure, US Airways, Inc. (US Airways), a wholly-owned subsidiary of US Airways Group, merged with and into American, with American as the surviving corporation.

Management believes that all adjustments necessary for the fair presentation of results, consisting of normally recurring items, have been included in the unaudited condensed consolidated financial statements for the interim periods presented. The preparation of financial statements in accordance with accounting principles generally accepted in the United States (GAAP) requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. The most significant areas of judgment relate to passenger revenue recognition, impairment of goodwill, impairment of long-lived and intangible assets, the loyalty program, valuation allowance for deferred tax assets, as well as pensions and retiree medical and other postretirement benefits. Certain prior period amounts have been reclassified to conform to the current year presentation.

Recent Accounting Pronouncements

Revenue

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, “Revenue from Contracts with Customers (Topic 606).” ASU 2014-09 completes the joint effort by the FASB and International Accounting Standards Board (IASB) to improve financial reporting by creating common revenue recognition guidance for GAAP and International Financial Reporting Standards (IFRS). Subsequently, the FASB has issued several additional ASUs to clarify the implementation. The new revenue standard applies to all companies that enter into contracts with customers to transfer goods or services and is effective for public entities for interim and annual reporting periods beginning after December 15, 2017. American will adopt the new revenue standard effective January 1, 2018. Entities have the choice to apply the new revenue standard either retrospectively to each reporting period presented or by recognizing the cumulative effect of applying the new revenue standard at the date of initial application and not adjusting comparative information. American currently expects to adopt the new revenue standard using the full retrospective method.

American is still in the process of evaluating how the adoption of the new revenue standard will impact its condensed consolidated financial statements. American currently expects that the new revenue standard will materially impact its liability for outstanding mileage credits earned by AAdvantage loyalty program members when flying on American. American currently uses the incremental cost method to account for this portion of its loyalty program liability, which values these mileage credits based on the estimated incremental cost of carrying one additional passenger. The new revenue standard will require American to change its policy and apply a relative selling price approach whereby a portion of each passenger ticket sale attributable to mileage credits earned will be deferred and recognized in passenger revenue upon future mileage redemption. The carrying value of the earned mileage credits recognized in loyalty program liability is expected to be materially greater under the relative selling price approach than the value attributed to these mileage credits under the incremental cost method. The new revenue standard will also require American to reclassify certain ancillary fees to passenger revenue, which are currently included within other operating revenue.

Leases

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842).” ASU 2016-02 requires lessees to recognize a lease liability and a right-of-use asset on the balance sheet and aligns many of the underlying principles of the new lessor model with those in Accounting Standards Codification Topic 606, Revenue from Contracts with Customers. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. Entities are required to adopt the new lease standard using a modified retrospective approach for all leases existing at or commencing after the date of initial application with an option to use certain practical expedients.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, INC.
(Unaudited)

American is currently evaluating how the adoption of the new lease standard will impact its condensed consolidated financial statements. Interpretations are on-going and could have a material impact on American's implementation. Currently, American expects that the adoption of the new lease standard will have a material impact on its condensed consolidated balance sheet due to the recognition of right-of-use assets and lease liabilities principally for certain leases currently accounted for as operating leases.

Statement of Cash Flows

In November 2016, the FASB issued ASU 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash." ASU 2016-18 requires that the change in total cash, cash at beginning of period and cash at end of period on the statement of cash flows include restricted cash and restricted cash equivalents. ASU 2016-18 also requires companies who report cash and restricted cash separately on the balance sheet to reconcile those amounts to the statement of cash flows. This standard is to be applied retrospectively to each period presented and is effective for public entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted. This standard is not expected to have a material impact on American's condensed consolidated financial statements.

Retirement Benefits

In March 2017, the FASB issued ASU 2017-07, "Compensation – Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." ASU 2017-07 requires an entity to present the service cost component of net benefit cost in the income statement line items where it reports compensation cost. Entities will present all other components of net benefit cost outside of operating income, if this subtotal is presented. This standard is to be applied retrospectively to each period presented and is effective for public entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. American will adopt this standard on January 1, 2018. The new standard will require all components of American's net periodic benefit cost (income), with the exception of service cost, currently reported within operating expenses as salaries, wages and benefits, to be reclassified and reported within nonoperating income (expense). The adoption of this new standard will have no impact on pre-tax income or net income reported. See Note 6 for American's current components of net periodic benefit cost (income).

2. Special Items, Net

Special items, net on the condensed consolidated statements of operations consisted of the following (in millions):

	Three Months Ended March 31,	
	2017	2016
Merger integration expenses [1]	$ 63	$ 104
Fleet restructuring expenses [2]	63	26
Mark-to-market adjustments for bankruptcy obligations and other	(18)	(5)
Other operating charges (credits), net	11	(26)
Mainline operating special items, net	119	99
Regional operating special items, net [3]	2	5
Nonoperating special items, net [4]	5	—

(1) Merger integration expenses included costs related to information technology, professional fees, re-branding of aircraft and airport facilities and training. Additionally, the 2016 period also included costs related to alignment of labor union contracts, re-branded uniforms, severance and relocation.

(2) Fleet restructuring expenses driven by the Merger included the acceleration of aircraft depreciation, impairments, remaining lease payments and lease return costs for aircraft currently grounded or expected to be grounded earlier than planned.

(3) Regional operating special items, net principally related to Merger integration expenses.

(4) Nonoperating special items, net primarily consisted of debt issuance and extinguishment costs associated with a term loan refinancing.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, INC.
(Unaudited)

3. Debt

Long-term debt and capital lease obligations included in the condensed consolidated balance sheets consisted of (in millions):

	March 31, 2017	December 31, 2016
Secured		
2013 Credit Facilities, variable interest rate of 2.98%, installments through 2020	$ 1,843	$ 1,843
2014 Credit Facilities, variable interest rate of 3.38%, installments through 2021	735	735
April 2016 Credit Facilities, variable interest rate of 3.48%, installments through 2023	1,000	1,000
December 2016 Credit Facilities, variable interest rate of 3.41%, installments through 2023	1,250	1,250
Aircraft enhanced equipment trust certificates (EETCs), fixed interest rates ranging from 3.00% to 9.75%, maturing from 2017 to 2029	11,181	10,912
Equipment loans and other notes payable, fixed and variable interest rates ranging from 2.21% to 8.53%, maturing from 2017 to 2029	5,305	5,343
Special facility revenue bonds, fixed interest rates ranging from 5.00% to 5.50%, maturing from 2017 to 2035	862	862
Other secured obligations, fixed interest rates ranging from 3.60% to 12.24%, maturing from 2017 to 2028	830	848
Total long-term debt and capital lease obligations	23,006	22,793
Less: Total unamortized debt discount, premium and issuance costs	231	216
Less: Current maturities	1,717	1,859
Long-term debt and capital lease obligations, net of current maturities	$ 21,058	$ 20,718

The table below shows availability under revolving credit facilities, all of which were undrawn, as of March 31, 2017 (in millions):

2013 Revolving Facility	$1,400
2014 Revolving Facility	1,025
Total	$2,425

The April 2016 and December 2016 Credit Facilities each provide for a revolving credit facility that may be established in the future.

2017 Aircraft Financing Activities

2017-1 EETCs

In January 2017, American created three pass-through trusts which issued approximately $983 million aggregate principal amount of Series 2017-1 Class AA, Class A and Class B EETCs (the 2017-1 EETCs) in connection with the financing of 24 aircraft scheduled to be delivered to American through May 2017 (the 2017-1 Aircraft). A portion of the proceeds received from the sale of the 2017-1 EETCs has been used to acquire Series AA, A and B equipment notes issued by American to the pass-through trusts and the balance of such proceeds is being held in escrow for the benefit of the holders of the 2017-1 EETCs until such time as American issues additional Series AA, A and B equipment notes to the pass-through trusts, which will purchase such additional equipment notes with the escrowed funds. These escrowed funds are not guaranteed by American and are not reported as debt on its condensed consolidated balance sheet because the proceeds held by the depository are not American's assets.

As of March 31, 2017, approximately $635 million of the escrowed proceeds from the 2017-1 EETCs have been used to purchase equipment notes issued by American. Interest and principal payments on the equipment notes will be payable semi-annually in February and August of each year, with interest payments beginning in August 2017 and principal payments beginning in February 2018. The equipment notes are secured by liens on the 2017-1 Aircraft.

Certain information regarding the 2017-1 EETC equipment notes and the remaining escrowed proceeds of the 2017-1 EETC, as of March 31, 2017, is set forth in the table below.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, INC.
(Unaudited)

	2017-1 EETCs		
	Series AA	Series A	Series B
Aggregate principal amount	$537 million	$248 million	$198 million
Remaining escrowed proceeds	$190 million	$88 million	$70 million
Fixed interest rate per annum	3.65%	4.00%	4.95%
Maturity date	February 2029	February 2029	February 2025

2016-3 EETCs

During the first quarter of 2017, all remaining proceeds of the Series 2016-3 Class AA and Class A (the 2016-3 EETCs), in the amount of $109 million, were used to purchase equipment notes issued by American and, after giving effect to such purchase, all of the proceeds received from the sale of the 2016-3 EETCs have been used to purchase equipment notes issued by American in connection with the financing of new aircraft on or following the delivery thereof. Interest and principal payments on the equipment notes are payable semi-annually in April and October of each year, with interest payments beginning in April 2017 and principal payments beginning in October 2017. These equipment notes are secured by liens on the aircraft financed with the proceeds of the 2016-3 EETCs.

Certain information regarding the 2016-3 EETC equipment notes, as of March 31, 2017, is set forth in the table below.

	2016-3 EETCs	
	Series AA	Series A
Aggregate principal amount	$558 million	$256 million
Fixed interest rate per annum	3.00%	3.25%
Maturity date	October 2028	October 2028

Equipment Loans and Other Notes Payable Issued in 2017

In the first quarter of 2017, American entered into loan agreements to borrow $155 million in connection with the financing of certain aircraft. Debt incurred under these loan agreements matures in 2027 through 2029.

2017 Other Financing Activities

2013 Credit Facilities

In March 2017, American and AAG amended the Amended and Restated Credit and Guaranty Agreement dated October 26, 2015 (which amended and restated the Credit and Guaranty Agreement dated May 21, 2015), pursuant to which American refinanced the $1.8 billion term loan facility due June 2020 established thereunder (the 2013 Term Loan Facility and, together with the $1.4 billion revolving credit facility established under such agreement, the 2013 Credit Facilities) to reduce the London Interbank Offered Rate margin from 2.50% to 2.00% and the base rate margin from 1.50% to 1.00%. The $1.4 billion revolving credit facility under the 2013 Credit Facilities (the 2013 Revolving Facility) remains unchanged. As of March 31, 2017, $1.8 billion of principal was outstanding under the 2013 Term Loan Facility and there were no borrowings or letters of credit outstanding under the 2013 Revolving Facility.

4. Income Taxes

At December 31, 2016, American had approximately $11.3 billion of gross net operating losses (NOLs) carried over from prior taxable years (NOL Carryforwards) to reduce future federal taxable income, substantially all of which are expected to be available for use in 2017. American is a member of AAG’s consolidated federal and certain state income tax returns. The amount of federal NOL Carryforwards available in those returns is $10.5 billion, substantially all of which is expected to be available for use in 2017. The federal NOL Carryforwards will expire beginning in 2022 if unused. American also had approximately $3.4 billion of NOL Carryforwards to reduce future state taxable income at December 31, 2016, which will expire in years 2017 through 2034 if unused.

At December 31, 2016, American had an alternative minimum tax credit carryforward of approximately $452 million available for federal income tax purposes, which is available for an indefinite period.

In the first quarter of 2017, American recorded an income tax provision of $148 million, which was substantially non-cash due to the utilization of the NOLs described above. Substantially all of American’s income before income taxes is attributable to the United States.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, INC.
(Unaudited)

5. Fair Value Measurements

Assets Measured at Fair Value on a Recurring Basis

American utilizes the market approach to measure fair value for its financial assets. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets. American's short-term investments classified as Level 2 primarily utilize broker quotes in a non-active market for valuation of these securities. No changes in valuation techniques or inputs occurred during the three months ended March 31, 2017.

Assets measured at fair value on a recurring basis are summarized below (in millions):

	Fair Value Measurements as of March 31, 2017			
	Total	Level 1	Level 2	Level 3
Short-term investments (1) (2):				
Money market funds	$ 601	$ 601	$ —	$ —
Corporate obligations	2,400	—	2,400	—
Bank notes/certificates of deposit/time deposits	3,297	—	3,297	—
	6,298	601	5,697	—
Restricted cash and short-term investments (1)	543	95	448	—
Total	$ 6,841	$ 696	$ 6,145	$ —

(1) Unrealized gains or losses on short-term investments and restricted cash and short-term investments are recorded in accumulated other comprehensive loss at each measurement date.

(2) All short-term investments are classified as available-for-sale and stated at fair value. American's short-term investments mature in one year or less except for $1.1 billion of bank notes/certificates of deposit/time deposits and $421 million of corporate obligations.

Fair Value of Debt

The fair value of American's long-term debt was estimated using quoted market prices or discounted cash flow analyses, based on American's current estimated incremental borrowing rates for similar types of borrowing arrangements. If American's long-term debt was measured at fair value, it would have been classified as Level 2 in the fair value hierarchy.

The carrying value and estimated fair value of American's long-term debt, including current maturities, were as follows (in millions):

	March 31, 2017		December 31, 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, including current maturities	$22,775	$23,280	$22,577	$23,181

6. Employee Benefit Plans

The following table provides the components of net periodic benefit cost (income) (in millions):

	Pension Benefits		Retiree Medical and Other Postretirement Benefits	
Three Months Ended March 31,	2017	2016	2017	2016
Service cost	$ —	$ —	$ 1	$ 1
Interest cost	180	187	10	12
Expected return on assets	(196)	(187)	(5)	(5)
Amortization of:				
Prior service cost (benefit)	7	7	(59)	(60)
Unrecognized net loss (gain)	36	31	(6)	(4)
Net periodic benefit cost (income)	$ 27	$ 38	$ (59)	$ (56)

Effective November 1, 2012, substantially all of American's defined benefit pension plans were frozen.

Table of Contents

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, INC.
(Unaudited)

7. Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive income (loss) (AOCI) are as follows (in millions):

	Pension, Retiree Medical and Other Postretirement Benefits	Income Tax Benefit (Provision) (1)	Total
Balance at December 31, 2016	$ (4,394)	$ (788)	$ (5,182)
Amounts reclassified from accumulated other comprehensive income (loss)	(22)	8 (2)	(14)
Net current-period other comprehensive income (loss)	(22)	8	(14)
Balance at March 31, 2017	$ (4,416)	$ (780)	$ (5,196)

(1) Relates principally to pension, retiree medical and other postretirement benefits obligations that will not be recognized in net income until the obligations are fully extinguished.

(2) Relates to pension, retiree medical and other postretirement benefits obligations and is recognized within the income tax provision on the condensed consolidated statement of operations.

Reclassifications out of AOCI for the three months ended March 31, 2017 and 2016 are as follows (in millions):

AOCI Components	Amount reclassified from AOCI Three Months Ended March 31, 2017	2016	Affected line items on the condensed consolidated statements of operations
Amortization of pension, retiree medical and other postretirement benefits:			
Prior service cost (benefit)	$ (33)	$ (33)	Salaries, wages and benefits
Actuarial loss	19	17	Salaries, wages and benefits
Total reclassifications for the period, net of tax	$ (14)	$ (16)	

8. Regional Expenses

Expenses associated with American's third-party regional carriers operating under the brand name American Eagle are classified as regional expenses on the condensed consolidated statements of operations. Regional expenses consist of the following (in millions):

	Three Months Ended March 31, 2017	2016
Aircraft fuel and related taxes	$ 318	$ 219
Salaries, wages and benefits	75	84
Capacity purchases from third-party regional carriers	801	814
Maintenance, materials and repairs	1	1
Other rent and landing fees	146	109
Aircraft rent	7	7
Selling expenses	80	78
Depreciation and amortization	64	54
Special items, net	2	5
Other	75	65
Total regional expenses	$ 1,569	$ 1,436

9. Transactions with Related Parties

The following represents the net receivables (payables) to related parties (in millions):

	March 31, 2017	December 31, 2016
AAG (1)	$ 9,567	$ 8,981
AAG's wholly-owned subsidiaries (2)	(2,160)	(2,171)
Total	$ 7,407	$ 6,810

(1) The increase in American's net related party receivable from AAG is primarily due to American providing the cash funding for AAG's share repurchase and dividend programs.

(2) The net payable to AAG's wholly-owned subsidiaries consists primarily of amounts due under regional capacity purchase agreements with AAG's wholly-owned regional airlines operating under the brand name of American Eagle.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, INC.
(Unaudited)

10. Legal Proceedings

Chapter 11 Cases. On November 29, 2011, AMR, American, and certain of AMR's other direct and indirect domestic subsidiaries (the Debtors) filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court). On October 21, 2013, the Bankruptcy Court entered an order approving and confirming the Debtors' fourth amended joint plan of reorganization (as amended, the Plan). On the Effective Date, December 9, 2013, the Debtors consummated their reorganization pursuant to the Plan and completed the Merger.

Pursuant to rulings of the Bankruptcy Court, the Plan established the Disputed Claims Reserve to hold shares of AAG common stock reserved for issuance to disputed claimholders at the Effective Date that ultimately become holders of allowed claims. As of March 31, 2017, there were approximately 25.2 million shares of AAG common stock remaining in the Disputed Claims Reserve. As disputed claims are resolved, the claimants will receive distributions of shares from the Disputed Claims Reserve on the same basis as if such distributions had been made on or about the Effective Date. However, American is not required to distribute additional shares above the limits contemplated by the Plan, even if the shares remaining for distribution are not sufficient to fully pay any additional allowed unsecured claims. To the extent that any of the reserved shares remain undistributed upon resolution of all remaining disputed claims, such shares will not be returned to American but rather will be distributed to former AMR stockholders.

There is also pending in the Bankruptcy Court an adversary proceeding relating to an action brought by American to seek a determination that certain non-pension, postemployment benefits are not vested benefits and thus may be modified or terminated without liability to American. On April 18, 2014, the Bankruptcy Court granted American's motion for summary judgment with respect to certain non-union employees, concluding that their benefits were not vested and could be terminated. The summary judgment motion was denied with respect to all other retirees. The Bankruptcy Court has not yet scheduled a trial on the merits concerning whether those retirees' benefits are vested, and American cannot predict whether it will receive relief from obligations to provide benefits to any of those retirees. American's financial statements presently reflect these retirement programs without giving effect to any modification or termination of benefits that may ultimately be implemented based upon the outcome of this proceeding.

DOJ Antitrust Civil Investigative Demand. In June 2015, American received a Civil Investigative Demand (CID) from the United States Department of Justice (DOJ) as part of an investigation into whether there have been illegal agreements or coordination of air passenger capacity. The CID seeks documents and other information from American, and other airlines have announced that they have received similar requests. American is cooperating fully with the DOJ investigation. In addition, subsequent to announcement of the delivery of CIDs by the DOJ, American, along with Delta Air Lines, Inc., Southwest Airlines Co., United Airlines, Inc. and, in the case of litigation filed in Canada, Air Canada, have been named as defendants in approximately 100 putative class action lawsuits alleging unlawful agreements with respect to air passenger capacity. The U.S. lawsuits have been consolidated in the Federal District Court for the District of Columbia. On October 28, 2016, the Court denied a motion by the airline defendants to dismiss all claims in the class actions. Both the DOJ investigation and these lawsuits are in their relatively early stages and American intends to defend these matters vigorously.

Private Party Antitrust Action. On July 2, 2013, a lawsuit captioned Carolyn Fjord, et al., v. US Airways Group, Inc., et al., was filed in the United States District Court for the Northern District of California. The complaint named as defendants US Airways Group and US Airways, alleged that the effect of the Merger may be to create a monopoly in violation of Section 7 of the Clayton Antitrust Act, and sought injunctive relief and/or divestiture. On August 6, 2013, the plaintiffs re-filed their complaint in the Bankruptcy Court, adding AMR and American as defendants. On November 27, 2013, the Bankruptcy Court denied plaintiffs' motion to preliminarily enjoin the Merger. On August 19, 2015, after three previous largely unsuccessful attempts to amend their complaint, plaintiffs filed a fourth motion for leave to file an amended and supplemental complaint to add a claim for damages and demand for jury trial, as well as claims similar to those in the putative class action lawsuits regarding air passenger capacity. Thereafter, plaintiffs filed a request with the Judicial Panel on Multidistrict Litigation to consolidate the Fjord matter with the putative class action lawsuits, which was denied on October 15, 2015. A scheduling order setting deadlines for fact and expert discovery and the parties' summary judgment briefing (if any) was entered by the court on February 22, 2017. American believes this lawsuit is without merit and intends to vigorously defend against the allegations.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF AMERICAN AIRLINES, INC.
(Unaudited)

DOJ Investigation Related to the United States Postal Service. In April 2015, the DOJ informed American of an inquiry regarding American's 2009 and 2011 contracts with the United States Postal Service for the international transportation of mail by air. In October 2015, American received a CID from the DOJ seeking certain information relating to these contracts and the DOJ has also sought information concerning certain of the airlines that transport mail on a codeshare basis. The DOJ has indicated it is investigating potential violations of the False Claims Act or other statutes. American is cooperating fully with the DOJ with regard to its investigation.

General. In addition to the specifically identified legal proceedings, American and its subsidiaries are also engaged in other legal proceedings from time to time. Legal proceedings can be complex and take many months, or even years, to reach resolution, with the final outcome depending on a number of variables, some of which are not within American's control. Therefore, although American will vigorously defend itself in each of the actions described above and such other legal proceedings, their ultimate resolution and potential financial and other impacts on American are uncertain but could be material. See Part II, Item 1A. Risk Factors – "*We may be a party to litigation in the normal course of business or otherwise, which could affect our financial position and liquidity*" for additional discussion.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Part I, Item 2 of this report should be read in conjunction with Part II, Item 7 of AAG's and American's Annual Report on Form 10-K for the year ended December 31, 2016 (the 2016 Form 10-K). The information contained herein is not a comprehensive discussion and analysis of the financial condition and results of operations of AAG and American, but rather updates disclosures made in the 2016 Form 10-K.

Background

Together with our wholly-owned regional airline subsidiaries and third-party regional carriers operating as American Eagle, our airline operates an average of nearly 6,700 flights per day to nearly 350 destinations in more than 50 countries, principally from our hubs in Charlotte, Chicago, Dallas/Fort Worth, Los Angeles, Miami, New York, Philadelphia, Phoenix and Washington, D.C. In the first quarter of 2017, approximately 46 million passengers boarded our mainline and regional flights.

We are committed to consistently delivering safe, reliable and convenient service to our customers in every aspect of our operation, to building the best employee relations in the industry and to providing returns for our stockholders. In January 2017, we were named the 2017 Airline of the Year by *Air Transport World*, which cited the integration work related to the Merger, our operational and customer service improvements and the investments we are making in our product.

Financial Overview

The U.S. Airline Industry

In the first quarter of 2017, U.S. airlines were impacted by substantially higher fuel prices. Jet fuel prices closely follow the price of Brent crude oil. On average, the price of Brent crude oil per barrel was approximately 59% higher in the first quarter of 2017 as compared to the 2016 period. The average daily spot price for Brent crude oil during the first quarter of 2017 was $54 per barrel as compared to an average daily spot price of $34 per barrel during the first quarter of 2016. On a daily basis, Brent crude oil prices fluctuated during the quarter between a high of $56 per barrel to a low of $50 per barrel, and closed the quarter on March 31, 2017 at $52 per barrel. With respect to U.S. airline revenues, industry results were improving but remained mixed due in part to the lingering effects of competitive capacity growth in certain domestic and international markets.

See Part II, Item 1A. Risk Factors – "*Downturns in economic conditions could adversely affect our business*" and "*Our business is very dependent on the price and availability of aircraft fuel. Continued periods of high volatility in fuel costs, increased fuel prices or significant disruptions in the supply of aircraft fuel could have a significant negative impact on our operating results and liquidity.*"

AAG's First Quarter 2017 Results

The selected financial data presented below is derived from AAG's unaudited condensed consolidated financial statements included in Part I, Item 1A of this report and should be read in conjunction with those financial statements and the related notes thereto.

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	Increase (Decrease)	Percent Increase (Decrease)
	(In millions, except percentage changes)			
Mainline and regional passenger revenues	$ 8,155	$ 8,087	$ 68	0.8
Other operating revenues	1,297	1,186	111	9.3
Total operating revenues	9,624	9,435	189	2.0
Mainline and regional aircraft fuel and related taxes	1,720	1,248	472	37.8
Salaries, wages and benefits	2,825	2,652	173	6.5
Total operating expenses	9,023	8,100	923	11.4
Operating income	601	1,335	(734)	(55.0)
Pre-tax income	365	1,117	(752)	(67.4)
Income tax provision	131	417	(286)	(68.7)
Net income	234	700	(466)	(66.6)
Pre-tax income	$ 365	$ 1,117	$ (752)	(67.4)
Adjusted for: Total pre-tax special items (1)	126	104	22	21.5
Pre-tax income excluding special items	$ 491	$ 1,221	$ (730)	(60.0)

(1) See below *"Reconciliation of GAAP to Non-GAAP Financial Measures"* and Note 2 to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A for details on the components of special items.

Pre-Tax Income and Net Income

We realized net income of $234 million in the first quarter of 2017 as compared to net income of $700 million in the first quarter of 2016. Pre-tax income was $365 million and $1.1 billion in the first quarters of 2017 and 2016, respectively. Excluding the effects of pre-tax net special items, we recognized pre-tax income of $491 million in the first quarter of 2017 and $1.2 billion in the first quarter of 2016. The quarter-over-quarter declines in our pre-tax income on both a GAAP basis and excluding pre-tax net special items were principally driven by higher fuel costs as well as higher salaries, wages and benefits due to wage rate increases in certain labor contracts, including our maintenance and fleet service work groups, which became effective subsequent to the first quarter of 2016.

Revenue

In the first quarter of 2017, we reported total operating revenues of $9.6 billion, an increase of $189 million, or 2.0%, as compared to the 2016 period. Mainline and regional passenger revenues were $8.2 billion, an increase of $68 million, or 0.8%, as compared to the 2016 period. The increase in mainline and regional passenger revenues was driven by a 2.4% period-over-period increase in consolidated passenger yields. Domestic consolidated yields increased 3.1% and international yields rose 0.6%, driven by improvement in Latin America. The first quarter of 2017 marks a second consecutive quarter of period-over-period increasing yields, which has not occurred since the fourth quarter of 2014.

Additionally, other revenues increased $111 million primarily due to revenues associated with our loyalty program, principally new co-branded credit card agreements that became effective in the third quarter of 2016. Our mainline and regional total revenue per available seat mile (TRASM) was 14.96 cents in the first quarter of 2017, a 3.1% increase as compared to 14.50 cents in the first quarter of 2016.

Fuel

Our mainline and regional fuel expense totaled $1.7 billion in the first quarter of 2017, which was $472 million, or 37.8%, higher as compared to the 2016 period. This increase was driven by a 40.4% increase in the average price per gallon of fuel to $1.70 in the first quarter of 2017 from $1.21 in the 2016 period, offset in part by a 1.8% decrease in gallons of fuel consumed.

As of March 31, 2017, we did not have any fuel hedging contracts outstanding to hedge our fuel consumption. As such, and assuming we do not enter into any future transactions to hedge our fuel consumption, we will continue to be fully exposed to fluctuations in fuel prices. Our current policy is not to enter into transactions to hedge our fuel consumption, although we review that policy from time to time based on market conditions and other factors.

Other Costs

We remain committed to actively managing our cost structure, which we believe is necessary in an industry whose economic prospects are heavily dependent upon two variables we cannot control: the health of the economy and the price of fuel.

Our 2017 first quarter mainline cost per available seat mile (CASM) was 13.17 cents, an increase of 13.7%, from 11.58 cents in 2016. The increase was primarily driven by higher fuel costs as well as higher salaries, wages and benefits due to wage rate increases in certain labor contracts described above.

Our 2017 first quarter mainline CASM excluding special items and fuel was 10.48 cents, an increase of 8.9% as compared to the 2016 period, which was also driven by higher salaries, wages and benefits.

For a reconciliation of mainline CASM excluding special items and fuel, see below *"Reconciliation of GAAP to Non-GAAP Financial Measures."*

Liquidity and Stockholder Returns

As of March 31, 2017, we had approximately $9.1 billion in total available liquidity, consisting of $6.7 billion in unrestricted cash and investments and $2.4 billion in undrawn revolving credit facilities. We also had restricted cash of $543 million.

During the first quarter of 2017, we returned $563 million to our stockholders, including quarterly dividend payments of $51 million and the repurchase of $512 million of common stock, or 11.7 million shares. Since our capital return program commenced in mid-2014, we have returned more than $10.2 billion to stockholders, including $697 million in quarterly dividend payments and $9.5 billion in share repurchases, or 240.0 million shares. In April 2017, our Board of Directors declared a $0.10 per share dividend for stockholders of record on May 16, 2017, and payable on May 30, 2017.

We continue to take advantage of historically low interest rates to finance our fleet renewal program. During the first quarter 2017, to finance new aircraft deliveries, we issued an aggregate principal amount of $744 million in Enhanced Equipment Trust Certificate (EETC) equipment notes at an average fixed interest rate of 3.86%, as well as $155 million in other equipment notes, which primarily bear interest at variable rates based on LIBOR plus a margin, averaging 2.63% at March 31, 2017. Additionally, we refinanced a $1.8 billion term loan facility. See Note 5 to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A for additional information on our debt obligations.

As a result of the foregoing factors, we currently have a higher debt level and fewer unencumbered assets than our peers. Accordingly, we believe it is important to retain liquidity levels higher than our network peers given our overall leverage as well as to protect against an adverse economic shock. Our current plan is to maintain minimum total available liquidity of $7.0 billion. We were well above that minimum level at March 31, 2017.

Reconciliation of GAAP to Non-GAAP Financial Measures

We sometimes use financial measures that are derived from the condensed consolidated financial statements but that are not presented in accordance with GAAP to understand and evaluate our current operating performance and to allow for period-to-period comparisons. We believe these non-GAAP financial measures may also provide useful information to investors and others. These non-GAAP measures may not be comparable to similarly titled non-GAAP measures of other companies, and should be considered in addition to and not as a substitute for or superior to, any measure of performance, cash flow or liquidity prepared in accordance with GAAP. We are providing a reconciliation of reported non-GAAP financial measures to their comparable financial measures on a GAAP basis.

Table of Contents

The table below presents the reconciliation of pre-tax income (GAAP measure) to pre-tax income excluding special items (non-GAAP measure). Management uses this non-GAAP financial measure to evaluate our current operating performance and to allow for period-to-period comparisons. As special items may vary from period-to-period in nature and amount, the adjustment to exclude special items allows management an additional tool to better understand our core operating performance.

Reconciliation of Pre-Tax Income Excluding Special Items:	**Three Months Ended March 31, 2017**	**2016**
Pre-tax income	$ 365	$ 1,117
Pre-tax special items [1]:		
Operating special items, net	121	104
Nonoperating special items, net	5	—
Total pre-tax special items	126	104
Pre-tax income excluding special items	$ 491	$ 1,221

Additionally, the table below presents the reconciliation of mainline operating costs (GAAP measure) to mainline operating costs excluding special items and fuel (non-GAAP measure). Management uses mainline operating costs excluding special items and fuel to evaluate our current operating performance and for period-to-period comparisons. The price of fuel, over which we have no control, impacts the comparability of period-to-period financial performance. The adjustment to exclude aircraft fuel and special items allows management an additional tool to better understand and analyze our non-fuel costs and core operating performance. Amounts may not recalculate due to rounding.

Reconciliation of Mainline CASM Excluding Special Items and Fuel:	**Three Months Ended March 31, 2017**	**2016**
(In millions)		
Total operating expenses	$ 9,023	$ 8,100
Less regional expenses:		
Fuel and related taxes.	(318)	(219)
Other	(1,255)	(1,213)
Total mainline operating expenses	7,450	6,668
Adjusted for: Special items, net [1]	(119)	(99)
Adjusted for: Aircraft fuel and related taxes	(1,402)	(1,029)
Mainline operating expenses excluding special items and fuel	$ 5,929	$ 5,540
(In millions)		
Available Seat Miles (ASM)	56,564	57,564
(In cents)		
Mainline CASM	13.17	11.58
Adjusted for: Special items, net per ASM	(0.21)	(0.17)
Adjusted for: Aircraft fuel and related taxes per ASM	(2.48)	(1.79)
Mainline CASM excluding special items and fuel	10.48	9.62

(1) See Note 2 to AAG’s Condensed Consolidated Financial Statements in Part I, Item 1A for further information on special items.

Table of Contents

AAG's Results of Operations

Operating Statistics

The table below sets forth selected mainline and regional operating data for the three months ended March 31, 2017 and 2016.

	Three Months Ended March 31,		Increase (Decrease)
	2017	2016	
Mainline			
Revenue passenger miles (millions) [a]	45,211	46,220	(2.2)%
Available seat miles (millions) [b]	56,564	57,564	(1.7)%
Passenger load factor (percent) [c]	79.9	80.3	(0.4)pts
Yield (cents) [d]	14.61	14.20	2.9%
Passenger revenue per available seat mile (cents) [e]	11.68	11.40	2.4%
Operating cost per available seat mile (cents) [f]	13.17	11.58	13.7%
Aircraft at end of period	944	942	0.2%
Fuel consumption (gallons in millions)	831	855	(2.8)%
Average aircraft fuel price including related taxes (dollars per gallon)	1.69	1.20	40.1%
Full-time equivalent employees at end of period	102,900	100,200	2.7%
Total Mainline and Regional			
Revenue passenger miles (millions) [a]	50,984	51,771	(1.5)%
Available seat miles (millions) [b]	64,341	65,064	(1.1)%
Passenger load factor (percent) [c]	79.2	79.6	(0.4)pts
Yield (cents) [d]	16.00	15.62	2.4%
Passenger revenue per available seat mile (cents) [e]	12.67	12.43	2.0%
Total revenue per available seat mile (cents) [g]	14.96	14.50	3.1%
Aircraft at end of period	1,567	1,539	1.8%
Fuel consumption (gallons in millions)	1,013	1,033	(1.8)%
Average aircraft fuel price including related taxes (dollars per gallon)	1.70	1.21	40.4%
Full-time equivalent employees at end of period [h]	124,300	120,200	3.4%

(a) Revenue passenger mile (RPM) – A basic measure of sales volume. One RPM represents one passenger flown one mile.
(b) Available seat mile (ASM) – A basic measure of production. One ASM represents one seat flown one mile.
(c) Passenger load factor – The percentage of available seats that are filled with revenue passengers.
(d) Yield – A measure of airline revenue derived by dividing passenger revenue by RPMs.
(e) Passenger revenue per available seat mile (PRASM) – Passenger revenues divided by ASMs.
(f) Operating cost per available seat mile (CASM) – Operating expenses divided by ASMs.
(g) Total revenue per available seat mile (TRASM) – Total revenues divided by total mainline and regional ASMs.
(h) Regional full-time equivalent employees only include our wholly-owned regional airline subsidiaries, Envoy, Piedmont and PSA.

Table of Contents

Three Months Ended March 31, 2017 Compared to Three Months Ended March 31, 2016

We realized pre-tax income of $365 million and $1.1 billion in the first quarters of 2017 and 2016, respectively. Excluding the effects of pre-tax net special items, pre-tax income was $491 million and $1.2 billion in the first quarters of 2017 and 2016, respectively.

Our first quarter 2017 pre-tax results on both a GAAP basis and excluding pre-tax net special items were principally driven by higher fuel costs as well as higher salaries, wages and benefits due to wage rate increases in certain labor contracts, including our maintenance and fleet service work groups, which became effective subsequent to the first quarter of 2016.

Operating Revenues

	Three Months Ended March 31,		Increase (Decrease)	Percent Increase (Decrease)
	2017	2016		
	(In millions, except percentage changes)			
Mainline passenger	$ 6,607	$ 6,564	$ 43	0.6
Regional passenger	1,548	1,523	25	1.7
Cargo	172	162	10	6.3
Other	1,297	1,186	111	9.3
Total operating revenues	$ 9,624	$ 9,435	$ 189	2.0

This table presents our total passenger revenues and the period-over-period change in certain operating statistics:

	Three Months Ended March 31, 2017	Increase (Decrease) vs. Three Months Ended March 31, 2016					
		Passenger Revenue	RPMs	ASMs	Load Factor	Passenger Yield	PRASM
	(In millions)						
Mainline passenger	$ 6,607	0.6%	(2.2)%	(1.7)%	(0.4)pts	2.9%	2.4%
Regional passenger	1,548	1.7%	4.0%	3.7%	0.2pts	(2.2)%	(2.0)%
Total passenger revenues	$ 8,155	0.8%	(1.5)%	(1.1)%	(0.4)pts	2.4%	2.0%

Total passenger revenues increased $68 million, or 0.8%, in the first quarter of 2017 from the 2016 period primarily driven by a 2.4% period-over-period increase in consolidated passenger yields. Domestic consolidated yields increased 3.1% and international yields rose 0.6%, driven by improvement in Latin America.

Other revenue primarily includes revenue associated with our loyalty program, baggage fees, ticketing change fees, airport clubs and inflight services. Other revenue increased $111 million, or 9.3%, in the first quarter of 2017 from the 2016 period primarily driven by an increase in loyalty program revenue. In the first quarters of 2017 and 2016, other revenue associated with our loyalty program was $604 million and $491 million, respectively, of which $530 million and $427 million, respectively, related to the marketing component of mileage sales and other marketing related payments. This period-over-period increase was primarily due to revenues associated with our new co-branded credit card agreements that became effective in the third quarter of 2016.

Total operating revenues in the first quarter of 2017 increased $189 million, or 2.0%, from the 2016 period driven principally by a 9.3% increase in other revenue as described above. Our mainline and regional TRASM was 14.96 cents in the first quarter of 2017, a 3.1% increase as compared to 14.50 cents in the 2016 period.

Mainline Operating Expenses

	Three Months Ended March 31, 2017	2016	Increase (Decrease)	Percent Increase (Decrease)
	(In millions, except percentage changes)			
Aircraft fuel and related taxes	$ 1,402	$ 1,029	$ 373	36.2
Salaries, wages and benefits	2,825	2,652	173	6.5
Maintenance, materials and repairs	492	419	73	17.5
Other rent and landing fees	440	422	18	4.4
Aircraft rent	295	306	(11)	(3.8)
Selling expenses	318	308	10	3.2
Depreciation and amortization	405	355	50	14.1
Special items, net	119	99	20	19.8
Other	1,154	1,078	76	7.1
Total mainline operating expenses	$ 7,450	$ 6,668	$ 782	11.7

Mainline operating expenses increased $782 million, or 11.7%, in the first quarter of 2017 from the 2016 period. The increase in operating expenses was primarily driven by higher fuel costs as well as salaries, wages and benefits. See detailed explanations below relating to changes in mainline CASM.

Mainline CASM

We sometimes use financial measures that are derived from the condensed consolidated financial statements but that are not presented in accordance with GAAP to understand and evaluate our current operating performance to allow for period-to-period comparisons. We believe these non-GAAP financial measures may also provide useful information to investors and others. These non-GAAP measures may not be comparable to similarly titled non-GAAP measures of other companies, and should be considered in addition to and not as a substitute for or superior to, any measure of performance, cash flow or liquidity prepared in accordance with GAAP. We are providing a reconciliation of reported non-GAAP financial measures to their comparable financial measures on a GAAP basis.

The table below presents the reconciliation of mainline operating expenses (GAAP measure) to mainline operating costs excluding special items and fuel (non-GAAP measure). Management uses mainline operating costs excluding special items and fuel to evaluate our current operating performance and for period-to-period comparisons. The price of fuel, over which we have no control, impacts the comparability of period-to-period financial performance. The adjustment to exclude aircraft fuel and special items allows management an additional tool to better understand and analyze our non-fuel costs and core operating performance.

The major components of our total mainline CASM and our mainline CASM excluding special items and fuel for the three months ended March 31, 2017 and 2016 are as follows (amounts may not recalculate due to rounding):

	Three Months Ended March 31, 2017	2016	Percent Increase (Decrease)
	(In cents, except percentage changes)		
Mainline CASM:			
Aircraft fuel and related taxes	2.48	1.79	38.6
Salaries, wages and benefits	5.00	4.61	8.4
Maintenance, materials and repairs	0.87	0.73	19.5
Other rent and landing fees	0.78	0.73	6.2
Aircraft rent	0.52	0.53	(2.1)
Selling expenses	0.56	0.54	5.0
Depreciation and amortization	0.72	0.62	16.1
Special items, net	0.21	0.17	21.9
Other	2.04	1.87	9.0
Total mainline CASM	13.17	11.58	13.7
Special items, net	(0.21)	(0.17)	21.9
Aircraft fuel and related taxes	(2.48)	(1.79)	38.6
Mainline CASM, excluding special items and fuel	10.48	9.62	8.9

Table of Contents

Significant changes in the components of mainline CASM are as follows:

- Aircraft fuel and related taxes per ASM increased 38.6% primarily due to a 40.1% increase in the average price per gallon of fuel to $1.69 in the first quarter of 2017 from $1.20 in the 2016 period, offset in part by a 2.8% decrease in gallons of fuel consumed.
- Salaries, wages and benefits per ASM increased 8.4% primarily due to increased costs associated with wage rate increases in certain labor contracts, including our maintenance and fleet service work groups, which became effective subsequent to the first quarter of 2016.
- Maintenance, materials and repairs per ASM increased 19.5% as compared to the 2016 period, primarily due to an increase in the volume of engine overhauls and a shift in timing of maintenance expenses incurred. This shift was driven by the transition to a new flight hour based maintenance contract from a time and materials based contract for certain flight equipment.
- Depreciation and amortization per ASM increased 16.1% primarily due to aircraft purchased in connection with our fleet renewal program.
- Other operating expenses per ASM increased 9.0% primarily due to expenses associated with improving our product offerings, customer experience and operational reliability.

Operating Special Items, Net

	Three Months Ended March 31,	
	2017	2016
	(In millions)	
Merger integration expenses [1]	$ 63	$ 104
Fleet restructuring expenses [2]	63	26
Mark-to-market adjustments for bankruptcy obligations and other	(18)	(5)
Other operating charges (credits), net	11	(26)
Total mainline operating special items, net	119	99
Regional operating special items, net [3]	2	5
Total operating special items, net	$ 121	$ 104

(1) Merger integration expenses included costs related to information technology, professional fees, re-branding of aircraft and airport facilities and training. Additionally, the 2016 period also included costs related to alignment of labor union contracts, re-branded uniforms, severance and relocation.

(2) Fleet restructuring expenses driven by the Merger included the acceleration of aircraft depreciation, impairments, remaining lease payments and lease return costs for aircraft currently grounded or expected to be grounded earlier than planned.

(3) Regional operating special items, net principally related to Merger integration expenses.

Regional Operating Expenses

	Three Months Ended March 31,		Increase (Decrease)	Percent Increase (Decrease)
	2017	2016		
	(In millions, except percentage changes)			
Aircraft fuel and related taxes	$ 318	$ 219	$ 99	45.2
Other	1,255	1,213	42	3.4
Total regional operating expenses	$ 1,573	$ 1,432	$ 141	9.8

Regional operating expenses increased $141 million, or 9.8%, in the first quarter of 2017 from the 2016 period. The period-over-period increase was primarily due to a $99 million, or 45.2%, increase in fuel costs and a $42 million, or 3.4%, increase in other regional operating expenses. The average price per gallon of fuel increased 41.5% to $1.75 in the first quarter of 2017 from $1.24 in the 2016 period, on a 2.6% increase in consumption. The increase in other regional operating expenses was primarily driven by a 3.7% increase in capacity, principally from our wholly-owned regional carriers. See Note 10 to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A for further information on regional expenses.

Nonoperating Results

	Three Months Ended March 31,		Increase (Decrease)	Percent Increase (Decrease)
	2017	2016		
	(In millions, except percentage changes)			
Interest income	$ 21	$ 13	$ 8	63.6
Interest expense, net	(257)	(239)	(18)	7.6
Other, net	—	8	(8)	nm
Total nonoperating expense, net	$ (236)	$ (218)	$ (18)	8.3

Our short-term investments in each period consisted of highly liquid investments that provided relatively nominal returns. Interest income increased $8 million, or 63.6%, principally due to an increase in interest rates, which drove more than a 50 basis point increase in average yields in the first quarter of 2017 as compared to the 2016 period.

Interest expense, net increased $18 million in the first quarter of 2017 as compared to the 2016 period primarily due to higher outstanding debt as a result of aircraft financings associated with our fleet renewal program.

Income Taxes

In the first quarter 2017, we recorded an income tax provision of $131 million, which was substantially non-cash due to utilization of our net operating losses (NOLs). Substantially all of our income before income taxes is attributable to the United States. At December 31, 2016, we had approximately $10.5 billion of gross NOLs to reduce future federal taxable income, substantially all of which are expected to be available for use in 2017.

See Note 6 to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A for additional information on income taxes.

American's Results of Operations

Three Months Ended March 31, 2017 Compared to Three Months Ended March 31, 2016

American realized pre-tax income of $411 million and $1.1 billion in the first quarters of 2017 and 2016, respectively. Excluding the effects of pre-tax net special items, pre-tax income was $537 million and $1.2 billion in the first quarters of 2017 and 2016, respectively.

American's first quarter 2017 pre-tax results on both a GAAP basis and excluding pre-tax net special items were principally driven by higher fuel costs as well as higher salaries, wages and benefits due to wage rate increases in certain labor contracts, including American's maintenance and fleet service work groups, which became effective subsequent to the first quarter of 2016.

Operating Revenues

	Three Months Ended March 31,		Increase (Decrease)	Percent Increase (Decrease)
	2017	2016		
	(In millions, except percentage changes)			
Mainline passenger	$ 6,607	$ 6,564	$ 43	0.6
Regional passenger	1,548	1,523	25	1.7
Cargo	172	162	10	6.3
Other	1,294	1,178	116	9.8
Total operating revenues	$ 9,621	$ 9,427	$ 194	2.1

Total passenger revenues increased $68 million, or 0.8%, in the first quarter of 2017 from the 2016 period primarily driven by a period-over-period increase in consolidated passenger yields.

Other revenue primarily includes revenue associated with American's loyalty program, baggage fees, ticketing change fees, airport clubs and inflight services. Other revenue increased $116 million, or 9.8%, in the first quarter of 2017 from the 2016 period primarily driven by an increase in loyalty program revenue. In the first quarters of 2017 and 2016, other revenue associated with American's loyalty program was $604 million and $491 million, respectively, of which $530 million and $427 million, respectively, related to the marketing component of mileage sales and other marketing related payments. This period-over-period increase was primarily due to revenues associated with American's new co-branded credit card agreements that became effective in the third quarter of 2016.

Total operating revenues in the first quarter of 2017 increased $194 million, or 2.1%, from the 2016 period driven principally by a 9.8% increase in other revenue as described above.

Mainline Operating Expenses

	Three Months Ended March 31,		Increase	Percent Increase
	2017	2016	(Decrease)	(Decrease)
	(In millions, except percentage changes)			
Aircraft fuel and related taxes	$ 1,402	$ 1,029	$ 373	36.2
Salaries, wages and benefits	2,823	2,650	173	6.5
Maintenance, materials and repairs	492	419	73	17.5
Other rent and landing fees	440	422	18	4.4
Aircraft rent	295	306	(11)	(3.8)
Selling expenses	318	308	10	3.2
Depreciation and amortization	405	355	50	14.1
Special items, net	119	99	20	19.8
Other	1,154	1,080	74	7.0
Total mainline operating expenses	$ 7,448	$ 6,668	$ 780	11.7

Mainline operating expenses increased $780 million, or 11.7%, in the first quarter of 2017 from the 2016 period. The increase in operating expenses was primarily driven by higher fuel costs as well as salaries, wages and benefits. Detailed explanations related to the changes in American's mainline operating expenses are as follows:

- Aircraft fuel and related taxes increased 36.2% primarily due to a 40.1% increase in the average price per gallon of fuel to $1.69 in the first quarter of 2017 from $1.20 in the 2016 period, offset in part by a 2.8% decrease in gallons of fuel consumed.
- Salaries, wages and benefits increased 6.5% primarily due to increased costs associated with wage rate increases in certain labor contracts, including American's maintenance and fleet service work groups, which became effective subsequent to the first quarter of 2016.
- Maintenance, materials and repairs increased 17.5% as compared to the 2016 period, primarily due to an increase in the volume of engine overhauls and a shift in timing of maintenance expenses incurred. This shift was driven by the transition to a new flight hour based maintenance contract from a time and materials based contract for certain flight equipment.
- Depreciation and amortization increased 14.1% primarily due to aircraft purchased in connection with American's fleet renewal program.
- Other operating expenses increased 7.0% primarily due to expenses associated with improving our product offerings, customer experience and operational reliability.

Table of Contents

Operating Special Items, Net

	Three Months Ended March 31, 2017	2016
	(In millions)	
Merger integration expenses (1)	$ 63	$ 104
Fleet restructuring expenses (2)	63	26
Mark-to-market adjustments for bankruptcy obligations and other	(18)	(5)
Other operating charges (credits), net	11	(26)
Total mainline operating special items, net	119	99
Regional operating special items, net (3)	2	5
Total operating special items, net	$ 121	$ 104

(1) Merger integration expenses included costs related to information technology, professional fees, re-branding of aircraft and airport facilities and training. Additionally, the 2016 period also included costs related to alignment of labor union contracts, re-branded uniforms, severance and relocation.

(2) Fleet restructuring expenses driven by the Merger included the acceleration of aircraft depreciation, impairments, remaining lease payments and lease return costs for aircraft currently grounded or expected to be grounded earlier than planned.

(3) Regional operating special items, net principally related to Merger integration expenses.

Regional Operating Expenses

	Three Months Ended March 31, 2017	2016	Increase (Decrease)	Percent Increase (Decrease)
	(In millions, except percentage changes)			
Aircraft fuel and related taxes	$ 318	$ 219	$ 99	45.2
Other	1,251	1,217	34	2.8
Total regional operating expenses	$ 1,569	$ 1,436	$ 133	9.3

Regional operating expenses increased $133 million, or 9.3%, in the first quarter of 2017 from the 2016 period. The period-over-period increase was primarily due to a $99 million, or 45.2%, increase in fuel costs and a $34 million, or 2.8%, increase in other regional operating expenses. The average price per gallon of fuel increased 41.5% to $1.75 in the first quarter of 2017 from $1.24 in the 2016 period, on a 2.6% increase in consumption. The increase in other regional operating expenses was primarily driven by increased capacity. See Note 8 to American's Condensed Consolidated Financial Statements in Part I, Item 1B for further information on regional expenses.

Nonoperating Results

	Three Months Ended March 31, 2017	2016	Increase (Decrease)	Percent Increase (Decrease)
	(In millions, except percentage changes)			
Interest income	$ 49	$ 21	$ 28	nm
Interest expense, net	(241)	(218)	(23)	10.6
Other, net	(1)	8	(9)	nm
Total nonoperating expense, net	$ (193)	$ (189)	$ (4)	2.0

American's short-term investments in each period consisted of highly liquid investments that provided nominal returns. Interest income increased $28 million principally due to an increase in interest rates, which drove more than a 50 basis point increase in average yields in the first quarter of 2017 as compared to the 2016 period.

Interest expense, net increased $23 million in the first quarter of 2017 as compared to the 2016 period primarily due to higher outstanding debt as a result of aircraft financings associated with American's fleet renewal program.

Income Taxes

In the first quarter 2017, American recorded an income tax provision of $148 million, which was substantially non-cash due to utilization of its NOLs. Substantially all of American's income before income taxes is attributable to the United States. At December 31, 2016, American had approximately $11.3 billion of gross NOLs to reduce future federal taxable income, substantially all of which are expected to be available for use in 2017.

See Note 4 to American's Condensed Consolidated Financial Statements in Part I, Item 1B for additional information on income taxes.

Liquidity and Capital Resources

Liquidity

As of March 31, 2017, AAG had approximately $9.1 billion in total available liquidity and $543 million in restricted cash and short-term investments. Additional detail of our available liquidity is provided in the table below (in millions):

	AAG		American	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Cash	$ 374	$ 322	$ 363	$ 310
Short-term investments.	6,302	6,037	6,298	6,034
Undrawn revolving credit facilities	2,425	2,425	2,425	2,425
Total available liquidity	$ 9,101	$ 8,784	$ 9,086	$ 8,769

Share Repurchase Programs

Since July 2014, our Board of Directors has approved six share repurchase programs aggregating $11.0 billion of authority. As of March 31, 2017, $1.5 billion remained unused under a repurchase program that expires on December 31, 2018. Share repurchases under our share repurchase programs may be made through a variety of methods, which may include open market purchases, privately negotiated transactions, block trades or accelerated share repurchase transactions. Any such repurchases will be made from time to time subject to market and economic conditions, applicable legal requirements and other relevant factors. Our share repurchase programs do not obligate us to repurchase any specific number of shares and may be suspended at any time at our discretion.

During the three months ended March 31, 2017, we repurchased 11.7 million shares of AAG common stock for $512 million at a weighted average cost per share of $43.81. Since the inception of our share repurchase programs in July 2014, we have repurchased 240.0 million shares of AAG common stock for $9.5 billion at a weighted average cost per share of $39.62.

Cash Dividends Paid

Our Board of Directors declared the following cash dividends during the first quarter of 2017:

Period	Per share	For stockholders of record as of	Payable on	Cash paid (millions)
First Quarter	$ 0.10	February 13, 2017	February 27, 2017	$ 51

In April 2017, we announced that our Board of Directors had declared a $0.10 per share dividend for stockholders of record on May 16, 2017, and payable on May 30, 2017.

Any future dividends that may be declared and paid from time to time will be subject to market and economic conditions, applicable legal requirements and other relevant factors. We are not obligated to continue a dividend for any fixed period, and payment of dividends may be suspended at any time at our discretion.

Sources and Uses of Cash

AAG

Operating Activities

Our net cash provided by operating activities was $2.3 billion and $2.6 billion for the first three months of 2017 and 2016, respectively, a period-over-period decrease of $370 million. The decrease was primarily due to lower profitability in the first quarter of 2017 driven by higher fuel costs as well as salaries, wages and benefits due to wage rate increases in certain labor contracts, including our maintenance and fleet service work groups, which became effective subsequent to the first quarter of 2016.

Investing Activities

Our net cash used in investing activities was $1.8 billion and $2.1 billion for the first three months of 2017 and 2016, respectively.

Our principal investing activities in the 2017 period included expenditures of $1.7 billion for property and equipment, primarily 22 aircraft, including eight Airbus A321 aircraft, five Embraer 175 aircraft, five Boeing 737-800 aircraft and four Boeing 787 aircraft. We also had $262 million in net purchases of short-term investments.

Our principal investing activities in the 2016 period included expenditures of $1.6 billion for property and equipment, primarily 28 aircraft, including seven Bombardier CRJ900 aircraft, six Airbus A321 aircraft, six Embraer 175 aircraft, five Boeing 737-800 aircraft, two Boeing 787 aircraft and two Boeing 777 aircraft. We also had $565 million in net purchases of short-term investments.

Financing Activities

Our net cash used in financing activities was $349 million and $401 million for the first three months of 2017 and 2016, respectively.

Our principal financing activities in the 2017 period included proceeds of $899 million from the issuance of debt, primarily including the issuance of $744 million of EETCs. These cash inflows were offset in part by $686 million in debt repayments, $484 million in share repurchases and $51 million in dividend payments.

Our principal financing activities in the 2016 period included proceeds of $1.5 billion from the issuance of debt, primarily including the issuance of $1.1 billion of EETCs. These cash inflows were offset in part by $1.5 billion in share repurchases, $310 million in debt repayments and $61 million in dividend payments.

American

Operating Activities

American’s net cash provided by operating activities was $1.7 billion and $1.0 billion for the first three months of 2017 and 2016, respectively, a period-over-period increase of $662 million. We have the ability to move funds freely between our subsidiaries to support our cash requirements. The increase in operating cash flows during the first quarter of 2017 as compared to the 2016 period was primarily due to a decrease in intercompany cash transfers from American to AAG. This increase in operating cash flows was offset in part by lower profitability driven by higher fuel costs as well as salaries, wages and benefits due to wage rate increases in certain labor contracts, including American’s maintenance and fleet service work groups, which became effective subsequent to the first quarter of 2016.

Investing Activities

American’s net cash used in investing activities was $1.8 billion and $2.1 billion for the first three months of 2017 and 2016, respectively.

American’s principal investing activities in the 2017 period included expenditures of $1.7 billion for property and equipment, primarily 22 aircraft, including eight Airbus A321 aircraft, five Embraer 175 aircraft, five Boeing 737-800 aircraft and four Boeing 787 aircraft. American also had $260 million in net purchases of short-term investments.

American’s principal investing activities in the 2016 period included expenditures of $1.5 billion for property and equipment, primarily 28 aircraft, including seven Bombardier CRJ900 aircraft, six Airbus A321 aircraft, six Embraer 175 aircraft, five Boeing 737-800 aircraft, two Boeing 787 aircraft and two Boeing 777 aircraft. American also had $565 million in net purchases of short-term investments.

Financing Activities

American’s net cash provided by financing activities was $186 million and $1.2 billion for the first three months of 2017 and 2016, respectively.

American's principal financing activities in the 2017 period included proceeds of $899 million from the issuance of debt, primarily including the issuance of $744 million of EETCs. These cash inflows were offset in part by $686 million in debt repayments.

American's principal financing activities in the 2016 period included proceeds of $1.5 billion from the issuance of debt, primarily including the issuance of $1.1 billion of EETCs. These cash inflows were offset in part by $309 million in debt repayments.

Commitments

Significant Indebtedness

As of March 31, 2017, AAG and American had $24.8 billion and $23.0 billion, respectively, in long-term debt and capital leases (including current maturities of $1.7 billion each). During the three months ended March 31, 2017, there have been no material changes in our significant indebtedness as discussed in our 2016 Form 10-K, except as discussed in Note 5 to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A and Note 3 to American's Condensed Consolidated Financial Statements in Part I, Item 1B.

Collateral Related Covenants

Certain of our debt financing agreements contain loan to value ratio covenants and require us to annually appraise the related collateral. Pursuant to such agreements, if the loan to value ratio exceeds a specified threshold, we are required, as applicable, to pledge additional qualifying collateral (which in some cases may include cash collateral), or pay down such financing, in whole or in part. As of March 31, 2017, we were in compliance with the collateral coverage tests for the 2013 Credit Facilities, the 2014 Credit Facilities, the April 2016 Credit Facilities and the December 2016 Credit Facilities as of the most recent measurement dates.

Credit Ratings

The following table details AAG and American's credit ratings as of March 31, 2017:

	Current Rating
S&P Local Issuer Credit Rating	BB-
Fitch Issuer Default Credit Rating	BB-
Moody's Corporate Family Rating (1)	Ba3

(1) The credit agency does not rate this category for American.

A decrease in our credit ratings could cause our borrowing costs to increase, which would increase our interest expense and could affect our net income, and our credit ratings could adversely affect our ability to obtain additional financing. If our financial performance or industry conditions worsen, we may face future downgrades, which could negatively impact our borrowing costs and the prices of our equity or debt securities. In addition, any downgrade of our credit ratings may indicate a decline in our business and in our ability to satisfy our obligations under our indebtedness.

Aircraft and Engine Purchase Commitments

As of March 31, 2017, we had definitive purchase agreements with Airbus, Boeing and Embraer for the acquisition of the following mainline and regional aircraft:

	Remainder of 2017	2018	2019	2020	2021	2022 and Thereafter	Total
Airbus							
A320 Family	12	—	—	—	—	—	12
A320neo Family	—	—	25	25	25	25	100
A350 XWB (1)	—	—	—	2	5	15	22
Boeing							
737-800	15	—	—	—	—	—	15
737 MAX Family	4	16	20	20	20	20	100
787 Family (2)	9	6	2	—	—	—	17
Embraer							
ERJ175 (3) (4)	11	—	—	—	—	—	11
Total	51	22	47	47	50	60	277

(1) On April 24, 2017, American and Airbus entered into an agreement to revise the delivery schedule of the A350s, and such revised delivery schedule is reflected in the table above. Previously, the delivery schedule for the A350s was two in 2018, five in 2019, five in 2020, five in 2021 and five in 2022. The future payments in the “Contractual Obligations” table below also reflect this agreement. See Item 5. Other Information.

(2) Reflects an agreement with Boeing reached in April 2017 to defer the delivery of two B787 family aircraft from 2018 to 2019. The future payments in the “Contractual Obligations” table below also reflect this agreement.

(3) These aircraft may be operated by wholly-owned regional subsidiaries or leased to third-party regional carriers which would operate the aircraft under capacity purchase arrangements.

(4) Reflects American’s exercise of options to purchase four additional aircraft scheduled to be delivered in November and December of 2017. The future payments associated with these aircraft are reflected in the “Contractual Obligations” table below.

We also have agreements for 42 spare engines to be delivered in 2017 and beyond.

As of March 31, 2017, we did not have financing commitments for the following aircraft currently on order and scheduled to be delivered through 2017: 14 Boeing 737-800 aircraft, eight Airbus A320 family aircraft, eight Boeing 787 family aircraft and four Boeing 737 MAX family aircraft. In addition, we do not have financing commitments in place for substantially all aircraft currently on order and scheduled to be delivered in 2018 and beyond. See Part II, Item 1A. Risk Factors – *“We will need to obtain sufficient financing or other capital to operate successfully”* for additional discussion.

Off-Balance Sheet Arrangements

An off-balance sheet arrangement is any transaction, agreement or other contractual arrangement involving an unconsolidated entity under which a company has (1) made guarantees, (2) a retained or a contingent interest in transferred assets, (3) an obligation under derivative instruments classified as equity or (4) any obligation arising out of a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to us, or that engages in leasing, hedging or research and development arrangements with us.

There have been no material changes in our off-balance sheet arrangements as discussed in our 2016 Form 10-K.

Labor Contracts

On April 26, 2017, we offered a mid-contract hourly base pay rate adjustment for our flight attendants and pilots of an average of approximately 5% and 8%, respectively. We estimate that the impact on our salary and benefits expense would be approximately $230 million for 2017 and $350 million for 2018 and 2019. The amendable dates for these workgroups are December 2019 (flight attendants) and January 2020 (pilots).

Table of Contents

Contractual Obligations

The following table provides details of our future cash contractual obligations as of March 31, 2017 (in millions):

	Payments Due by Period						
	Remainder of 2017	2018	2019	2020	2021	2022 and Thereafter	Total
American							
Debt and capital lease obligations (1) (3)	$ 1,223	$2,024	$ 2,060	$ 3,468	$2,732	$ 11,499	$23,006
Interest obligations (2) (3)	690	908	836	728	594	1,704	5,460
Aircraft and engine purchase commitments (4)	2,900	1,656	2,720	2,834	2,961	3,747	16,818
Operating lease commitments (5)	1,536	2,007	1,796	1,629	1,233	3,827	12,028
Regional capacity purchase agreements (6)	1,261	1,389	1,281	1,049	856	2,739	8,575
Minimum pension obligations (7)	279	62	1,136	800	793	3,082	6,152
Retiree medical and other postretirement benefits and other obligations (8)	684	528	230	127	99	321	1,989
Total American Contractual Obligations	$ 8,573	$8,574	$10,059	$10,635	$9,268	$ 26,919	$74,028
AAG Parent and Other AAG Subsidiaries							
Debt and capital lease obligations (1)	$ —	$ 500	$ 750	$ 506	$ 2	$ 22	$ 1,780
Interest obligations (2)	85	82	67	14	2	8	258
Operating lease commitments	11	9	5	4	4	15	48
Total AAG Contractual Obligations	$ 8,669	$9,165	$10,881	$11,159	$9,276	$ 26,964	$76,114

(1) Amounts represent contractual amounts due. Excludes $231 million and $12 million of unamortized debt discount, premium and issuance costs as of March 31, 2017 for American and AAG Parent, respectively. For additional information, see Note 5 and Note 3 to AAG's and American's Condensed Consolidated Financial Statements in Part I, Items 1A and 1B.

(2) For variable-rate debt, future interest obligations are estimated using the current forward rates at March 31, 2017.

(3) Includes $11.2 billion of future principal payments and $2.8 billion of future interest payments, respectively, as of March 31, 2017, related to EETC notes associated with mortgage financings for the purchase of certain aircraft.

(4) See Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations – "*Liquidity and Capital Resources*" for additional information about these obligations.

(5) Includes $1.3 billion of future minimum lease payments related to EETC leverage leased financings of certain aircraft as of March 31, 2017.

(6) Represents minimum payments under capacity purchase agreements with third-party regional carriers. These commitments are estimates of costs based on assumed minimum levels of flying under the capacity purchase agreements and our actual payments could differ materially.

(7) Includes minimum pension contributions based on actuarially determined estimates and retiree medical and other postretirement benefit payments and is based on estimated payments through 2026. The total pension contribution of $279 million for the remainder of 2017 assumes a supplemental contribution of $254 million in addition to the $25 million minimum required contribution.

(8) Includes a $200 million equity investment in China Southern Airlines, the closing of which is dependent upon obtaining regulatory and other approvals.

Capital Raising Activity and Other Possible Actions

In light of our significant financial commitments related to, among other things, new aircraft, the servicing and amortization of existing debt and equipment leasing arrangements, as well as future pension funding obligations, we and our subsidiaries will regularly consider, and enter into negotiations related to, capital raising activity, which may include the entry into leasing transactions and future issuances of secured or unsecured debt obligations or additional equity securities in public or private offerings or otherwise. The cash available from operations and these sources, however, may not be sufficient to cover cash contractual obligations because economic factors may reduce the amount of cash generated by operations or increase costs. For instance, an economic downturn or general global instability caused by military actions, terrorism, disease outbreaks or natural disasters could reduce the demand for air travel, which would reduce the amount of cash generated by operations. An increase in costs, either due to an increase in borrowing costs caused by a reduction in credit ratings or a general increase in interest rates, or due to an increase in the cost of fuel, maintenance, or aircraft, aircraft engines or parts, could decrease the amount of cash available to cover cash contractual obligations. Moreover, certain of our financing arrangements contain significant minimum cash balance requirements. As a result, we cannot use all of our available cash to fund operations, capital expenditures and cash obligations without violating these requirements.

In the past, we have from time to time refinanced, redeemed or repurchased our debt and taken other steps to reduce or otherwise manage the aggregate amount and cost of our debt or lease obligations or otherwise improve our balance sheet. Going forward, depending on market conditions, our cash position and other considerations, we may continue to take such actions.

Our Board of Directors, has from time to time authorized programs to repurchase shares of our common stock, and may authorize additional share repurchase programs in the future.

Critical Accounting Policies and Estimates

In the first quarter of 2017, there were no changes to our critical accounting policies and estimates from those disclosed in the Consolidated Financial Statements and accompanying notes contained in our 2016 Form 10-K.

Recent Accounting Pronouncements

See Note 1 to AAG’s Condensed Consolidated Financial Statements in Part I, Item 1A and Note 1 to American’s Condensed Consolidated Financial Statements in Part I, Item 1B for further information on recent accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

AAG and American’s Market Risk Sensitive Instruments and Positions

Our primary market risk exposures include the price of aircraft fuel, foreign currency exchange rates and interest rate risk. Our exposure to these market risks has not changed materially from our exposure discussed in our 2016 Form 10-K except as updated below.

Aircraft Fuel

As of March 31, 2017, we did not have any fuel hedging contracts outstanding to hedge our fuel consumption. As such, and assuming we do not enter into any future transactions to hedge our fuel consumption, we will continue to be fully exposed to fluctuations in fuel prices. Our current policy is not to enter into transactions to hedge our fuel consumption, although we review that policy from time to time based on market conditions and other factors. Our 2017 forecasted mainline and regional fuel consumption is presently approximately 4.3 billion gallons, and based on this forecast, a one cent per gallon increase in aviation fuel price would result in a $43 million increase in annual expense.

Foreign Currency

We are exposed to the effect of foreign exchange rate fluctuations on the U.S. dollar value of foreign currency-denominated operating revenues and expenses. Our largest exposure comes from the British pound, Euro, Canadian dollar and various Latin American currencies, primarily the Brazilian real. We do not currently have a foreign currency hedge program.

Generally, fluctuations in foreign currencies, including devaluations, cannot be predicted by us and can significantly affect the value of our assets located outside the United States. These conditions, as well as any further delays, devaluations or imposition of more stringent repatriation restrictions, may materially adversely affect our business, results of operations and financial condition. See Part II, Item 1A. Risk Factors – “*We operate a global business with international operations that are subject to economic and political instability and have been, and in the future may continue to be, adversely affected by numerous events, circumstances or government actions beyond our control*” for additional discussion of this and other currency risks.

Interest

Our earnings and cash flow are affected by changes in interest rates due to the impact those changes have on our interest expense from variable-rate debt instruments and our interest income from short-term investments. If annual interest rates increase 100 basis points, based on our March 31, 2017 variable-rate debt and short-term investments balances, annual interest expense on variable-rate debt would increase by approximately $96 million and annual interest income on short-term investments would increase by approximately $69 million.

ITEM 4. CONTROLS AND PROCEDURES

Management's Evaluation of Disclosure Controls and Procedures

The term "disclosure controls and procedures" is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act). This term refers to the controls and procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC. An evaluation of the effectiveness of AAG's and American's disclosure controls and procedures as of March 31, 2017 was performed under the supervision and with the participation of AAG's and American's management, including AAG's and American's Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Based on that evaluation, AAG's and American's management, including AAG's and American's CEO and CFO, concluded that AAG's and American's disclosure controls and procedures were effective as of March 31, 2017.

Changes in Internal Control over Financial Reporting

On December 9, 2013, AAG acquired US Airways Group and its subsidiaries. We are still in the process of integrating certain processes, technology and operations for the post-Merger combined company, and we will continue to evaluate the impact of any related changes to our internal control over financial reporting. For the quarter ended March 31, 2017, there has been no change in AAG's or American's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, AAG's and American's internal control over financial reporting.

Limitation on the Effectiveness of Controls

We believe that a controls system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives, and the CEO and CFO of AAG and American believe that our disclosure controls and procedures were effective at the "reasonable assurance" level as of March 31, 2017.

PART II: OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Chapter 11 Cases. On November 29, 2011, AMR, American, and certain of AMR's other direct and indirect domestic subsidiaries (the Debtors) filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court). On October 21, 2013, the Bankruptcy Court entered an order approving and confirming the Debtors' fourth amended joint plan of reorganization (as amended, the Plan). On the Effective Date, December 9, 2013, the Debtors consummated their reorganization pursuant to the Plan and completed the Merger.

Pursuant to rulings of the Bankruptcy Court, the Plan established the Disputed Claims Reserve to hold shares of AAG common stock reserved for issuance to disputed claimholders at the Effective Date that ultimately become holders of allowed claims. As of March 31, 2017, there were approximately 25.2 million shares of AAG common stock remaining in the Disputed Claims Reserve. As disputed claims are resolved, the claimants will receive distributions of shares from the Disputed Claims Reserve on the same basis as if such distributions had been made on or about the Effective Date. However, we are not required to distribute additional shares above the limits contemplated by the Plan, even if the shares remaining for distribution are not sufficient to fully pay any additional allowed unsecured claims. To the extent that any of the reserved shares remain undistributed upon resolution of all remaining disputed claims, such shares will not be returned to us but rather will be distributed to former AMR stockholders.

There is also pending in the Bankruptcy Court an adversary proceeding relating to an action brought by American to seek a determination that certain non-pension, postemployment benefits are not vested benefits and thus may be modified or terminated without liability to American. On April 18, 2014, the Bankruptcy Court granted American's motion for summary judgment with respect to certain non-union employees, concluding that their benefits were not vested and could be terminated. The summary judgment motion was denied with respect to all other retirees. The Bankruptcy Court has not yet scheduled a trial on the merits concerning whether those retirees' benefits are vested, and American cannot predict whether it will receive relief from obligations to provide benefits to any of those retirees. Our financial statements presently reflect these retirement programs without giving effect to any modification or termination of benefits that may ultimately be implemented based upon the outcome of this proceeding.

DOJ Antitrust Civil Investigative Demand. In June 2015, we received a Civil Investigative Demand (CID) from the United States Department of Justice (DOJ) as part of an investigation into whether there have been illegal agreements or coordination of air passenger capacity. The CID seeks documents and other information from us, and other airlines have announced that they have received similar requests. We are cooperating fully with the DOJ investigation. In addition, subsequent to announcement of the delivery of CIDs by the DOJ, we, along with Delta Air Lines, Inc., Southwest Airlines Co., United Airlines, Inc. and, in the case of litigation filed in Canada, Air Canada, have been named as defendants in approximately 100 putative class action lawsuits alleging unlawful agreements with respect to air passenger capacity. The U.S. lawsuits have been consolidated in the Federal District Court for the District of Columbia. On October 28, 2016, the Court denied a motion by the airline defendants to dismiss all claims in the class actions. Both the DOJ investigation and these lawsuits are in their relatively early stages and we intend to defend these matters vigorously.

Private Party Antitrust Action. On July 2, 2013, a lawsuit captioned Carolyn Fjord, et al., v. US Airways Group, Inc., et al., was filed in the United States District Court for the Northern District of California. The complaint named as defendants US Airways Group and US Airways, alleged that the effect of the Merger may be to create a monopoly in violation of Section 7 of the Clayton Antitrust Act, and sought injunctive relief and/or divestiture. On August 6, 2013, the plaintiffs re-filed their complaint in the Bankruptcy Court, adding AMR and American as defendants. On November 27, 2013, the Bankruptcy Court denied plaintiffs' motion to preliminarily enjoin the Merger. On August 19, 2015, after three previous largely unsuccessful attempts to amend their complaint, plaintiffs filed a fourth motion for leave to file an amended and supplemental complaint to add a claim for damages and demand for jury trial, as well as claims similar to those in the putative class action lawsuits regarding air passenger capacity. Thereafter, plaintiffs filed a request with the Judicial Panel on Multidistrict Litigation to consolidate the Fjord matter with the putative class action lawsuits, which was denied on October 15, 2015. A scheduling order setting deadlines for fact and expert discovery and the parties' summary judgment briefing (if any) was entered by the court on February 22, 2017. We believe this lawsuit is without merit and intend to vigorously defend against the allegations.

DOJ Investigation Related to the United States Postal Service. In April 2015, the DOJ informed us of an inquiry regarding American's 2009 and 2011 contracts with the United States Postal Service for the international transportation of mail by air. In October 2015, we received a CID from the DOJ seeking certain information relating to these contracts and the DOJ has also sought information concerning certain of the airlines that transport mail on a codeshare basis. The DOJ has indicated it is investigating potential violations of the False Claims Act or other statutes. We are cooperating fully with the DOJ with regard to its investigation.

General. In addition to the specifically identified legal proceedings, we and our subsidiaries are also engaged in other legal proceedings from time to time. Legal proceedings can be complex and take many months, or even years, to reach resolution, with the final outcome depending on a number of variables, some of which are not within our control. Therefore, although we will vigorously defend ourselves in each of the actions described above and such other legal proceedings, their ultimate resolution and potential financial and other impacts on us are uncertain but could be material. See Part II, Item 1A. Risk Factors – "*We may be a party to litigation in the normal course of business or otherwise, which could affect our financial position and liquidity*" for additional discussion.

ITEM 1A. RISK FACTORS

Below are certain risk factors that may affect our business, results of operations and financial condition, or the trading price of our common stock or other securities. We caution the reader that these risk factors may not be exhaustive. We operate in a continually changing business environment, and new risks and uncertainties emerge from time to time. Management cannot predict such new risks and uncertainties, nor can it assess the extent to which any of the risk factors below or any such new risks and uncertainties, or any combination thereof, may impact our business.

Risks Relating to AAG and Industry-Related Risks

Downturns in economic conditions could adversely affect our business.

Due to the discretionary nature of business and leisure travel spending and the highly competitive nature of the airline industry, our revenues are heavily influenced by the condition of the U.S. economy and economies in other regions of the world. Unfavorable conditions in these broader economies have resulted, and may result in the future, in decreased passenger demand for air travel, changes in booking practices and related reactions by our competitors, all of which in turn have had, and may have in the future, a strong negative effect on our revenues. See also *"The airline industry is intensely competitive and dynamic"* below.

Our business is very dependent on the price and availability of aircraft fuel. Continued periods of high volatility in fuel costs, increased fuel prices or significant disruptions in the supply of aircraft fuel could have a significant negative impact on our operating results and liquidity.

Our operating results are materially impacted by changes in the availability, price volatility and cost of aircraft fuel, which represents one of the largest single cost items in our business. Jet fuel market prices have fluctuated substantially over the past several years and prices continue to be highly volatile.

Because of the amount of fuel needed to operate our business, even a relatively small increase or decrease in the price of fuel can have a material effect on our operating results and liquidity. Due to the competitive nature of the airline industry and unpredictability of the market for air travel, we can offer no assurance that we may be able to increase our fares, impose fuel surcharges or otherwise increase revenues sufficiently to offset fuel price increases. Similarly, we cannot predict the effect or the actions of our competitors if the current low fuel prices remain in place for a significant period of time or fuel prices decrease in the future.

Although we are currently able to obtain adequate supplies of aircraft fuel, we cannot predict the future availability, price volatility or cost of aircraft fuel. Natural disasters, political disruptions or wars involving oil-producing countries, changes in fuel-related governmental policy, the strength of the U.S. dollar against foreign currencies, changes in access to petroleum product pipelines and terminals, speculation in the energy futures markets, changes in aircraft fuel production capacity, environmental concerns and other unpredictable events may result in fuel supply shortages, additional fuel price volatility and cost increases in the future.

Our aviation fuel purchase contracts generally do not provide meaningful price protection against increases in fuel costs. Prior to the closing of the Merger, we sought to manage the risk of fuel price increases by using derivative contracts. Our current policy is not to enter into transactions to hedge our fuel consumption, although we review that policy from time to time based on market conditions and other factors. Accordingly, as of March 31, 2017, we did not have any fuel hedging contracts outstanding. As such, and assuming we do not enter into any future transactions to hedge our fuel consumption, we will continue to be fully exposed to fluctuations in fuel prices.

If in the future we enter into derivative contracts to hedge our fuel consumption, there can be no assurance that, at any given time, we will have derivatives in place to provide any particular level of protection against increased fuel costs or that our counterparties will be able to perform under our derivative contracts. To the extent we use derivative contracts that have the potential to create an obligation to pay upon settlement if prices decline significantly, such derivative contracts may limit our ability to benefit from lower fuel costs in the future. Also, a rapid decline in the projected price of fuel at a time when we have fuel hedging contracts in place could materially adversely impact our short-term liquidity, because hedge counterparties could require that we post collateral in the form of cash or letters of credit. See also the discussion in Part I, Item 3. Quantitative and Qualitative Disclosures About Market Risk – *"Aircraft Fuel."*

The airline industry is intensely competitive and dynamic.

Our competitors include other major domestic airlines and foreign, regional and new entrant airlines, as well as joint ventures formed by some of these airlines, many of which have more financial or other resources and/or lower cost structures than ours, as well as other forms of transportation, including rail and private automobiles. In many of our markets we compete with at least one low-cost air carrier. Our revenues are sensitive to the actions of other carriers in many areas including pricing, scheduling, capacity, amenities and promotions, which can have a substantial adverse impact not only on our revenues, but on overall industry revenues. These factors may become even more significant in periods when the industry experiences large losses, as airlines under financial stress, or in bankruptcy, may institute pricing structures intended to achieve near-term survival rather than long-term viability.

Low-cost carriers, including so-called ultra-low-cost carriers, have a profound impact on industry revenues. Using the advantage of low unit costs, these carriers offer lower fares in order to shift demand from larger, more established airlines, and represent significant competitors, particularly for customers who fly infrequently and are price sensitive and tend not to be loyal to any one particular carrier. A number of low-cost carriers have announced growth strategies including commitments to acquire significant numbers of aircraft for delivery in the next few years. These low-cost carriers are attempting to continue to increase their market share through growth and, potentially, consolidation, and could continue to have an impact on our revenues and overall performance. For example, as a result of divestitures completed in connection with gaining regulatory approval for the Merger, low-fare, low-cost carriers have gained additional access in a number of markets, including Ronald Reagan Washington National Airport (DCA), a slot-controlled airport. In addition, we and several other large network carriers have announced “basic economy” fares designed to compete against low-cost carriers and we cannot predict whether these initiatives will be successful or the competitive reaction of the low-cost carriers. The actions of the low-cost carriers, including those described above, could have a material adverse effect on our operations and financial performance.

Our presence in international markets is not as extensive as that of some of our competitors. In providing international air transportation, we compete to provide scheduled passenger and cargo service between the U.S. and various overseas locations with U.S. airlines, foreign investor-owned airlines and foreign state-owned or state-affiliated airlines, including carriers based in the Middle East, the three largest of which we believe benefit from significant government subsidies. Our international service exposes us to foreign economies and the potential for reduced demand, such as we have recently experienced in Brazil and Venezuela, when any foreign countries we serve suffer adverse local economic conditions. In addition, open skies agreements with an increasing number of countries around the world provide international airlines with open access to U.S. markets. See also *“Our business is subject to extensive government regulation, which may result in increases in our costs, disruptions to our operations, limits on our operating flexibility, reductions in the demand for air travel, and competitive disadvantages.”*

Certain airline alliances, joint ventures and joint businesses have been, or may in the future be, granted immunity from antitrust regulations by governmental authorities for specific areas of cooperation, such as joint pricing decisions. To the extent alliances formed by our competitors can undertake activities that are not available to us, our ability to effectively compete may be hindered. Our ability to attract and retain customers is dependent upon, among other things, our ability to offer our customers convenient access to desired markets. Our business could be adversely affected if we are unable to maintain or obtain alliance and marketing relationships with other air carriers in desired markets.

We are party to antitrust-immunized cooperation agreements with British Airways, Iberia, Finnair, Royal Jordanian, Japan Airlines, LAN Airlines and LAN Peru. As part of the antitrust-immunized relationships, we have also established joint business agreements (JBAs) with British Airways, Iberia and Finnair, and separately with Japan Airlines. We signed a revised JBA with Qantas Airways and applied for antitrust immunity with the U.S. Department of Transportation (DOT) for the revised relationship, but we withdrew that application in November 2016 after it was tentatively denied by the DOT. However, we expect that our existing, more limited cooperation with Qantas will continue, and we intend to file a new application for antitrust immunity with the DOT this year. In addition, we have signed JBAs with certain air carriers of the LATAM Airlines Group and have applied for approval in the relevant jurisdictions affected by such agreements, which applications are still pending before the relevant regulators. The foregoing arrangements are important aspects of our international network and we are dependent on the performance of the other airlines party to those agreements. No assurances can be given as to any benefits that we may derive from such arrangements or any other arrangements that may ultimately be implemented.

Additional mergers and other forms of industry consolidation, including antitrust immunity grants, may take place and may not involve us as a participant. Depending on which carriers combine and which assets, if any, are sold or otherwise transferred to other carriers in connection with any such combinations, our competitive position relative to the post-combination carriers or other carriers that acquire such assets could be harmed. In addition, as carriers combine through traditional mergers or antitrust immunity grants, their route networks will grow, and that growth will result in greater overlap with our network, which in turn could result in lower overall market share and revenues for us. Such consolidation is not limited to the U.S., but could include further consolidation among international carriers in Europe and elsewhere.

Ongoing data security requirements and obligations could increase our costs, and any significant data security incident could disrupt our operations and harm our reputation, business, results of operations and financial condition.

Our business requires the appropriate and secure utilization of customer, employee, business partner and other sensitive information, and confidence in the networks and systems that allow us to operate. We cannot be certain that we will not be the target of attacks on our networks and intrusions into our data, particularly given recent advances in technical capabilities, and increased financial and political motivations to carry out cyber-attacks on physical systems, gain unauthorized access to information, and make information unavailable for use through, for example, ransomware or denial-of-service attacks, and otherwise exploit new and existing vulnerabilities in our infrastructure. The risk of a data security incident or disruption, particularly through cyber-attack or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Furthermore, in response to these threats there has been heightened legislative and regulatory focus on attacks on critical infrastructures, including those in the transportation sector, and on data security in the U.S. and abroad (particularly in the European Union (EU)), including requirements for varying levels of data subject notification in the event of a data security incident.

In addition, many of our commercial partners, including credit card companies, have imposed data security standards that we must meet. In particular, we are required by the Payment Card Industry Security Standards Council, founded by the credit card companies, to comply with their highest level of data security standards. While we continue our efforts to meet these standards, new and revised standards may be imposed that may be difficult for us to meet and could increase our costs.

A significant data security incident or our failure to comply with applicable U.S. or foreign data security regulations or other data security standards may impact our brand and expose us to litigation and regulatory enforcement actions, resulting in fines, sanctions or other penalties. Such actions could further harm our reputation, adversely impact our relationship with our customers, employees, and stockholders, result in material financial impact, and disrupt business operations. Failure to appropriately address these issues could also give rise to similar legal risks and damages.

Our high level of debt and other obligations may limit our ability to fund general corporate requirements and obtain additional financing, may limit our flexibility in responding to competitive developments and cause our business to be vulnerable to adverse economic and industry conditions.

We have significant amounts of indebtedness and other obligations, including pension obligations, obligations to make future payments on flight equipment and property leases, and substantial non-cancelable obligations under aircraft and related spare engine purchase agreements. Moreover, currently a substantial portion of our assets are pledged to secure our indebtedness. Our substantial indebtedness and other obligations could have important consequences. For example, they:

- may make it more difficult for us to satisfy our obligations under our indebtedness;
- may limit our ability to obtain additional funding for working capital, capital expenditures, acquisitions, investments, integration costs, and general corporate purposes, and adversely affect the terms on which such funding can be obtained;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness and other obligations, thereby reducing the funds available for other purposes;
- make us more vulnerable to economic downturns, industry conditions and catastrophic external events, particularly relative to competitors with lower relative levels of financial leverage;

- contain covenants requiring us to maintain an aggregate of at least $2.0 billion of unrestricted cash and cash equivalents and amounts available to be drawn under revolving credit facilities;
- contain restrictive covenants that could:
  - limit our ability to merge, consolidate, sell assets, incur additional indebtedness, issue preferred stock, make investments and pay dividends;
  - significantly constrain our ability to respond, or respond quickly, to unexpected disruptions in our own operations, the U.S. or global economies, or the businesses in which we operate, or to take advantage of opportunities that would improve our business, operations, or competitive position versus other airlines;
  - limit our ability to withstand competitive pressures and reduce our flexibility in responding to changing business and economic conditions; and
  - result in an event of default under our indebtedness.

Further, a substantial portion of our indebtedness bears interest at fluctuating interest rates, primarily based on the London interbank offered rate for deposits of U.S. dollars (LIBOR). LIBOR tends to fluctuate based on general economic conditions, general interest rates, rates set by the Federal Reserve and other central banks, and the supply of and demand for credit in the London interbank market. We have not hedged our interest rate exposure with respect to our floating rate debt. Accordingly, our interest expense for any particular period will fluctuate based on LIBOR and other variable interest rates. To the extent these interest rates increase, our interest expense will increase, in which event we may have difficulties making interest payments and funding our other fixed costs, and our available cash flow for general corporate requirements may be adversely affected. See also the discussion of interest rate risk in Part I, Item 3. Quantitative and Qualitative Disclosures About Market Risk –*"Interest."*

These obligations also impact our ability to obtain additional financing, if needed, and our flexibility in the conduct of our business, and could materially adversely affect our liquidity, results of operations and financial condition.

We will need to obtain sufficient financing or other capital to operate successfully.

Our business plan contemplates significant investments in modernizing our fleet. Significant capital resources will be required to execute this plan. We estimate that, based on our commitments as of March 31, 2017, our planned aggregate expenditures for aircraft purchase commitments and certain engines on a consolidated basis for calendar years 2017-2021 would be approximately $13.1 billion. Accordingly, we will need substantial financing or other capital resources to finance such aircraft. If we are unable to arrange financing for such aircraft at customary advance rates and on terms and conditions acceptable to us, we may need to use cash from operations or cash on hand to purchase such aircraft or may seek to negotiate deferrals for such aircraft with the aircraft manufacturers. Depending on numerous factors, many of which are out of our control, such as the state of the domestic and global economies, the capital and credit markets' view of our prospects and the airline industry in general, and the general availability of debt and equity capital at the time we seek capital, the financing or other capital resources that we will need may not be available to us, or may be available only on onerous terms and conditions. There can be no assurance that we will be successful in obtaining financing or other needed sources of capital to operate successfully. An inability to obtain necessary financing on acceptable terms would have a material adverse impact on our business, results of operations and financial condition.

We have significant pension and other postretirement benefit funding obligations, which may adversely affect our liquidity, results of operations and financial condition.

Our pension funding obligations are significant. The amount of these obligations will depend on the performance of investments held in trust by the pension plans, interest rates for determining liabilities and actuarial experience. Currently, our minimum funding obligation for our pension plans is subject to favorable temporary funding rules that are scheduled to expire at the end of 2017. Our minimum pension funding obligations are likely to increase materially beginning in 2019, when we will be required to make contributions relating to the 2018 fiscal year. In addition, we may have significant obligations for other postretirement benefits, the ultimate amount of which depends on, among other things, the outcome of an adversary proceeding related to retiree medical and other postretirement benefits and life insurance obligations filed in the Chapter 11 Cases.

If our financial condition worsens, provisions in our credit card processing and other commercial agreements may adversely affect our liquidity.

We have agreements with companies that process customer credit card transactions for the sale of air travel and other services. These agreements allow these processing companies, under certain conditions (including, with respect to certain agreements, the failure of American to maintain certain levels of liquidity) to hold an amount of our cash (a holdback) equal to some or all of the advance ticket sales that have been processed by that credit card processor, but for which we have not yet provided the air transportation. We are not currently required to maintain any holdbacks pursuant to these requirements. These holdback requirements can be modified at the discretion of the credit card processing companies upon the occurrence of specific events, including material adverse changes in our financial condition. An increase in the current holdbacks, up to and including 100% of relevant advanced ticket sales, could materially reduce our liquidity. Likewise, other of our commercial agreements contain provisions that allow other entities to impose less-favorable terms, including the acceleration of amounts due, in the event of material adverse changes in our financial condition.

Union disputes, employee strikes and other labor-related disruptions may adversely affect our operations.

Relations between air carriers and labor unions in the U.S. are governed by the Railway Labor Act (RLA). Under the RLA, collective bargaining agreements (CBAs) generally contain "amendable dates" rather than expiration dates, and the RLA requires that a carrier maintain the existing terms and conditions of employment following the amendable date through a multi-stage and usually lengthy series of bargaining processes overseen by the National Mediation Board (NMB). For the dates that the CBAs with our major work groups become amendable under the RLA, see Part I, Item 1. Business – *"Employees and Labor Relations"* in our 2016 Form 10-K.

In the case of a CBA that is amendable under the RLA, if no agreement is reached during direct negotiations between the parties, either party may request that the NMB appoint a federal mediator. The RLA prescribes no timetable for the direct negotiation and mediation processes, and it is not unusual for those processes to last for many months or even several years. If no agreement is reached in mediation, the NMB in its discretion may declare that an impasse exists and proffer binding arbitration to the parties. Either party may decline to submit to arbitration, and if arbitration is rejected by either party, a 30-day "cooling off" period commences. During or after that period, a Presidential Emergency Board (PEB) may be established, which examines the parties' positions and recommends a solution. The PEB process lasts for 30 days and is followed by another 30-day "cooling off" period. At the end of a "cooling off" period, unless an agreement is reached or action is taken by Congress, the labor organization may exercise "self-help," such as a strike, which could materially adversely affect our business, results of operations and financial condition.

None of the unions representing our employees presently may lawfully engage in concerted refusals to work, such as strikes, slow-downs, sick-outs or other similar activity, against us. Nonetheless, there is a risk that disgruntled employees, either with or without union involvement, could engage in one or more concerted refusals to work that could individually or collectively harm the operation of our airline and impair our financial performance. See also Part I, Item 1. Business – "Employees and Labor Relations" in our 2016 Form 10-K.

The inability to maintain labor costs at competitive levels would harm our financial performance.

Currently, we believe our labor costs are competitive relative to the other large network carriers. However, we cannot provide assurance that labor costs going forward will remain competitive because some of our agreements are amendable now and others may become amendable, competitors may significantly reduce their labor costs or we may agree to higher-cost provisions in our current or future labor negotiations, such as the employee profit sharing program we instituted effective January 1, 2016. As of December 31, 2016, approximately 85% of our employees were represented for collective bargaining purposes by labor unions. Some of our unions have brought and may continue to bring grievances to binding arbitration, including those related to wages. Unions may also bring court actions and may seek to compel us to engage in bargaining processes where we believe we have no such obligation. If successful, there is a risk these judicial or arbitral avenues could create material additional costs that we did not anticipate.

Interruptions or disruptions in service at one of our key facilities could have a material adverse impact on our operations.

We operate principally through hubs in Charlotte, Chicago, Dallas/Fort Worth, Los Angeles, Miami, New York, Philadelphia, Phoenix and Washington, D.C. Substantially all of our flights either originate in or fly into one of these locations. A significant interruption or disruption in service at one of our hubs resulting from air traffic control (ATC) delays, weather conditions, natural disasters, growth constraints, relations with third-party service providers, failure of computer systems, disruptions at airport facilities or other key facilities used by us to manage our operations, labor relations, power supplies, fuel supplies, terrorist activities, or otherwise could result in the cancellation or delay of a significant portion of our flights and, as a result, could have a severe impact on our business, results of operations and financial condition.

If we are unable to obtain and maintain adequate facilities and infrastructure throughout our system and, at some airports, adequate slots, we may be unable to operate our existing flight schedule and to expand or change our route network in the future, which may have a material adverse impact on our operations.

In order to operate our existing and proposed flight schedule and, where desirable, add service along new or existing routes, we must be able to maintain and/or obtain adequate gates, check-in counters, operations areas, operations control facilities and office space. As airports around the world become more congested, we are not always able to ensure that our plans for new service can be implemented in a commercially viable manner, given operating constraints at airports throughout our network, including due to inadequate facilities at desirable airports. Further, our operating costs at airports at which we operate, including our hubs, may increase significantly because of capital improvements at such airports that we may be required to fund, directly or indirectly. In some circumstances, such costs could be imposed by the relevant airport authority without our approval.

In addition, operations at three major domestic airports, certain smaller domestic airports and certain foreign airports served by us are regulated by governmental entities through the use of slots or similar regulatory mechanisms which limit the rights of carriers to conduct operations at those airports. Each slot represents the authorization to land at or take off from the particular airport during a specified time period and may have other operational restrictions as well. In the U.S., the Federal Aviation Administration (FAA) currently regulates the allocation of slots or slot exemptions at DCA and two New York City airports: John F. Kennedy International Airport and La Guardia Airport (LGA). In addition to slot restrictions, operations at LGA and DCA are also limited based on the stage length of the flight. Our operations at these airports generally require the allocation of slots or similar regulatory authority. Similarly, our operations at international airports in Beijing, Frankfurt, London Heathrow, Paris, Tokyo and other airports outside the U.S. are regulated by local slot authorities pursuant to the International Airline Trade Association (IATA) Worldwide Scheduling Guidelines and applicable local law. We currently have sufficient slots or analogous authorizations to operate our existing flights and we have generally, but not always, been able to obtain the rights to expand our operations and to change our schedules. However, there is no assurance that we will be able to obtain sufficient slots or analogous authorizations in the future or as to the cost of acquiring such rights because, among other reasons, such allocations are often sought after by other airlines and are subject to changes in governmental policies. We cannot provide any assurance that regulatory changes regarding the allocation of slots or similar regulatory authority will not have a material adverse impact on our operations.

Our ability to provide service can also be impaired at airports, such as Chicago O'Hare International Airport (ORD) and Los Angeles International Airport, where the airport gate and other facilities are inadequate to accommodate all of the service that we would like to provide, or airports such as Dallas Love Field Airport where we have no access to gates at all.

Any limitation on our ability to acquire or maintain adequate gates, ticketing facilities, operations areas, operations control facilities, slots (where applicable), or office space could have a material adverse effect on our business, results of operations and financial condition.

If we encounter problems with any of our third-party regional operators or third-party service providers, our operations could be adversely affected by a resulting decline in revenue or negative public perception about our services.

A significant portion of our regional operations are conducted by third-party operators on our behalf, primarily under capacity purchase agreements. Due to our reliance on third parties to provide these essential services, we are subject to the risks of disruptions to their operations, which may result from many of the same risk factors disclosed in this report, such as the impact of adverse economic conditions, the inability of third parties to hire or retain necessary personnel, including in particular pilots, and other risk factors, such as an out-of-court or bankruptcy restructuring of any of our regional operators. Many of these third-party regional operators provide significant regional capacity that we would be unable to replace in a short period of time should that operator fail to perform its obligations to us. Volatility in fuel prices, disruptions to capital markets and adverse economic conditions in general have subjected certain of these third-party regional operators to significant financial pressures, which have led to several bankruptcies among these operators. For example, one of our significant third-party operators of regional capacity, Republic Airways Holdings Inc. (Republic), commenced a Chapter 11 bankruptcy case on February 25, 2016. As part of Republic's restructuring process and with bankruptcy court approval, we entered into an amendment to our contractual relationship with Republic that, among other things, provided for the reduction in the number of aircraft operated by Republic on our behalf to 76 E175 aircraft (a reduction of 20 E170 and nine E175 aircraft). In addition, we have reached a settlement with Republic that has resulted in the allowance of an unsecured claim on behalf of American, to compensate us in part for losses and damages that we incurred under the existing contract with Republic. This claim is expected to be settled in the form of common stock representing an approximate 25% ownership interest in the restructured company. It is not possible, at this point, however, to quantify the value of a recovery on such claim. We may also experience disruption to our regional operations if we terminate the capacity purchase agreement with one or more of our current operators and transition the services to another provider. Any significant disruption to our regional operations would have a material adverse effect on our business, results of operations and financial condition.

In addition, our reliance upon others to provide essential services on behalf of our operations may result in our relative inability to control the efficiency and timeliness of contract services. We have entered into agreements with contractors to provide various facilities and services required for our operations, including distribution and sale of airline seat inventory, provision of information technology and services, regional operations, aircraft maintenance, ground services and facilities, reservations and baggage handling. Similar agreements may be entered into in any new markets we decide to serve. These agreements are generally subject to termination after notice by the third-party service provider. We are also at risk should one of these service providers cease operations, and there is no guarantee that we could replace these providers on a timely basis with comparably priced providers, or at all. Any material problems with the efficiency and timeliness of contract services, resulting from financial hardships or otherwise, could have a material adverse effect on our business, results of operations and financial condition.

We rely on third-party distribution channels and must manage effectively the costs, rights and functionality of these channels.

We rely on third-party distribution channels, including those provided by or through global distribution systems (GDSs) (e.g., Amadeus, Sabre and Travelport), conventional travel agents and online travel agents (OTAs) (e.g., Expedia, including its booking sites Orbitz and Travelocity, and The Priceline Group), to distribute a significant portion of our airline tickets, and we expect in the future to continue to rely on these channels and hope to expand their ability to distribute and collect revenues for ancillary products (e.g., fees for selective seating). These distribution channels are more expensive and at present have less functionality in respect of ancillary product offerings than those we operate ourselves, such as our call centers and our website. Certain of these distribution channels also effectively restrict the manner in which we distribute our products generally. To remain competitive, we will need to manage successfully our distribution costs and rights, increase our distribution flexibility and improve the functionality of third-party distribution channels, while maintaining an industry-competitive cost structure. These imperatives may affect our relationships with GDSs and OTAs, including as consolidation of OTAs continues or is proposed to continue, and require us to make significant investments in potential new distribution technologies. Any inability to manage our third-party distribution costs, rights and functionality at a competitive level or any material diminishment or disruption in the distribution of our tickets could have a material adverse effect on our business, results of operations and financial condition.

Our business is subject to extensive government regulation, which may result in increases in our costs, disruptions to our operations, limits on our operating flexibility, reductions in the demand for air travel, and competitive disadvantages.

Airlines are subject to extensive domestic and international regulatory requirements. In the last several years, Congress has passed laws, and the DOT, the FAA, the Transportation Security Administration and the Department of Homeland Security have issued a number of directives and other regulations, that affect the airline industry. These requirements impose substantial costs on us and restrict the ways we may conduct our business.

For example, the FAA from time to time issues directives and other regulations relating to the maintenance and operation of aircraft that require significant expenditures or operational restrictions. These requirements can be issued with little or no notice, or can otherwise impact our ability to efficiently or fully utilize our aircraft. Additionally, our failure to comply with such requirements has in the past and may in the future result in fines and other enforcement actions by the FAA or other regulators. In the future, new regulatory requirements could have a material adverse effect on us and the industry.

DOT consumer rules that took effect in 2010 require procedures for customer handling during long onboard delays, further regulate airline interactions with passengers through the reservations process, at the airport, and onboard the aircraft, and require disclosures concerning airline fares and ancillary fees such as baggage fees. The DOT has been aggressively investigating alleged violations of these rules. Other DOT rules apply to post-ticket purchase price increases and an expansion of tarmac delay regulations to international airlines.

The Aviation and Transportation Security Act mandates the federalization of certain airport security procedures and imposes additional security requirements on airports and airlines, most of which are funded by a per-ticket tax on passengers and a tax on airlines. Present and potential future security requirements can have the effect of imposing costs and inconvenience on travelers, potentially reducing the demand for air travel.

The results of our operations, demand for air travel, and the manner in which we conduct business each may be affected by changes in law and future actions taken by governmental agencies, including:

- changes in law which affect the services that can be offered by airlines in particular markets and at particular airports, or the types of fees that can be charged to passengers;
- the granting and timing of certain governmental approvals (including antitrust or foreign government approvals) needed for codesharing alliances, joint businesses and other arrangements with other airlines;
- restrictions on competitive practices (for example, court orders, or agency regulations or orders, that would curtail an airline's ability to respond to a competitor);
- the adoption of new passenger security standards or regulations that impact customer service standards (for example, a "passenger bill of rights");
- restrictions on airport operations, such as restrictions on the use of slots at airports or the auction or reallocation of slot rights currently held by us; and
- the adoption of more restrictive locally-imposed noise restrictions.

Each additional regulation or other form of regulatory oversight increases costs and adds greater complexity to airline operations and, in some cases, may reduce the demand for air travel. There can be no assurance that our compliance with new rules, anticipated rules or other forms of regulatory oversight will not have a material adverse effect on us.

Any significant reduction in air traffic capacity at and in the airspace serving key airports in the U.S. or overseas could have a material adverse effect on our business, results of operations and financial condition. In addition, the United States National Airspace System (the ATC system) is not successfully managing the growing demand for U.S. air travel. Air traffic controllers rely on outdated procedures and technologies that are routinely overwhelmed and compel airlines to fly inefficient routes or take significant delays on the ground. The ATC system's inability to handle existing travel demand has led government agencies to implement short-term capacity constraints during peak travel periods or adverse weather conditions in certain markets, resulting in delays and disruptions of air traffic. The outdated technologies also cause the ATC to be less resilient in the event of a failure. For example, in 2014 the ATC systems in Chicago took weeks to recover following a fire in the ATC tower at ORD, which resulted in thousands of cancelled flights.

The FAA has embarked on transforming the national airspace system, to include migration from the current radar-based air traffic control system to a GPS-based system. This ATC modernization, generally referred to as "NextGen," has been plagued by delays and cost overruns, and it remains uncertain when the full array of benefits expected from ATC modernization will be available to the public and the airlines. Failure to update the ATC system in a timely manner and the substantial funding requirements that may be imposed on airlines of a modernized ATC system may have a material adverse effect on our business. We support legislative efforts that would establish a nimble not-for-profit entity better suited to manage the long-term investments in technology and provide a governance structure needed to successfully implement NextGen and improve the operation of the air traffic control system.

Our operating authority in international markets is subject to aviation agreements between the U.S. and the respective countries or governmental authorities, such as the EU, and in some cases, fares and schedules require the approval of the DOT and/or the relevant foreign governments. Moreover, alliances with international carriers may be subject to the jurisdiction and regulations of various foreign agencies. Bilateral and multilateral agreements among the U.S. and various foreign governments of countries we serve are subject to periodic renegotiation. We currently operate a number of international routes under government arrangements that limit the number of airlines permitted to operate on the route, the capacity of the airlines providing services on the route, or the number of airlines allowed access to particular airports. If an open skies policy were to be adopted for any of these routes, such an event could have a material adverse impact on us and could result in the impairment of material amounts of our related tangible and intangible assets. In addition, competition from revenue-sharing joint ventures, JBAs, and other alliance arrangements by and among other airlines could impair the value of our business and assets on the open skies routes. For example, the open skies air services agreement between the U.S. and the EU, which took effect in March 2008, provides airlines from the U.S. and EU member states open access to each other's markets, with freedom of pricing and unlimited rights to fly from the U.S. to any airport in the EU, including London Heathrow Airport (LHR). As a result of the agreement, we face increased competition in these markets, including LHR. Changes in U.S. or foreign government aviation policies could result in the alteration or termination of such agreements, diminish the value of route authorities, slots or other assets located abroad, or otherwise adversely affect our international operations. The U.S. government has negotiated "open skies" agreements with many countries, which allow unrestricted route authority access between the U.S. and the foreign markets. While the U.S. has worked to increase the number of countries with which open skies agreements are in effect, a number of markets important to us, including China, do not have open skies agreements.

The airline industry is heavily taxed.

The airline industry is subject to extensive government fees and taxation that negatively impact our revenue and profitability. The U.S. airline industry is one of the most heavily taxed of all industries. These fees and taxes have grown significantly in the past decade for domestic flights, and various U.S. fees and taxes also are assessed on international flights. For example, as permitted by federal legislation, most major U.S. airports impose a passenger facility charge per passenger on us. In addition, the governments of foreign countries in which we operate impose on U.S. airlines, including us, various fees and taxes, and these assessments have been increasing in number and amount in recent years. Moreover, we are obligated to collect a federal excise tax, commonly referred to as the “ticket tax,” on domestic and international air transportation. We collect the excise tax, along with certain other U.S. and foreign taxes and user fees on air transportation (such as passenger security fees), and pass along the collected amounts to the appropriate governmental agencies. Although these taxes and fees are not operating expenses, they represent an additional cost to our customers. There are continuing efforts in Congress and in other countries to raise different portions of the various taxes, fees, and charges imposed on airlines and their passengers, and we may not be able to recover all of these charges from our customers. Increases in such taxes, fees and charges could negatively impact our business, results of operations and financial condition.

Under DOT regulations, all governmental taxes and fees must be included in the prices we quote or advertise to our customers. Due to the competitive revenue environment, many increases in these fees and taxes have been absorbed by the airline industry rather than being passed on to the customer. Further increases in fees and taxes may reduce demand for air travel, and thus our revenues.

Changes to our business model that are designed to increase revenues may not be successful and may cause operational difficulties or decreased demand.

We have recently instituted, and intend to institute in the future, changes to our business model to increase revenues and offset costs. These measures include premium economy service, basic economy service and charging separately for services that had previously been included within the price of a ticket and increasing other pre-existing fees. We may introduce additional initiatives in the future; however, as time goes on, we expect that it will be more difficult to identify and implement additional initiatives. We cannot assure you that these measures or any future initiatives will be successful in increasing our revenues. Additionally, the implementation of these initiatives may create logistical challenges that could harm the operational performance of our airline. Also, any new and increased fees might reduce the demand for air travel on our airline or across the industry in general, particularly if weakened economic conditions make our customers more sensitive to increased travel costs or provide a significant competitive advantage to other carriers that determine not to institute similar charges.

The loss of key personnel upon whom we depend to operate our business or the inability to attract additional qualified personnel could adversely affect our business.

We believe that our future success will depend in large part on our ability to retain or attract highly qualified management, technical and other personnel. We may not be successful in retaining key personnel or in attracting other highly qualified personnel. Any inability to retain or attract significant numbers of qualified management and other personnel would have a material adverse effect on our business, results of operations and financial condition.

We may be adversely affected by conflicts overseas or terrorist attacks; the travel industry continues to face ongoing security concerns.

Acts of terrorism or fear of such attacks, including elevated national threat warnings, wars or other military conflicts, may depress air travel, particularly on international routes, and cause declines in revenues and increases in costs. The attacks of September 11, 2001 and continuing terrorist threats, attacks and attempted attacks materially impacted and continue to impact air travel. Increased security procedures introduced at airports since the attacks of September 11, 2001 and any other such measures that may be introduced in the future generate higher operating costs for airlines. The Aviation and Transportation Security Act mandated improved flight deck security, deployment of federal air marshals on board flights, improved airport perimeter access security, airline crew security training, enhanced security screening of passengers, baggage, cargo, mail, employees and vendors, enhanced training and qualifications of security screening personnel, additional provision of passenger data to the U.S. Customs and Border Protection Agency and enhanced background checks. A concurrent increase in airport security charges and procedures, such as restrictions on carry-on baggage, has also had and may continue to have a disproportionate impact on short-haul travel, which constitutes a significant portion of our flying and revenue. Implementation of and compliance with increasingly-complex security and customs requirements will continue to result in increased costs for us and our passengers, and have caused and likely will continue to cause periodic service disruptions and delays. We have at times found it necessary or desirable to make significant expenditures to comply with security-related requirements while seeking to reduce their impact on our customers, such as expenditures for automated security screening lines at airports. As a result of competitive pressure, and the need to improve security screening throughput to support the pace of our operations, it is unlikely that we will be able to capture all security-related costs through increased fares. In addition, we cannot forecast what new security requirements may be imposed in the future, or their impact on our business.

We operate a global business with international operations that are subject to economic and political instability and have been, and in the future may continue to be, adversely affected by numerous events, circumstances or government actions beyond our control.

We operate a global business with operations outside of the U.S. Our current international activities and prospects have been and in the future could be adversely affected by reversals or delays in the opening of foreign markets, increased competition in international markets, the performance of our alliance, joint business and codeshare partners in a given market, exchange controls or other restrictions on repatriation of funds, currency and political risks (including changes in exchange rates and currency devaluations), environmental regulation, increases in taxes and fees and changes in international government regulation of our operations, including the inability to obtain or retain needed route authorities and/or slots. In particular, fluctuations in foreign currencies, including devaluations, exchange controls and other restrictions on the repatriation of funds, have significantly affected and may continue to significantly affect our operating performance, liquidity and the value of any cash held outside the U.S. in local currency.

Generally, fluctuations in foreign currencies, including devaluations, cannot be predicted by us and can significantly affect the value of our assets located outside the United States. These conditions, as well as any further delays, devaluations or imposition of more stringent repatriation restrictions, may materially adversely affect our business, results of operations and financial condition.

The United Kingdom held a referendum in June 2016 regarding its membership in the EU in which a majority of the United Kingdom electorate voted in favor of the British government taking the necessary action for the United Kingdom to leave the EU. In March 2017, the United Kingdom served notice of its decision to withdraw to the EU, formally initiating the withdrawal process. Serving this notice began the two-year period for the United Kingdom to negotiate the terms for its withdrawal from the EU. At this time, it is not certain what steps will need to be taken to facilitate the United Kingdom's exit from the EU. The implications of the United Kingdom withdrawing from the EU are similarly unclear at present because it is unclear what relationship the United Kingdom will have with the EU after withdrawal. We face risks associated with the uncertainty following the referendum and the consequences that may flow from the decision to exit the EU. Among other things, the exit of the United Kingdom from the EU could adversely affect European or worldwide economic or market conditions and could contribute to further instability in global financial markets. In addition, the exit of the United Kingdom from the EU could lead to legal and regulatory uncertainty and potentially divergent treaties, laws and regulations as the United Kingdom determines which EU treaties, laws and regulations to replace or replicate, including those governing aviation, labor, environmental, data protection/privacy, competition and other matters applicable to the provision of air transportation services by us or our alliance, joint business or codeshare partners. The impact on our business of any treaties, laws and regulations that replace the existing EU counterparts cannot be predicted. Any of these effects, and others we cannot anticipate, could materially adversely affect our business, results of operations and financial condition.

We are subject to many forms of environmental and noise regulation and may incur substantial costs as a result.

We are subject to increasingly stringent federal, state, local and foreign laws, regulations and ordinances relating to the protection of the environment and noise reduction, including those relating to emissions to the air, discharges to surface and subsurface waters, safe drinking water, and the management of hazardous substances, oils and waste materials. Compliance with environmental laws and regulations can require significant expenditures, and violations can lead to significant fines and penalties.

We are also subject to other environmental laws and regulations, including those that require us to investigate and remediate soil or groundwater to meet certain remediation standards. Under federal law, generators of waste materials, and current and former owners or operators of facilities, can be subject to liability for investigation and remediation costs at locations that have been identified as requiring response actions. Liability under these laws may be strict, joint and several, meaning that we could be liable for the costs of cleaning up environmental contamination regardless of fault or the amount of waste directly attributable to us. We have liability for investigation and remediation costs at various sites, although such costs currently are not expected to have a material adverse effect on our business.

We have various leases and agreements with respect to real property, tanks and pipelines with airports and other operators. Under these leases and agreements, we have agreed to indemnify the lessor or operator against environmental liabilities associated with the real property or operations described under the agreement, in some cases even if we are not the party responsible for the initial event that caused the environmental damage. We also participate in leases with other airlines in fuel consortiums and fuel committees at airports, where such indemnities are generally joint and several among the participating airlines.

Governmental authorities in several U.S. and foreign cities are also considering, or have already implemented, aircraft noise reduction programs, including the imposition of nighttime curfews and limitations on daytime take offs and landings. We have been able to accommodate local noise restrictions imposed to date, but our operations could be adversely affected if locally-imposed regulations become more restrictive or widespread.

We are subject to risks associated with climate change, including increased regulation to reduce emissions of greenhouse gases.

There is increasing global regulatory focus on climate change and greenhouse gas (GHG) emissions. For example, in October 2016, International Civil Aviation Organization (ICAO) passed a resolution adopting the ICAO Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), which is a global, market-based emissions offset program to encourage carbon-neutral growth beyond 2020. The CORSIA was supported by the board of Airlines For America (the principal U.S. airline trade association) and IATA (the principal international airline trade association), and by American and many other U.S. and foreign airlines. The CORSIA will increase operating costs for American and most other airlines, including other U.S. airlines that operate internationally, but the implementation of a global program, as compared to regional emission reduction schemes, should help to ensure that these costs will be more predictable and more evenly applied to American and its competitors. The CORSIA is expected to be implemented in phases, beginning in 2021. Certain details still need to be developed and the impact of the CORSIA cannot be fully predicted. While we do not anticipate any significant emissions allowance expenditures in 2017, compliance with the CORSIA or similar emissions-related requirements could significantly increase our operating costs beyond 2017. Further, the potential impact of the CORSIA or other emissions-related requirements on our costs will ultimately depend on a number of factors, including baseline emissions, the price of emission allowances or offsets and the number of future flights subject to such emissions-related requirements. These costs have not been completely defined and could fluctuate.

In addition, in December 2015, at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC's COP21), over 190 countries, including the United States, reached an agreement to reduce global greenhouse gas emissions. While there is no express reference to aviation in this international agreement, to the extent the United States and other countries implement this agreement or impose other climate change regulations, either with respect to the aviation industry or with respect to related industries such as the aviation fuel industry, it could have an adverse direct or indirect effect on our business.

The Environmental Protection Agency (EPA) recently issued an endangerment finding that aircraft engine GHG emissions cause or contribute to air pollution that may reasonably be anticipated to endanger public health or welfare, which is a precursor to EPA regulation of aircraft engine GHG emission standards. It is anticipated that any such standards established by the EPA would closely align with emission standards currently being developed by ICAO. In February 2016, the ICAO Committee on Aviation Environmental Protection recommended that ICAO adopt carbon dioxide certification standards that would apply to new type aircraft certified beginning in 2020, and would be phased in for newly manufactured existing aircraft type designs starting in 2023.

In addition, several states have adopted or are considering initiatives to regulate emissions of GHGs, primarily through the planned development of GHG emissions inventories and/or regional GHG cap and trade programs. Depending on the scope of such regulation, certain of our facilities and operations, or the operations of our suppliers, may be subject to additional operating and other permit requirements, likely resulting in increased operating costs.

These regulatory efforts, both internationally and in the U.S. at the federal and state levels, are still developing, and we cannot yet determine what the final regulatory programs or their impact will be in the U.S., the EU or in other areas in which we do business. However, such climate change-related regulatory activity in the future may adversely affect our business and financial results by requiring us to reduce our emissions, purchase allowances or otherwise pay for our emissions. Such activity may also impact us indirectly by increasing our operating costs, including fuel costs.

We rely heavily on technology and automated systems to operate our business, and any failure of these technologies or systems could harm our business, results of operations and financial condition.

We are highly dependent on technology and automated systems to operate our business. These technologies and systems include our computerized airline reservation system, flight operations systems, financial planning, management and accounting systems, telecommunications systems, website, maintenance systems and check-in kiosks. In order for our operations to work efficiently, our website and reservation system must be able to accommodate a high volume of traffic, maintain secure information and deliver flight information, as well as issue electronic tickets and process critical financial information in a timely manner. Substantially all of our tickets are issued to passengers as electronic tickets. We depend on our reservation system, which is hosted and maintained under a long-term contract by a third-party service provider, to be able to issue, track and accept these electronic tickets. If our automated systems are not functioning or if our third-party service providers were to fail to adequately provide technical support, system maintenance or timely software upgrades for any one of our key existing systems, we could experience service disruptions or delays, which could harm our business and result in the loss of important data, increase our expenses and decrease our revenues. In the event that one or more of our primary technology or systems vendors goes into bankruptcy, ceases operations or fails to perform as promised, replacement services may not be readily available on a timely basis, at competitive rates or at all, and any transition time to a new system may be significant.

Our automated systems cannot be completely protected against other events that are beyond our control, including natural disasters, power failures, terrorist attacks, cyber-attacks, data theft, equipment and software failures, computer viruses or telecommunications failures. Substantial or sustained system failures could cause service delays or failures and result in our customers purchasing tickets from other airlines. We cannot assure you that our security measures, change control procedures or disaster recovery plans are adequate to prevent disruptions or delays. Disruption in or changes to these systems could result in a disruption to our business and the loss of important data. Any of the foregoing could result in a material adverse effect on our business, results of operations and financial condition.

We face challenges in integrating our computer, communications and other technology systems.

Among the principal risks of integrating our businesses and operations are the risks relating to integrating various computer, communications and other technology systems that will be necessary to operate US Airways and American as a single airline and to achieve cost synergies by eliminating redundancies in the businesses. While we have to date successfully integrated several of our systems, including our customer reservations system and our pilot and fleet scheduling system, we still have to complete several additional important system integration projects. The integration of these systems in a number of prior airline mergers has taken longer, been more disruptive and cost more than originally forecast. The implementation process to integrate these various systems will involve a number of risks that could adversely impact our business, results of operations and financial condition. New systems will replace multiple legacy systems and the related implementation will be a complex and time-consuming project involving substantial expenditures for implementation consultants, system hardware, software and implementation activities, as well as the transformation of business and financial processes.

We cannot assure you that our security measures, change control procedures or disaster recovery plans will be adequate to prevent disruptions or delays in connection with systems integration or replacement. Disruptions in or changes to these systems could result in a disruption to our business and the loss of important data. Any of the foregoing could result in a material adverse effect on our business, results of operations and financial condition.

We are at risk of losses and adverse publicity stemming from any public incident, accident involving our personnel or aircraft or the personnel or aircraft of our regional or codeshare operators.

If our personnel or one of our aircraft, or personnel of, or an aircraft that is operated under our brand by, one of our regional operators or an airline with which we have a marketing alliance, joint business or codeshare relationship, were to be involved in a public incident, accident or catastrophe, we could be exposed to significant reputational harm and potential legal liability. The insurance we carry may be inapplicable or inadequate to cover any such incident, accident or catastrophe. In the event that our insurance is inapplicable or not adequate, we may be forced to bear substantial losses from an incident or accident. In addition, any such incident accident or catastrophe involving our personnel or one of our aircraft (or personnel and aircraft of our regional operators and our codeshare partners) could create an adverse public perception, which could harm our reputation, result in air travelers being reluctant to fly on our aircraft or those of our regional operators or codeshare partners, and adversely impact our business, results of operations and financial condition.

Delays in scheduled aircraft deliveries or other loss of anticipated fleet capacity, and failure of new aircraft to perform as expected, may adversely impact our business, results of operations and financial condition.

The success of our business depends on, among other things, effectively managing the number and types of aircraft we operate. In many cases, the aircraft we intend to operate are not yet in our fleet, but we have contractual commitments to purchase or lease them. If for any reason we were unable to accept or secure deliveries of new aircraft on contractually scheduled delivery dates, this could have a negative impact on our business, results of operations and financial condition. Our failure to integrate newly purchased aircraft into our fleet as planned might require us to seek extensions of the terms for some leased aircraft or otherwise delay the exit of certain aircraft from our fleet. Such unanticipated extensions or delays may require us to operate existing aircraft beyond the point at which it is economically optimal to retire them, resulting in increased maintenance costs. If new aircraft orders are not filled on a timely basis, we could face higher operating costs than planned. In addition, if the aircraft we receive do not meet expected performance or quality standards, including with respect to fuel efficiency and reliability, our business, results of operations and financial condition could be adversely impacted.

We depend on a limited number of suppliers for aircraft, aircraft engines and parts.

We depend on a limited number of suppliers for aircraft, aircraft engines and many aircraft and engine parts. As a result, we are vulnerable to any problems associated with the supply of those aircraft, parts and engines, including design defects, mechanical problems, contractual performance by the suppliers, or adverse perception by the public that would result in customer avoidance or in actions by the FAA resulting in an inability to operate our aircraft.

Our business has been and will continue to be affected by many changing economic and other conditions beyond our control, including global events that affect travel behavior, and our results of operations could be volatile and fluctuate due to seasonality.

Our business, results of operations and financial condition have been and will continue to be affected by many changing economic and other conditions beyond our control, including, among others:

- actual or potential changes in international, national, regional and local economic, business and financial conditions, including recession, inflation, higher interest rates, wars, terrorist attacks and political instability;
- changes in consumer preferences, perceptions, spending patterns and demographic trends;
- changes in the competitive environment due to industry consolidation, changes in airline alliance affiliations, and other factors;
- actual or potential disruptions to the ATC systems;
- increases in costs of safety, security, and environmental measures;
- outbreaks of diseases that affect travel behavior; and
- weather and natural disasters.

In particular, an outbreak of a contagious disease such as the Ebola virus, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu, Zika virus or any other similar illness, if it were to become associated with air travel or persist for an extended period, could materially affect the airline industry and us by reducing revenues and adversely impacting our operations and passengers' travel behavior. As a result of these or other conditions beyond our control, our results of operations could be volatile and subject to rapid and unexpected change. In addition, due to generally weaker demand for air travel during the winter, our revenues in the first and fourth quarters of the year could be weaker than revenues in the second and third quarters of the year.

A higher than normal number of pilot retirements, more stringent duty time regulations, increased flight hour requirements for commercial airline pilots and other factors have caused a shortage of pilots which could materially adversely affect our business.

We currently have a higher than normal number of pilots eligible for retirement. Among other things, the extension of pilot careers facilitated by the FAA's 2007 modification of the mandatory retirement age from age 60 to age 65 has now been fully implemented, resulting in large numbers of pilots in the industry approaching the revised mandatory retirement age. Further, in July 2013, the FAA issued regulations that increased the flight hours required for pilots working for airlines certificated under Part 121 of the Federal Aviation Regulations. In addition, on January 4, 2014, more stringent pilot flight and duty time requirements under Part 117 of the Federal Aviation Regulations took effect. These and other factors, including reductions in the number of military pilots being trained by the U.S. armed forces and available as commercial pilots upon their retirement from military service, have contributed to a shortage of qualified, entry-level pilots and increased compensation costs, particularly for our regional subsidiaries and our other regional partners who are being required by market conditions to pay significantly increased wages and large signing bonuses to their pilots in an attempt to achieve desired staffing levels. The foregoing factors have also led to increased competition from large, mainline carriers to hire pilots to replace retiring pilots. We believe that this industry-wide pilot shortage is becoming an increasing problem for airlines in the United States. Our regional partners have recently been unable to hire adequate numbers of pilots to meet their needs, resulting in a reduction in the number of flights offered, disruptions, increased costs of operations, financial difficulties and other adverse effects, and these circumstances may become more severe in the future and thereby cause a material adverse effect on our business.

Increases in insurance costs or reductions in insurance coverage may adversely impact our operations and financial results.

The terrorist attacks of September 11, 2001 led to a significant increase in insurance premiums and a decrease in the insurance coverage available to commercial air carriers. Accordingly, our insurance costs increased significantly, and our ability to continue to obtain insurance even at current prices remains uncertain. If we are unable to maintain adequate insurance coverage, our business could be materially and adversely affected. Additionally, severe disruptions in the domestic and global financial markets could adversely impact the claims paying ability of some insurers. Future downgrades in the ratings of enough insurers could adversely impact both the availability of appropriate insurance coverage and its cost. Because of competitive pressures in our industry, our ability to pass along additional insurance costs to passengers is limited. As a result, further increases in insurance costs or reductions in available insurance coverage could have an adverse impact on our financial results.

We may be a party to litigation in the normal course of business or otherwise, which could affect our financial position and liquidity.

From time to time, we are a party to or otherwise involved in legal proceedings, claims and government inspections or investigations and other legal matters, both inside and outside the United States, arising in the ordinary course of our business or otherwise. We are currently involved in various legal proceedings and claims that have not yet been fully resolved, and additional claims may arise in the future. Legal proceedings can be complex and take many months, or even years, to reach resolution, with the final outcome depending on a number of variables, some of which are not within our control. Litigation is subject to significant uncertainty and may be expensive, time-consuming, and disruptive to our operations. Although we will vigorously defend ourselves in such legal proceedings, their ultimate resolution and potential financial and other impacts on us are uncertain. For these and other reasons, we may choose to settle legal proceedings and claims, regardless of their actual merit. If a legal proceeding is resolved against us, it could result in significant compensatory damages, and in certain circumstances punitive or trebled damages, disgorgement of revenue or profits, remedial corporate measures or injunctive relief imposed on us. If our existing insurance does not cover the amount or types of damages awarded, or if other resolution or actions taken as a result of the legal proceeding were to restrain our ability to operate or market our services, our consolidated financial position, results of operations or cash flows could be materially adversely affected. In addition, legal proceedings, and any adverse resolution thereof, can result in adverse publicity and damage to our reputation, which could adversely impact our business. Additional information regarding certain legal matters in which we are involved can be found in Part II, Item 1. Legal Proceedings.

Our ability to utilize our NOL Carryforwards may be limited.

Under the Internal Revenue Code of 1986, as amended (the Code), a corporation is generally allowed a deduction for NOLs carried over from prior taxable years (NOL Carryforwards). As of December 31, 2016, we had available NOL Carryforwards of approximately $10.5 billion for regular federal income tax purposes which will expire, if unused, beginning in 2022, and approximately $3.7 billion for state income tax purposes which will expire, if unused, between 2017 and 2036. Our NOL Carryforwards are subject to adjustment on audit by the Internal Revenue Service and the respective state taxing authorities.

A corporation's ability to deduct its federal NOL Carryforwards and to utilize certain other available tax attributes can be substantially constrained under the general annual limitation rules of Section 382 of the Code (Section 382) if it undergoes an "ownership change" as defined in Section 382 (generally where cumulative stock ownership changes among material stockholders exceed 50 percent during a rolling three-year period). We experienced an ownership change in connection with our emergence from the Chapter 11 Cases and US Airways Group experienced an ownership change in connection with the Merger. The general limitation rules for a debtor in a bankruptcy case are liberalized where the ownership change occurs upon emergence from bankruptcy. We elected to be covered by certain special rules for federal income tax purposes that permitted approximately $9.0 billion (with $8.9 billion of unlimited NOL still remaining at December 31, 2016) of our federal NOL Carryforwards to be utilized without regard to the annual limitation generally imposed by Section 382. If the special rules are determined not to apply, our ability to utilize such federal NOL Carryforwards may be subject to limitation. Substantially all of our remaining federal NOL Carryforwards (attributable to US Airways Group and its subsidiaries) are subject to limitation under Section 382 as a result of the Merger; however, our ability to utilize such NOL Carryforwards is not anticipated to be effectively constrained as a result of such limitation. Similar limitations may apply for state income tax purposes.

Notwithstanding the foregoing, an ownership change subsequent to our emergence from the Chapter 11 Cases may severely limit or effectively eliminate our ability to utilize our NOL Carryforwards and other tax attributes. To reduce the risk of a potential adverse effect on our ability to utilize our NOL Carryforwards, our Restated Certificate of Incorporation (Certificate of Incorporation) contains transfer restrictions applicable to certain substantial stockholders. These restrictions may adversely affect the ability of certain holders of AAG common stock to dispose of or acquire shares of AAG common stock. Although the purpose of these transfer restrictions is to prevent an ownership change from occurring, no assurance can be given that an ownership change will not occur even with these restrictions in place.

Our ability to use our NOL Carryforwards also will depend on the amount of taxable income generated in future periods. The NOL Carryforwards may expire before we can generate sufficient taxable income to use them.

We have a significant amount of goodwill, which is assessed for impairment at least annually. In addition, we may never realize the full value of our intangible assets or long-lived assets, causing us to record material impairment charges.

Goodwill is not amortized, but is assessed for impairment at least annually. In accordance with applicable accounting standards, we are required to assess our indefinite-lived intangible assets for impairment on an annual basis, or more frequently if conditions indicate that an impairment may have occurred. In addition, we are required to assess certain of our other long-lived assets for impairment if conditions indicate that an impairment may have occurred.

Future impairment of goodwill or other long-lived assets could be recorded in results of operations as a result of changes in assumptions, estimates, or circumstances, some of which are beyond our control. There can be no assurance that a material impairment charge of goodwill or tangible or intangible assets will be avoided. The value of our aircraft could be impacted in future periods by changes in supply and demand for these aircraft. Such changes in supply and demand for certain aircraft types could result from grounding of aircraft by us or other airlines. An impairment charge could have a material adverse effect on our business, results of operations and financial condition.

The price of AAG common stock has recently been and may in the future be volatile.

The market price of AAG common stock may fluctuate substantially due to a variety of factors, many of which are beyond our control, including:

- AAG's operating and financial results failing to meet the expectations of securities analysts or investors;
- changes in financial estimates or recommendations by securities analysts;
- material announcements by us or our competitors;
- movements in fuel prices;
- expectations regarding our capital deployment program, including our share repurchase program and any future dividend payments that may be declared by our Board of Directors;
- new regulatory pronouncements and changes in regulatory guidelines;

- general and industry-specific economic conditions;
- the success or failure of AAG's integration efforts;
- changes in our key personnel;
- distributions of shares of AAG common stock pursuant to the Plan, including distributions from the disputed claims reserve established under the plan of reorganization upon the resolution of the underlying claims;
- public sales of a substantial number of shares of AAG common stock or issuances of AAG common stock upon the exercise or conversion of convertible securities, options, warrants, restricted stock unit awards, stock appreciation rights, or similar rights;
- increases or decreases in reported holdings by insiders or other significant stockholders;
- fluctuations in trading volume; and
- changes in market values of airline companies as well as general market conditions.

We cannot guarantee that we will repurchase our common stock pursuant to our share repurchase programs or continue to pay dividends on our common stock or that our capital deployment program will enhance long-term stockholder value. Our capital deployment program could increase the volatility of the price of our common stock and diminish our cash reserves.

Since July 2014, as part of our capital deployment program, our Board of Directors has approved six share repurchase programs aggregating $11.0 billion of authority. As of March 31, 2017, $1.5 billion remained unused under a repurchase program that expires on December 31, 2018. Share repurchases under our share repurchase programs may be made through a variety of methods, which may include open market purchases, privately negotiated transactions, block trades or accelerated share repurchase transactions. These share repurchase programs do not obligate us to acquire any specific number of shares or to repurchase any specific number of shares for any fixed period, and may be suspended at any time at our discretion. The timing and amount of repurchases, if any, will be subject to market and economic conditions, applicable legal requirements and other relevant factors. The repurchase programs may be limited, suspended or discontinued at any time without prior notice.

Although our Board of Directors commenced declaring quarterly cash dividends in July 2014 as part of our capital deployment program, any future dividends that may be declared and paid from time to time will be subject to market and economic conditions, applicable legal requirements and other relevant factors. We are not obligated to continue a dividend for any fixed period, and payment of dividends may be suspended at any time at our discretion. We will continue to retain future earnings to develop our business, as opportunities arise, and evaluate on a quarterly basis the amount and timing of future dividends based on our operating results, financial condition, capital requirements and general business conditions. The amount and timing of any future dividends may vary, and the payment of any dividend does not assure that we will be able to pay dividends in the future.

In addition, repurchases of AAG common stock pursuant to our share repurchase programs and any future dividends could affect our stock price and increase its volatility. The existence of a share repurchase program and any future dividends could cause our stock price to be higher than it would otherwise be and could potentially reduce the market liquidity for our stock. Additionally, our share repurchase programs and any future dividends will diminish our cash reserves, which may impact our ability to finance future growth and to pursue possible future strategic opportunities and acquisitions. Further, our share repurchase programs may fluctuate such that our cash flow may be insufficient to fully cover our share repurchases. Although our share repurchase programs are intended to enhance long-term stockholder value, there is no assurance that it will do so because the market price of our common stock may decline below the levels at which we repurchased shares of stock and short-term stock price fluctuations could reduce the program's effectiveness.

Certain provisions of AAG's Certificate of Incorporation and Bylaws make it difficult for stockholders to change the composition of our Board of Directors and may discourage takeover attempts that some of our stockholders might consider beneficial.

Certain provisions of our Certificate of Incorporation and Second Amended and Restated Bylaws (Bylaws) may have the effect of delaying or preventing changes in control if our Board of Directors determines that such changes in control are not in our best interest and the best interest of our stockholders. These provisions include, among other things, the following:

- advance notice procedures for stockholder proposals to be considered at stockholders' meetings;
- the ability of our Board of Directors to fill vacancies on the board;
- a prohibition against stockholders taking action by written consent;
- a prohibition against stockholders calling special meetings of stockholders;
- a requirement that holders of at least 80% of the voting power of the shares entitled to vote in the election of directors approve any amendment of our Bylaws submitted to stockholders for approval; and
- super-majority voting requirements to modify or amend specified provisions of our Certificate of Incorporation.

These provisions are not intended to prevent a takeover, but are intended to protect and maximize the value of the interests of our stockholders. While these provisions have the effect of encouraging persons seeking to acquire control of our company to negotiate with our Board of Directors, they could enable our Board of Directors to prevent a transaction that some, or a majority, of our stockholders might believe to be in their best interest and, in that case, may prevent or discourage attempts to remove and replace incumbent directors. In addition, we are subject to the provisions of Section 203 of the Delaware General Corporation Law, which prohibits business combinations with interested stockholders. Interested stockholders do not include stockholders whose acquisition of our securities is approved by the Board of Directors prior to the investment under Section 203.

AAG's Certificate of Incorporation and Bylaws include provisions that limit voting and acquisition and disposition of our equity interests.

Our Certificate of Incorporation and Bylaws include certain provisions that limit voting and ownership and disposition of our equity interests. These restrictions may adversely affect the ability of certain holders of AAG common stock and our other equity interests to vote such interests and adversely affect the ability of persons to acquire shares of AAG common stock and our other equity interests.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table displays information with respect to our purchases of shares of AAG common stock during the three months ended March 31, 2017.

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plan or program	Maximum dollar value of shares that may be purchased under the plan or program (in millions)
January 2017	—	$ —	—	$ 2,000
February 2017	4,432,581	$ 45.77	4,432,581	$ 1,797
March 2017	7,244,878	$ 42.61	7,244,878	$ 1,488

ITEM 5. OTHER INFORMATION

Amendment to A350 XWB Purchase Agreement

American and Airbus, S.A.S. (Airbus) are parties to an Amended and Restated Airbus A350 XWB Purchase Agreement, dated as of October 2, 2007 (the Purchase Agreement) pursuant to which American agreed to acquire 22 A350 XWB aircraft (the A350s) from Airbus. On April 24, 2017, American and Airbus entered into an amendment to the Purchase Agreement, the principal purpose of which was to revise the delivery schedule of the A350s as follows:

	Remainder of 2017	2018	2019	2020	2021	2022 and Thereafter	Total
Previous Delivery Schedule	—	2	5	5	5	5	22
Revised Delivery Schedule	—	—	—	2	5	15	22

ITEM 6. EXHIBITS

The exhibits listed in the Exhibit Index following the signature pages to this report are filed as part of, or incorporated by reference into, this report.

Exhibits required to be filed by Item 601 of Regulation S-K: Where the amount of securities authorized to be issued under any of our long-term debt agreements does not exceed 10 percent of our assets, pursuant to paragraph (b)(4) of Item 601 of Regulation S-K, in lieu of filing such as an exhibit, we hereby agree to furnish to the Commission upon request a copy of any agreement with respect to such long-term debt.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

		American Airlines Group Inc.
Date: April 27, 2017	By:	/s/ Derek J. Kerr
		Derek J. Kerr Executive Vice President and Chief Financial Officer (Duly Authorized Officer and Principal Financial Officer)

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

		American Airlines, Inc.
Date: April 27, 2017	By:	/s/ Derek J. Kerr
		Derek J. Kerr Executive Vice President and Chief Financial Officer (Duly Authorized Officer and Principal Financial Officer)

Table of Contents

EXHIBIT INDEX

Exhibit Number	Description
4.1	Trust Supplement No. 2017-1AA, dated as of January 13, 2017, between American Airlines, Inc. and Wilmington Trust Company, as Trustee, to the Pass Through Trust Agreement, dated as of September 16, 2014 (incorporated by reference to Exhibit 4.2 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).
4.2	Trust Supplement No. 2017-1A, dated as of January 13, 2017, between American Airlines, Inc. and Wilmington Trust Company, as Trustee, to the Pass Through Trust Agreement, dated as of September 16, 2014, (incorporated by reference to Exhibit 4.3 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).
4.3	Trust Supplement No. 2017-1B, dated as of January 13, 2017, between American Airlines, Inc. and Wilmington Trust Company, as Trustee, to the Pass Through Trust Agreement, dated as of September 16, 2014 (incorporated by reference to Exhibit 4.4 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).
4.4	Intercreditor Agreement (2017-1), dated as of January 13, 2017, among Wilmington Trust Company, as Trustee of the American Airlines Pass Through Trust 2017-1AA, as Trustee of the American Airlines Pass Through Trust 2017-1A and as Trustee of the American Airlines Pass Through Trust 2017-1B, Citibank N.A., as Class AA Liquidity Provider, Class A Liquidity Provider and Class B Liquidity Provider, and Wilmington Trust Company, as Subordination Agent (incorporated by reference to Exhibit 4.5 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).
4.5	Deposit Agreement (Class AA), dated as of January 13, 2017, between Wilmington Trust, National Association, as Escrow Agent, and Citibank, N.A., as Depositary (incorporated by reference to Exhibit 4.6 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).
4.6	Deposit Agreement (Class A), dated as of January 13, 2017, between Wilmington Trust, National Association, as Escrow Agent, and Citibank, N.A., as Depositary (incorporated by reference to Exhibit 4.7 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).
4.7	Deposit Agreement (Class B), dated as of January 13, 2017, between Wilmington Trust, National Association, as Escrow Agent, and Citibank, N.A., as Depositary (incorporated by reference to Exhibit 4.8 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).
4.8	Escrow and Paying Agent Agreement (Class AA), dated as of January 13, 2017, among Wilmington Trust, National Association, as Escrow Agent, Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc. and Deutsche Bank Securities Inc., for themselves and on behalf of the several Underwriters, Wilmington Trust Company, not in its individual capacity, but solely as Pass Through Trustee for and on behalf of American Airlines Pass Through Trust 2017-1AA, and Wilmington Trust Company, as Paying Agent (incorporated by reference to Exhibit 4.9 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).
4.9	Escrow and Paying Agent Agreement (Class A), dated as of January 13, 2017, among Wilmington Trust, National Association, as Escrow Agent, Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc. and Deutsche Bank Securities Inc., for themselves and on behalf of the several Underwriters, Wilmington Trust Company, not in its individual capacity, but solely as Pass Through Trustee for and on behalf of American Airlines Pass Through Trust 2017-1A, and Wilmington Trust Company, as Paying Agent (incorporated by reference to Exhibit 4.10 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).
4.10	Escrow and Paying Agent Agreement (Class B), dated as of January 13, 2017, among Wilmington Trust, National Association, as Escrow Agent, Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc. and Deutsche Bank Securities Inc., for themselves and on behalf of the several Underwriters, Wilmington Trust Company, not in its individual capacity, but solely as Pass Through Trustee for and on behalf of American Airlines Pass Through Trust 2017-1A, and Wilmington Trust Company, as Paying Agent (incorporated by reference to Exhibit 4.11 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).

Exhibit Number	Description
4.11	Note Purchase Agreement, dated as of January 13, 2017, among American Airlines, Inc., Wilmington Trust Company, as Pass Through Trustee under each of the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust, National Association, as Escrow Agent, and Wilmington Trust Company, as Paying Agent (incorporated by reference to Exhibit 4.12 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).
4.12	Form of Participation Agreement (Participation Agreement among American Airlines, Inc., Wilmington Trust Company, as Pass Through Trustee under each of the Pass Through Trust Agreements, Wilmington Trust Company, as Subordination Agent, Wilmington Trust Company, as Loan Trustee, and Wilmington Trust Company, in its individual capacity as set forth therein) (incorporated by reference to Exhibit 4.2 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).
4.13	Form of Indenture and Security Agreement (Indenture and Security Agreement between American Airlines, Inc., and Wilmington Trust Company, as Loan Trustee) (incorporated by reference to Exhibit 4.2 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).
4.14	Form of Pass Through Trust Certificate, Series 2017-1AA (incorporated by reference to Exhibit 4.2 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).
4.15	Form of Pass Through Trust Certificate, Series 2017-1A (incorporated by reference to Exhibit 4.16 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).
4.16	Form of Pass Through Trust Certificate, Series 2017-1B (incorporated by reference to Exhibit 4.17 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).
4.17	Revolving Credit Agreement (2017-1AA), dated as of January 13, 2017, between Wilmington Trust Company, as Subordination Agent, as agent and trustee for the trustee of the American Airlines Pass Through Trust 2017-1AA, as Borrower, and Citibank N.A., as Liquidity Provider (incorporated by reference to Exhibit 4.18 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).
4.18	Revolving Credit Agreement (2017-1A), dated as of January 13, 2017, between Wilmington Trust Company, as Subordination Agent, as agent and trustee for the trustee of the American Airlines Pass Through Trust 2017-1A, as Borrower, and Citibank N.A., as Liquidity Provider (incorporated by reference to Exhibit 4.19 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).
4.19	Revolving Credit Agreement (2017-1B), dated as of January 13, 2017, between Wilmington Trust Company, as Subordination Agent, as agent and trustee for the trustee of the American Airlines Pass Through Trust 2017-1B, as Borrower, and Citibank N.A., as Liquidity Provider (incorporated by reference to Exhibit 4.20 to American's Current Report on Form 8-K filed on January 17, 2017 (Commission File No. 1-8400)).
4.20	Acknowledgement and Agreement (2017-1), dated as of March 31, 2017, by and among American Airlines Inc., Citibank, N.A., as initial Liquidity Provider, National Australia Bank Limited, as Replacement Liquidity Provider, and Wilmington Trust Company, as Subordination Agent and trustee.
4.21	Revolving Credit Agreement (2017-1AA), dated as of March 31, 2017, between Wilmington Trust Company, as Subordination Agent, as agent and trustee for the trustee of the American Airlines Pass Through Trust 2017-1AA, as Borrower, and National Australia Bank Limited, as Liquidity Provider.
4.22	Revolving Credit Agreement (2017-1A), dated as of March 31, 2017, between Wilmington Trust Company, as Subordination Agent, as agent and trustee for the trustee of the American Airlines Pass Through Trust 2017-1A, as Borrower, and National Australia Bank Limited, as Liquidity Provider.
4.23	Revolving Credit Agreement (2017-1B), dated as of March 31, 2017, between Wilmington Trust Company, as Subordination Agent, as agent and trustee for the trustee of the American Airlines Pass Through Trust 2017-1B, as Borrower, and National Australia Bank Limited, as Liquidity Provider.

Exhibit Number	Description
4.24	Form of American Airlines Group Inc. Indenture for Debt Securities (incorporated by reference to Exhibit 4.1 to AAG's Current Report on Form S-3ASR filed on February 22, 2017 (Commission File No. 1-2691).
4.25	Form of American Airlines, Inc. Indenture for Debt Securities (incorporated by reference to Exhibit 4.2 to AAG's Current Report on Form S-3ASR filed on February 22, 2017 (Commission File No. 1-2691).
10.1*	Supplemental Agreement No. 7, dated as of March 2, 2017, to Purchase Agreement No. 03735 dated as of February 1, 2013, between American Airlines, Inc. and The Boeing Company.
10.2	Second Amendment to Amended and Restated Credit and Guaranty Agreement, dated as of March 14, 2017, amending the Amended and Restated Credit and Guaranty Agreement, dated as of May 21, 2015, among American Airlines, Inc., American Airlines Group Inc., the lenders from time to time party thereto, Deutsche Bank AG New York Branch, as administrative agent, and certain other parties thereto.
10.3*	Supplemental Agreement No. 8, dated as of January 26, 2017, to Purchase Agreement No. 3219 dated as of October 15, 2008, between American Airlines, Inc. and The Boeing Company.
12.1	Computation of ratio of earnings to fixed charges of American Airlines Group Inc. for the three months ended March 31, 2017.
12.2	Computation of ratio of earnings to fixed charges of American Airlines, Inc. for the three months ended March 31, 2017.
31.1	Certification of AAG Chief Executive Officer pursuant to Rule 13a-14(a).
31.2	Certification of AAG Chief Financial Officer pursuant to Rule 13a-14(a).
31.3	Certification of American Chief Executive Officer pursuant to Rule 13a-14(a).
31.4	Certification of American Chief Financial Officer pursuant to Rule 13a-14(a).
32.1	AAG Certification pursuant to Rule 13a-14(b) and section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code).
32.2	American Certification pursuant to Rule 13a-14(b) and section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code).
101	Interactive data files pursuant to Rule 405 of Regulation S-T.

* Confidential treatment has been requested with respect to certain portions of this agreement.

Exhibit 4.20

Execution Version

ACKNOWLEDGMENT AND AGREEMENT
(2017-1)

dated as of March 31, 2017

AMONG

CITIBANK, N.A.,
as initial Liquidity Provider,

NATIONAL AUSTRALIA BANK LIMITED,
as Replacement Liquidity Provider,

AMERICAN AIRLINES, INC.,

AND

WILMINGTON TRUST COMPANY,
not in its individual capacity except
as expressly set forth herein but
solely as Subordination Agent

Execution Version

ACKNOWLEDGMENT AND AGREEMENT (2017-1)

ACKNOWLEDGMENT AND AGREEMENT (2017-1) (this "Acknowledgment Agreement"), dated as of March 31, 2017, among AMERICAN AIRLINES, INC., a Delaware corporation ("American"); CITIBANK, N.A., a national banking association ("CITI"), as initial Liquidity Provider; NATIONAL AUSTRALIA BANK LIMITED, a company incorporated in the Commonwealth of Australia ("NAB"), as Replacement Liquidity Provider; and WILMINGTON TRUST COMPANY, a Delaware trust company, not in its individual capacity, but solely as Subordination Agent and trustee under the Intercreditor Agreement referred to below (in such capacity, together with any duly appointed successor, the "Subordination Agent").

W I T N E S S E T H:

WHEREAS, Wilmington Trust Company, not in its individual capacity but solely as Trustee under the American Airlines Pass Through Trust 2017-1AA (in such capacity, the "Class AA Trustee"), the American Airlines Pass Through Trust 2017-1A (in such capacity, the "Class A Trustee") and the American Airlines Pass Through Trust 2017-1B (in such capacity, the "Class B Trustee", and together with the Class AA Trustee and the Class A Trustee, the "Trustee"), Citi, as Liquidity Provider, and Wilmington Trust Company, not in its individual capacity except as expressly set forth therein, but solely as Subordination Agent thereunder, are parties to the Intercreditor Agreement, dated as of January 13, 2017 (the "Intercreditor Agreement");

WHEREAS, Citi, as Liquidity Provider, and Wilmington Trust Company, not in its individual capacity but solely as Subordination Agent under the Intercreditor Agreement, as agent and trustee for the trustee of the American Airlines Pass Through Trust 2017-1AA (the "Class AA Trust"), have entered into the Revolving Credit Agreement (2017-1AA), dated as of January 13, 2017 (the "Original Class AA Liquidity Facility");

WHEREAS, Citi, as Liquidity Provider, and Wilmington Trust Company, not in its individual capacity but solely as Subordination Agent under the Intercreditor Agreement, as agent and trustee for the trustee of the American Airlines Pass Through Trust 2017-1A (the "Class A Trust"), have entered into the Revolving Credit Agreement (2017-1A), dated as of January 13, 2017 (the "Original Class A Liquidity Facility");

WHEREAS, Citi, as Liquidity Provider, and Wilmington Trust Company, not in its individual capacity but solely as Subordination Agent under the Intercreditor Agreement, as agent and trustee for the trustee of the American Airlines Pass Through Trust 2017-1B (the "Class B Trust"), have entered into the Revolving Credit Agreement (2017-1B), dated as of January 13, 2017 (the "Original Class B Liquidity Facility", and together with the Original Class AA Liquidity Facility and the Original Class A Liquidity Facility, the "Original Liquidity Facilities" and each an "Original Liquidity Facility");

WHEREAS, American Airlines wishes to replace Citi as Liquidity Provider under each Original Liquidity Facility with NAB;

WHEREAS, NAB, as Liquidity Provider, and Wilmington Trust Company, not in its individual capacity but solely as Subordination Agent under the Intercreditor Agreement, as agent and trustee for the trustee of the Class AA Trust, are entering into the Revolving Credit Agreement (2017-1AA), dated as of March 31, 2017 (the "Class AA Replacement Liquidity Facility");

WHEREAS, NAB, as Liquidity Provider, and Wilmington Trust Company, not in its individual capacity but solely as Subordination Agent under the Intercreditor Agreement, as agent and trustee for the trustee of the Class A Trust, are entering into the Revolving Credit Agreement (2017-1A), dated as of March 31, 2017 (the "Class A Replacement Liquidity Facility");

WHEREAS, NAB, as Liquidity Provider, and Wilmington Trust Company, not in its individual capacity but solely as Subordination Agent under the Intercreditor Agreement, as agent and trustee for the trustee of the Class B Trust, are entering into the Revolving Credit Agreement (2017-1B), dated as of March 31, 2017 (the "Class B Replacement Liquidity Facility", and together with the Class AA Replacement Liquidity Facility and the Class A Replacement Liquidity Facility, the "Replacement Liquidity Facilities" and each a "Replacement Liquidity Facility"); and

WHEREAS, the parties hereto desire to acknowledge the replacement of Citi by NAB as Liquidity Provider;

NOW, THEREFORE, in consideration of the mutual agreements herein contained and of other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1 Definitions. Except as otherwise defined in this Acknowledgment Agreement, terms defined in Section 1.01 of the Intercreditor Agreement are used herein as defined therein.

ARTICLE II

REQUEST TO SUBORDINATION AGENT

SECTION 2.1 Request. Pursuant to Section 3.05(e)(i) of the Intercreditor Agreement, American hereby requests the Subordination Agent to execute and deliver this Acknowledgment Agreement, each Replacement Liquidity Facility and the Fee Letter from NAB to the Subordination Agent, each dated as of the date hereof.

ARTICLE III

REPLACEMENT OF LIQUIDITY FACILITIES

SECTION 3.1 Termination of Original Liquidity Facilities. Each of the parties hereto hereby acknowledges and agrees that, as of the date hereof, each Original Liquidity Facility shall be terminated and shall no longer be the "Liquidity Facility" under the Intercreditor Agreement and that Citi shall no longer be, nor have any of the rights or obligations of, the "Class AA Liquidity Provider", "Class A Liquidity Provider" and "Class B Liquidity Provider" under the Intercreditor Agreement and each Original Liquidity Facility (except with respect to any outstanding fees payable under its Fee Letter with respect to each Original Liquidity Facility or provisions set forth in the Original Liquidity Facilities that expressly survive termination), and all obligations of Citi as the "Liquidity Provider" thereunder and under any of the other Operative Agreements shall irrevocably terminate and be of no further force and effect. The parties hereto confirm that no amounts whatsoever are payable by or to Citi, as "Liquidity Provider" pursuant to the Original Liquidity Facilities, the Intercreditor Agreement or any other Operative Agreement. The Subordination Agent confirms that, as of the date hereof, it has not requested any Advance under any of the original Liquidity Facilities.

SECTION 3.2 Replacement Liquidity Facility. Each of the parties hereto hereby acknowledges and agrees that, as of the date hereof, each Replacement Liquidity Facility shall be the "Liquidity Facility" under the Intercreditor Agreement (each as a "Replacement Liquidity Facility" thereunder), and that NAB shall be, and shall have all the rights and obligations of, the "Liquidity Provider" under the Intercreditor Agreement (as a "Replacement Liquidity Provider" thereunder).

ARTICLE IV

MISCELLANEOUS

SECTION 4.1 Miscellaneous. The Intercreditor Agreement and the other Operative Agreements (other than the Original Liquidity Facilities and the original Fee Letter relating to the Original Liquidity Facilities) shall remain unchanged (except to the extent expressly provided herein) and in full force and effect, and each party hereto (other than Citi) hereby ratifies and confirms in all respects all of its obligations thereunder. Each party hereto agrees to execute and deliver all such further agreements or documents, if any, as shall be necessary to give effect to the provisions of this Acknowledgment Agreement. This Acknowledgment Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Acknowledgment Agreement by signing any such counterpart. THIS ACKNOWLEDGMENT AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. The parties hereby agree that the provisions of Sections 9.11(a)(i) and (ii) of the Intercreditor Agreement shall be incorporated herein as if set forth in full herein, and each of the parties hereby irrevocably and unconditionally makes the submissions and agreements and gives the consents and waivers described in such Sections 9.11(a)(i) and (ii) in respect of any action, claim, proceeding or judgment relating to this Acknowledgment Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Acknowledgment Agreement to be duly executed by their respective officers thereunto duly authorized, as of the day and year first above written, and acknowledge that this Acknowledgment Agreement has been made and delivered in the City of New York, and this Acknowledgment Agreement has become effective only upon such execution and delivery.

AMERICAN AIRLINES, INC.,

By /s/ Thomas T. Weir
Name: Thomas T. Weir
Title: Vice President and Treasurer

CITIBANK, N.A.,

By /s/ Meghan O'Connor
Name: Meghan O'Connor
Title: Vice President

WILMINGTON TRUST COMPANY,
not in its individual capacity except as expressly set forth herein but solely as Subordination Agent

By /s/ Adam R. Vogelsong
Name: Adam R. Vogelsong
Title: Vice President

NATIONAL AUSTRALIA BANK LIMITED

By /s/ Daniel Carr
Name: Daniel Carr
Title: Director

Exhibit 4.21

Execution Version

REVOLVING CREDIT AGREEMENT
(2017-1AA)

Dated as of March 31, 2017

between

WILMINGTON TRUST COMPANY,
as Subordination Agent,
as agent and trustee for the trustee of
American Airlines Pass Through Trust 2017-1AA,

as Borrower

and

NATIONAL AUSTRALIA BANK LIMITED,

as Liquidity Provider

American Airlines Pass Through Trust 2017-1AA
American Airlines
Pass Through Certificates,
Series 2017-1AA

Table of Contents

Page

ARTICLE I

DEFINITIONS

Section 1.01	Definitions	1

ARTICLE II

AMOUNT AND TERMS OF THE COMMITMENT

Section 2.01	The Advances	8
Section 2.02	Making of Advances	8
Section 2.03	Fees	11
Section 2.04	Reduction or Termination of the Maximum Commitment	11
Section 2.05	Repayments of Interest Advances, the Special Termination Advance or the Final Advance	11
Section 2.06	Repayments of Provider Advances	12
Section 2.07	Payments to the Liquidity Provider Under the Intercreditor Agreement	13
Section 2.08	Book Entries	13
Section 2.09	Payments from Available Funds Only	14
Section 2.10	Extension of the Expiry Date; Non-Extension Advance	14

ARTICLE III

OBLIGATIONS OF THE BORROWER

Section 3.01	Increased Costs	14
Section 3.02	Intentionally omitted	15
Section 3.03	Withholding Taxes	16
Section 3.04	Payments	18
Section 3.05	Computations	18
Section 3.06	Payment on Non-Business Days	18
Section 3.07	Interest	18
Section 3.08	Replacement of Borrower	20
Section 3.09	Funding Loss Indemnification	20
Section 3.10	Illegality	20

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01	Conditions Precedent to Effectiveness of Section 2.01	21
Section 4.02	Conditions Precedent to Borrowing	22
Section 4.03	Representations and Warranties	22

ARTICLE V

COVENANTS

Section 5.01	Affirmative Covenants of the Borrower	22
Section 5.02	Negative Covenants of the Borrower	23

ARTICLE VI

LIQUIDITY EVENTS OF DEFAULT AND SPECIAL TERMINATION

Section 6.01	Liquidity Events of Default	23

ARTICLE VII

MISCELLANEOUS

Section 7.01	No Oral Modifications or Continuing Waivers	24
Section 7.02	Notices	24
Section 7.03	No Waiver; Remedies	25
Section 7.04	Further Assurances	25
Section 7.05	Indemnification; Survival of Certain Provisions	25
Section 7.06	Liability of the Liquidity Provider	26
Section 7.07	Certain Costs and Expenses	26
Section 7.08	Binding Effect; Participations	27
Section 7.09	Severability	29
Section 7.10	Governing Law	29
Section 7.11	Submission to Jurisdiction; Waiver of Jury Trial; Waiver of Immunity	29
Section 7.12	Counterparts	30
Section 7.13	Entirety	30
Section 7.14	Headings	30
Section 7.15	Liquidity Provider’s Obligation to Make Advances	30

Section 7.16	Patriot Act	30
Section 7.17	No Fiduciary Relationship	31
Section 7.18	Acknowledgement and Consent to Bail-In of EEA Financial Institutions	31

Annex I - Form of Interest Advance Notice of Borrowing
Annex II - Form of Non-Extension Advance Notice of Borrowing
Annex III - Form of Downgrade Advance Notice of Borrowing
Annex IV - Form of Final Advance Notice of Borrowing
Annex V - Form of Special Termination Advance Notice of Borrowing
Annex VI - Form of Notice of Termination
Annex VII - Form of Notice of Special Termination
Annex VIII - Form of Notice of Replacement Subordination Agent

REVOLVING CREDIT AGREEMENT
(2017-1AA)

This REVOLVING CREDIT AGREEMENT (2017-1AA), dated as of March 31, 2017, is made by and between WILMINGTON TRUST COMPANY, a Delaware trust company, not in its individual capacity but solely as Subordination Agent (such term and other capitalized terms used herein without definition being defined as provided in Article I) under the Intercreditor Agreement (as defined below), as agent and trustee for the Class AA Trustee (in such capacity, together with its successors in such capacity, the "***Borrower***"), and NATIONAL AUSTRALIA BANK LIMITED, a company incorporated in the Commonwealth of Australia, (the "***Liquidity Provider***").

W I T N E S S E T H:

WHEREAS, pursuant to the Class AA Trust Agreement, the Class AA Trust has issued the Class AA Certificates; and

WHEREAS, the Borrower, in order to support the timely payment of a portion of the interest on the Class AA Certificates in accordance with their terms, has requested the Liquidity Provider to enter into this Agreement, providing in part for the Borrower to request in specified circumstances that Advances be made hereunder;

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and of other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. (a) The definitions stated herein apply equally to both the singular and the plural forms of the terms defined.

(b) All references in this Agreement to designated "Articles", "Sections", "Annexes" and other subdivisions are to the designated Article, Section, Annex or other subdivision of this Agreement, unless otherwise specifically stated.

(c) The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, Annex or other subdivision.

(d) Unless the context otherwise requires, whenever the words "including", "include" or "includes" are used herein, it shall be deemed to be followed by the phrase "without limitation".

(e) All references in this Agreement to a Person shall include successors and permitted assigns of such Person.

(f) For the purposes of this Agreement, unless the context otherwise requires, the following capitalized terms shall have the following meanings:

"***Acknowledgment and Agreement***" means the Acknowledgment and Agreement (2017-1), dated the date hereof, among Citibank, N.A., as initial Liquidity Provider, the Liquidity Provider, American and the Subordination Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"***Advance***" means an Interest Advance, a Final Advance, a Provider Advance, an Unapplied Provider Advance, an Applied Provider Advance, a Special Termination Advance, an Applied Special Termination Advance or an Unpaid Advance, as the case may be.

"***Agreement***" means this Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"***Applicable Liquidity Rate***" has the meaning specified in Section 3.07(g).

"***Applicable Margin***" means (a) with respect to any Interest Advance, Final Advance, Applied Provider Advance or Applied Special Termination Advance, 3.75% per annum, (b) with respect to any Unapplied Provider Advance, the rate per annum specified in the Fee Letter or (c) with respect to any Special Termination Advance, the rate per annum specified in the Fee Letter.

"***Applied Downgrade Advance***" has the meaning specified in Section 2.06(a).

"***Applied Non-Extension Advance***" has the meaning specified in Section 2.06(a).

"***Applied Provider Advance***" has the meaning specified in Section 2.06(a).

"***Applied Special Termination Advance***" has the meaning specified in Section 2.05.

"***Bail-in Action***" means the application of any write-down or conversion powers by an EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"***Base Rate***" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for each day in the period for which the Base Rate is to be determined (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the Liquidity Provider from three Federal funds brokers of recognized standing selected by it (and reasonably satisfactory to American) plus one quarter of one percent (0.25%).

"***Base Rate Advance***" means an Advance that bears interest at a rate based upon the Base Rate.

"***Borrower***" has the meaning specified in the introductory paragraph to this Agreement.

"***Borrowing***" means the making of Advances requested by delivery of a Notice of Borrowing.

"***Business Day***" means any day other than a Saturday, a Sunday or a day on which commercial banks are required or authorized to close in New York, New York, Fort Worth, Texas, Wilmington, Delaware, or, so long as any Class AA Certificate is outstanding, the city and state in which the Class AA Trustee, the Borrower or any related Loan Trustee maintains its Corporate Trust Office or receives or disburses funds, and, if the applicable Business Day relates to any Advance or other amount bearing interest based on the LIBOR Rate, on which dealings are carried on in the London interbank market.

"***Covered Taxes***" means any Taxes imposed on or are required by law to be deducted or withheld from any amounts payable to the Liquidity Provider under this Agreement other than (i) any Tax on, based on or measured by net income, franchises or conduct of business, (ii) any Tax imposed, levied, withheld or assessed as a result of any connection between the Liquidity Provider and the jurisdiction of the taxing authority, other than a connection arising solely from the Liquidity Provider's having executed, delivered, performed its obligations or received a payment under, or enforced, any Operative Agreement, (iii) any Tax attributable to the inaccuracy in or breach by the Liquidity Provider of any of its representations, warranties or covenants contained in any Operative Agreement to which it is a party or the inaccuracy of any form, certificate or document furnished pursuant thereto, (iv) any U.S. federal withholding Taxes (including backup withholding), except to the extent such withholding Taxes are the result of a change in law after such Liquidity Provider became a Liquidity Provider hereunder, (v) any withholding Taxes imposed or increased as a result of the Liquidity Provider failing to deliver to the Borrower any form, certificate or document (which form, certificate or document, in the good faith judgment of the Liquidity Provider, it is legally entitled to provide) which is reasonably requested by the Borrower to establish that payments under this Agreement are exempt from (or entitled to a reduced rate of) withholding Tax, (vi) Taxes that would not have been imposed but for any change in the Lending Office without the prior written consent of American (such consent not to be unreasonably withheld), or (vii) any Tax imposed under FATCA.

"***Downgrade Advance***" means an Advance made pursuant to Section 2.02(b)(ii).

"***Downgrade Event***" means any downgrading of, or any suspension or withdrawal of any applicable rating of, the Liquidity Provider by any Rating Agency such that after such downgrading, suspension or withdrawal the Liquidity Provider does not have either the minimum Long-Term Rating or the minimum Short-Term Rating, if applicable, specified for such Rating Agency in the definition of "Threshold Rating". The occurrence of a Downgrade Event shall be determined separately for each Rating Agency. For the avoidance of doubt, a Downgrade Event shall not occur with respect to a Rating Agency so long as the Liquidity Provider has either of the applicable Threshold Ratings specified for such Rating Agency.

"***EEA Financial Institution***" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"***EEA Member Country***" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"***EEA Resolution Authority***" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"***Effective Date***" has the meaning specified in Section 4.01. The delivery of the certificate of the Liquidity Provider contemplated by Section 4.01(e) shall be conclusive evidence that the Effective Date has occurred.

"***Excluded Taxes***" means (a) Taxes imposed on the overall net income of the Liquidity Provider, (b) Taxes imposed on the "effectively connected income" of its Lending Office, (c) Covered Taxes that are indemnified pursuant to Section 3.03 hereof, and (d) Taxes described in clauses (i) through (vii) in the definition of "***Covered Taxes***".

"***Expenses***" means liabilities, losses, damages, costs and expenses (including, without limitation, reasonable fees and disbursements of legal counsel), provided that Expenses shall not include any Taxes other than sales, use and V.A.T. taxes imposed on fees and expenses payable pursuant to Section 7.07.

"***Expiry Date***" means the earlier of (a) the anniversary date of the Closing Date immediately following the date on which the Liquidity Provider has provided a Non-Extension Notice to the Borrower pursuant to Section 2.10 and (b) the 15th day after the Final Legal Distribution Date for the Class AA Certificates.

"**FATCA**" means Sections 1471, 1472, 1473 and 1474 of the U.S. Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), current or future United States Treasury Regulations promulgated thereunder and published guidance with respect thereto, any agreements entered into pursuant to Section 1471(b)(1) of the U.S. Internal Revenue Code and any applicable intergovernmental agreements with respect thereto, including any laws, regulations, guidance or practices governing any such intergovernmental agreement.

"***Final Advance***" means an Advance made pursuant to Section 2.02(c).

"***Increased Cost***" has the meaning specified in Section 3.01.

"***Intercreditor Agreement***" means the Intercreditor Agreement, dated January 13, 2017, among the Trustees, the Liquidity Provider, the liquidity provider under each Liquidity Facility (other than this Agreement), if any, and the Subordination Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"***Interest Advance***" means an Advance made pursuant to Section 2.02(a) and any Applied Downgrade Advance converted to an Interest Advance in accordance with Section 2.06(d).

"***Interest Period***" means, with respect to any LIBOR Advance, each of the following periods:

(i) the period beginning on the third Business Day following either (A) the Liquidity Provider's receipt of the Notice of Borrowing for such LIBOR Advance or (B) the date of the withdrawal of funds from the Class AA Cash Collateral Account for the purpose of paying interest on the Class AA Certificates as contemplated by Section 2.06(a) hereof and, in each case, ending on the next numerically corresponding day in the first calendar month after the first day of the applicable Interest Period; and

(ii) each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the numerically corresponding day in the first calendar month after the first day of the applicable Interest Period;

provided, however, that if (x) the Final Advance shall have been made pursuant to Section 2.02(c) or (y) other outstanding Advances shall have been converted into the Final Advance pursuant to Section 6.01(a), then the Interest Periods shall be successive periods of one month beginning on (A) the third Business Day following the Liquidity Provider's receipt of the Notice of Borrowing for such Final Advance (in the case of clause (x) above) or (B) the Regular Distribution Date following such conversion (in the case of clause (y) above).

"***Interpolated Rate***" means, at any time, the rate per annum (rounded to the same number of decimal places as the LIBOR Rate) determined by the Liquidity Provider (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBOR Rate for the longest period for which the LIBOR Rate is available that is shorter than the relevant Interest Period; and (b) the LIBOR Rate for the shortest period (for which that LIBOR Rate is available) that exceeds the relevant Interest Period, in each case, at such time.

"***Lending Office***" means the lending office of the Liquidity Provider, which is presently located in Melbourne, Australia, or such other lending office as the Liquidity Provider from time to time shall notify the Borrower as its lending office hereunder; provided that the Liquidity Provider shall not change its Lending Office without the prior written consent of American (such consent not to be unreasonably withheld).

"***LIBOR Advance***" means an Advance bearing interest at a rate based upon the LIBOR Rate.

"***LIBOR Rate***" shall mean, with respect to each day during each Interest Period pertaining to an Advance, the rate per annum determined by the Liquidity Provider at approximately 11:00 a.m. (London time) on the date that is two (2) Business Days prior to the commencement of each Interest Period by reference to the applicable page for LIBOR deposits in dollars for a period of one (1) month (currently Bloomberg Page BBAM01, or any successor or replacement thereof); provided if the LIBOR Rate shall not be available at such time for such

Interest Period then the LIBOR Rate for such Interest Period shall be the Interpolated Rate; provided further to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, such Advance will earn interest on a "cost of funds" basis as set forth in Section 2.06. Notwithstanding the foregoing, if any such rate (or average of any such rate) would otherwise be below zero, the LIBOR Rate will be deemed to be zero.

"***Liquidity Event of Default***" means the occurrence of either (a) the Acceleration of all of the Equipment Notes or (b) an American Bankruptcy Event.

"***Liquidity Indemnitee***" means the Liquidity Provider, its directors, officers, employees and agents, and its successors and permitted assigns.

"***Liquidity Provider***" has the meaning specified in the introductory paragraph to this Agreement.

"***Maximum Available Commitment***" means, subject to the proviso contained in the third sentence of Section 2.02(a), at any time of determination, (a) the Maximum Commitment at such time less (b) the aggregate amount of each Interest Advance outstanding at such time; provided that, subject to Section 2.06(d), following a Provider Advance, a Special Termination Advance or a Final Advance, the Maximum Available Commitment shall be zero.

"***Maximum Commitment***" means initially $31,132,056 as the same may be reduced from time to time in accordance with Section 2.04(a).

"***Non-Extension Advance***" means an Advance made pursuant to Section 2.02(b)(i).

"***Non-Extension Notice***" has the meaning specified in Section 2.10.

"***Notice Date***" has the meaning specified in Section 2.10.

"***Notice of Borrowing***" has the meaning specified in Section 2.02(e).

"***Notice of Replacement Subordination Agent***" has the meaning specified in Section 3.08.

"***Participation***" has the meaning specified in Section 7.08(b).

"***Performing Note Deficiency***" means any time that less than 65% of the then aggregate outstanding principal amount of all Equipment Notes are Performing Equipment Notes.

"***Prospectus Supplement***" means the final Prospectus Supplement, dated January 4, 2017, relating to the Class AA Certificates and the Class A Certificates, as such Prospectus Supplement may be amended or supplemented.

"***Provider Advance***" means a Downgrade Advance or a Non-Extension Advance.

"***Rate Determination Notice***" has the meaning specified in Section 3.07(g).

"***Regulatory Change***" means (x) the enactment, adoption or promulgation, after the date of this Agreement, of any law or regulation by a United States federal or state government or by

any government having jurisdiction over the Liquidity Provider, or any change, after the date of this Agreement, in any such law or regulation, or in the interpretation thereof by any governmental authority, central bank or comparable agency of the United States or any government having jurisdiction over the Liquidity Provider charged with responsibility for the administration or application thereof, that shall impose, modify or deem applicable, or (y) the compliance by the Liquidity Provider with any applicable direction or requirement (whether or not having the force of law) of any central bank or competent governmental or other authority, after the date of this Agreement, with respect to: (a) any reserve, special deposit or similar requirement against extensions of credit or other assets of, or deposits with or other liabilities of, the Liquidity Provider including, or by reason of, the Advances, or (b) any capital adequacy requirement requiring the maintenance by the Liquidity Provider of additional capital in respect of any Advances or the Liquidity Provider's obligation to make any such Advances, or (c) any requirement to maintain liquidity or liquid assets in respect of the Liquidity Provider's obligation to make any such Advances, or (d) any Taxes (other than Excluded Taxes) on (i) payments or with respect to amounts payable hereunder to the Liquidity Provider, (ii) its Advances, commitments or other obligations hereunder or (iii) its deposits, reserves or other liabilities attributable to clause (i) and/or (ii).

"***Replenishment Amount***" has the meaning specified in Section 2.06(b).

"***Required Amount***" means, for any day, the sum of the aggregate amount of interest, calculated at the rate per annum equal to the Stated Interest Rate for the Class AA Certificates on the basis of a 360-day year comprised of twelve 30-day months, that would be payable on the Class AA Certificates on each of the three successive semiannual Regular Distribution Dates immediately following such day or, if such day is a Regular Distribution Date, on such day and the succeeding two semiannual Regular Distribution Dates, in each case calculated on the basis of the Pool Balance of the Class AA Certificates on such day and without regard to expected future distributions of principal on the Class AA Certificates.

"***Special Termination Advance***" means an Advance made pursuant to Section 2.02(d), other than any portion of such Advance that becomes an Applied Special Termination Advance.

"***Special Termination Notice***" means the Notice of Special Termination substantially in the form of **Annex VII** to this Agreement.

"***Termination Date***" means the earliest to occur of the following: (i) the Expiry Date; (ii) the date on which the Borrower delivers to the Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that all of the Class AA Certificates have been paid in full (or provision has been made for such payment in accordance with the Intercreditor Agreement and the Class AA Trust Agreement) or are otherwise no longer entitled to the benefits of this Agreement; (iii) the date on which the Borrower delivers to the Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that a Replacement Liquidity Facility has been substituted for this Agreement in full pursuant to Section 3.05(e) of the Intercreditor Agreement; (iv) the fifth Business Day following the receipt by the Borrower of a Termination Notice or a Special Termination Notice from the Liquidity Provider pursuant to Section 6.01(a) or 6.01(b), as applicable; and (v) the date on which no Advance is or may (including by reason of reinstatement as herein provided) become available for a Borrowing hereunder.

"***Termination Notice***" means the Notice of Termination substantially in the form of **Annex VI** to this Agreement.

"***Unapplied Downgrade Advance***" means any Downgrade Advance other than an Applied Downgrade Advance.

"***Unapplied Non-Extension Advance***" means any Non-Extension Advance other than an Applied Non-Extension Advance.

"***Unapplied Provider Advance***" means any Provider Advance other than an Applied Provider Advance.

"***Unpaid Advance***" has the meaning specified in Section 2.05.

For the purposes of this Agreement, the following terms shall have the respective meanings specified in the Intercreditor Agreement:

"Acceleration", "Additional Certificates", "American", "American Bankruptcy Event", "Certificate", "Certificate Purchase Agreement", "Class A Certificates", "Class AA Cash Collateral Account", "Class AA Certificateholders", "Class AA Certificates", "Class AA Trust", "Class AA Trust Agreement", "Class AA Trustee", "Class B Certificates", "Closing Date", "Collection Account", "Corporate Trust Office", "Distribution Date", "Dollars", "Downgraded Facility", "Equipment Notes", "Fee Letter", "Final Legal Distribution Date", "Indenture", "Interest Payment Date", "Investment Earnings", "Liquidity Facility", "Loan Trustee", "Long-Term Rating", "Non-Extended Facility", "Operative Agreements", "Participation Agreements", "Performing Equipment Note", "Person", "Pool Balance", "Rating Agencies", "Regular Distribution Date", "Replacement Liquidity Facility", "Responsible Officer", "Series AA Equipment Notes", "Scheduled Payment", "Short-Term Rating", "Special Payment", "Stated Interest Rate", "Subordination Agent", "Taxes", "Threshold Rating", "Trust Agreement", "Trustee", "Underwriters", "Underwriting Agreement" and "United States".

ARTICLE II

AMOUNT AND TERMS OF THE COMMITMENT

Section 2.01 The Advances. The Liquidity Provider hereby irrevocably agrees, on the terms and conditions hereinafter set forth, to make Advances to the Borrower from time to time on any Business Day during the period from the Effective Date until 10:00 a.m. (New York City time) on the Expiry Date (unless the obligations of the Liquidity Provider shall be earlier terminated in accordance with the terms of Section 2.04(b)) in an aggregate amount at any time outstanding not to exceed the Maximum Commitment.

Section 2.02 Making of Advances. (a) Subject to Section 2.06(d), each Interest Advance shall be made by the Liquidity Provider upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex I**, signed by

a Responsible Officer of the Borrower, such Interest Advance to be in an amount not exceeding the Maximum Available Commitment at such time and used solely for the payment when due of interest with respect to the Class AA Certificates at the Stated Interest Rate therefor in accordance with Section 3.05(a) and 3.05(b) of the Intercreditor Agreement. Each Interest Advance made hereunder shall automatically reduce the Maximum Available Commitment and the amount available to be borrowed hereunder by subsequent Advances by the amount of such Interest Advance (subject to reinstatement as provided in the next sentence). Upon repayment to the Liquidity Provider in full or in part of the amount of any Interest Advance made pursuant to this Section 2.02(a), together with accrued interest thereon (as provided herein), the Maximum Available Commitment shall be reinstated by an amount equal to the amount of such Interest Advance so repaid, but not to exceed the Maximum Commitment; provided, however, that, subject to Section 2.06(d), the Maximum Available Commitment shall not be so reinstated at any time if (x) both a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing or (y) a Final Advance, a Downgrade Advance, a Non-Extension Advance or a Special Termination Advance shall have occurred.

(b) (i) A Non-Extension Advance shall be made by the Liquidity Provider if this Agreement is not extended in accordance with Section 3.05(d) of the Intercreditor Agreement unless a Replacement Liquidity Facility to replace this Agreement shall have been delivered to the Borrower in accordance with said Section 3.05(d), upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex II**, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class AA Cash Collateral Account in accordance with Sections 3.05(d) and 3.05(f) of the Intercreditor Agreement.

(ii) A Downgrade Advance shall be made by the Liquidity Provider if this Liquidity Facility becomes a Downgraded Facility following the occurrence of a Downgrade Event (as provided for in Section 3.05(c) of the Intercreditor Agreement), unless (i) a Replacement Liquidity Facility to replace this Agreement shall have been previously delivered to the Borrower within thirty-five (35) days after the Downgrade Event (or, if earlier, the Expiry Date) or (ii) the relevant Rating Agency shall have provided confirmation within thirty (35) days (or, if earlier, the expiration date of such Downgraded Facility) after the Downgrade Event that such Downgrade Event will not result in a downgrading, withdrawal or suspension by such Rating Agency of the rating then in effect for the related Class of Certificates, in each case of clause (i) and (ii), in accordance with said Section 3.05(c), by delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex III**, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class AA Cash Collateral Account in accordance with Sections 3.05(c) and 3.05(f) of the Intercreditor Agreement.

(c) A Final Advance shall be made by the Liquidity Provider following the receipt by the Borrower of a Termination Notice from the Liquidity Provider pursuant to Section 6.01(a) upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex IV**, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class AA Cash Collateral Account (in accordance with Sections 3.05(f) and 3.05(i) of the Intercreditor Agreement).

(d) A Special Termination Advance shall be made in a single Borrowing upon the receipt by the Borrower of a Special Termination Notice from the Liquidity Provider pursuant to Section 6.01(b), by delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex V**, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class AA Cash Collateral Account (in accordance with Section 3.05(f) and Section 3.05(k) of the Intercreditor Agreement).

(e) Each Borrowing shall be made by notice in writing (a "***Notice of Borrowing***") in substantially the form required by Section 2.02(a), 2.02(b), 2.02(c) or 2.02(d), as the case may be, given by the Borrower to the Liquidity Provider. If a Notice of Borrowing is delivered by the Borrower in respect of any Borrowing no later than 10:00 a.m. (New York City time) on a Business Day, upon satisfaction of the conditions precedent set forth in Section 4.02 with respect to such requested Borrowing, the Liquidity Provider shall make available to the Borrower, in accordance with its payment instructions, the amount of such Borrowing in Dollars and immediately available funds, before 4:00 p.m. (New York City time) on such Business Day or before 10:00 a.m. (New York City time) on such later Business Day specified in such Notice of Borrowing. If a Notice of Borrowing is delivered by the Borrower in respect of any Borrowing after 10:00 a.m. (New York City time) on a Business Day, upon satisfaction of the conditions precedent set forth in Section 4.02 with respect to such requested Borrowing, the Liquidity Provider shall make available to the Borrower, in accordance with its payment instructions, the amount of such Borrowing in Dollars and immediately available funds, before 1:00 p.m. (New York City time) on the first Business Day next following the day of receipt of such Notice of Borrowing or on such later Business Day specified by the Borrower in such Notice of Borrowing. Payments of proceeds of a Borrowing shall be made by wire transfer of immediately available funds to the Borrower in accordance with such wire transfer instructions as the Borrower shall furnish from time to time to the Liquidity Provider for such purpose. Each Notice of Borrowing shall be irrevocable and binding on the Borrower. Each Notice of Borrowing shall be effective upon delivery of a copy thereof to the Liquidity Provider at the address and in the manner specified in Section 7.02 hereof.

(f) Upon the making of any Advance requested pursuant to a Notice of Borrowing in accordance with the Borrower's payment instructions, the Liquidity Provider shall be fully discharged of its obligation hereunder with respect to such Notice of Borrowing, and the Liquidity Provider shall not thereafter be obligated to make any further Advances hereunder in respect of such Notice of Borrowing to the Borrower or to any other Person (including the Class AA Trustee or any Class AA Certificateholder). If the Liquidity Provider makes an Advance requested pursuant to a Notice of Borrowing before 10:00 a.m. (New York City time) on the second Business Day after the date of payment specified in Section 2.02(e), the Liquidity Provider shall have fully discharged its obligations hereunder with respect to such Advance and an event of default shall not have occurred hereunder. Following the making of any Advance pursuant to Section 2.02(b), 2.02(c) or 2.02(d) to fund the Class AA Cash Collateral Account, the Liquidity Provider shall have no interest in or rights to the Class AA Cash Collateral Account, such Advance or any other amounts from time to time on deposit in the Class AA Cash Collateral Account; provided that the foregoing shall not affect or impair the obligations of the Subordination Agent to make the distributions contemplated by Section 3.05(e) or 3.05(f) of the Intercreditor Agreement, and provided, further, that the foregoing shall not affect or impair the

rights of the Liquidity Provider to provide written instructions with respect to the investment and reinvestment of amounts in the Class AA Cash Collateral Account to the extent provided in Section 2.02(b) of the Intercreditor Agreement. By paying to the Borrower proceeds of Advances requested by the Borrower in accordance with the provisions of this Agreement, the Liquidity Provider makes no representation as to, and assumes no responsibility for, the correctness or sufficiency for any purpose of the amount of the Advances so made and requested.

Section 2.03 Fees. The Borrower agrees to pay to the Liquidity Provider the fees set forth in the Fee Letter.

Section 2.04 Reduction or Termination of the Maximum Commitment. (a) Automatic Reduction. Promptly following each date on which the Required Amount is reduced as a result of a reduction in the Pool Balance of the Class AA Certificates or otherwise, the Maximum Commitment shall automatically be reduced to an amount equal to such reduced Required Amount (as calculated by the Borrower). The Borrower shall give notice of any such automatic reduction of the Maximum Commitment to the Liquidity Provider and American within two Business Days thereof. The failure by the Borrower to furnish any such notice shall not affect any such automatic reduction of the Maximum Commitment.

(b) Termination. Upon the making of any Provider Advance, Special Termination Advance or Final Advance hereunder or the occurrence of the Termination Date, the obligation of the Liquidity Provider to make further Advances hereunder shall automatically and irrevocably terminate, and the Borrower shall not be entitled to request any further Borrowing hereunder, except in the case of a Downgrade Advance, as provided in Section 2.06(d).

Section 2.05 Repayments of Interest Advances, the Special Termination Advance or the Final Advance. Subject to Sections 2.06, 2.07 and 2.09 hereof, the Borrower hereby agrees, without notice of an Advance or demand for repayment from the Liquidity Provider (which notice and demand are hereby waived by the Borrower), to pay, or to cause to be paid, to the Liquidity Provider (a) on each date on which the Liquidity Provider shall make an Interest Advance, the Special Termination Advance or the Final Advance, an amount equal to the amount of such Advance (any such Advance, until repaid, is referred to herein as an "***Unpaid Advance***") (if multiple Interest Advances are outstanding any such repayment to be applied in the order in which such Interest Advances have been made, starting with the earliest), plus (b) interest on the amount of each such Unpaid Advance in the amounts and on the dates determined as provided in Section 3.07; provided that if (i) the Liquidity Provider shall make a Provider Advance at any time after making one or more Interest Advances which shall not have been repaid in accordance with this Section 2.05 or (ii) this Liquidity Facility shall become a Downgraded Facility or Non-Extended Facility at any time when unreimbursed Interest Advances have reduced the Maximum Available Commitment to zero, then such Interest Advances shall cease to constitute Unpaid Advances and shall be deemed to have been changed into an Applied Downgrade Advance or an Applied Non-Extension Advance, as the case may be, for all purposes of this Agreement (including, without limitation, for the purpose of determining when such Interest Advance is required to be repaid to the Liquidity Provider in accordance with Section 2.06 and for the purposes of Section 2.06(b)); provided, further, that amounts in respect of a Special Termination Advance withdrawn from the Class AA Cash Collateral Account for the purpose of paying interest on the Class AA Certificates in accordance with Section 3.05(f) of the Intercreditor

Agreement (the portion of the outstanding Special Termination Advance equal to the amount of any such withdrawal, but not in excess of the outstanding Special Termination Advance, being an "***Applied Special Termination Advance***") shall thereafter (subject to Section 2.06(b)) be treated as an Interest Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon; provided, further, that if, following the making of a Special Termination Advance, the Liquidity Provider delivers a Termination Notice to the Borrower pursuant to Section 6.01(a), such Special Termination Advance (including any portion thereof that is an Applied Special Termination Advance) shall thereafter be treated as a Final Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon; and, provided, further, that if, after making a Provider Advance, the Liquidity Provider delivers a Special Termination Notice to the Borrower pursuant to Section 6.01(b), any Unapplied Provider Advance shall be converted to and treated as a Special Termination Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon and the obligation for repayment thereof under the Intercreditor Agreement. The Borrower and the Liquidity Provider agree that the repayment in full of each Interest Advance, Special Termination Advance and Final Advance on the date such Advance is made is intended to be a contemporaneous exchange for new value given to the Borrower by the Liquidity Provider. For the avoidance of doubt, interest payable on an Interest Advance, Special Termination Advance or the Final Advance shall not be regarded as overdue unless such interest is not paid when due under Section 3.07.

Section 2.06 Repayments of Provider Advances. (a) Amounts advanced hereunder in respect of a Provider Advance shall be deposited in the Class AA Cash Collateral Account and invested and withdrawn from the Class AA Cash Collateral Account as set forth in Sections 3.05(c), 3.05(d), 3.05(e) and 3.05(f) of the Intercreditor Agreement. Subject to Sections 2.07 and 2.09, the Borrower agrees to pay to the Liquidity Provider, on each Regular Distribution Date, commencing on the first Regular Distribution Date after the making of a Provider Advance, interest on the principal amount of any such Provider Advance, in the amounts determined as provided in Section 3.07; provided, however, that amounts in respect of a Provider Advance withdrawn from the Class AA Cash Collateral Account for the purpose of paying interest on the Class AA Certificates in accordance with Section 3.05(f) of the Intercreditor Agreement (the amount of any such withdrawal being (y), in the case of a Downgrade Advance, an "***Applied Downgrade Advance***" and (z) in the case of a Non-Extension Advance, an "***Applied Non-Extension Advance***" and together with an Applied Downgrade Advance, an "***Applied Provider Advance***") shall thereafter (subject to Section 2.06(b)) be treated as an Interest Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon; provided, further, however, that if, following the making of a Provider Advance, the Liquidity Provider delivers a Termination Notice to the Borrower pursuant to Section 6.01(a), such Provider Advance shall thereafter be treated as a Final Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon. Subject to Sections 2.07 and 2.09, immediately upon the withdrawal of any amounts from the Class AA Cash Collateral Account on account of a reduction in the Required Amount, the Borrower shall repay to the Liquidity Provider a portion of the Provider Advances in a principal amount equal to such reduction, plus interest on the principal amount so repaid as provided in Section 3.07.

(b) At any time when an Applied Provider Advance or Applied Special Termination Advance (or any portion thereof) is outstanding, upon the deposit in the Class AA

Cash Collateral Account of any amount pursuant to clause "fourth" of Section 3.02 of the Intercreditor Agreement (any such amount being a "***Replenishment Amount***") for the purpose of replenishing or increasing the balance thereof up to the Required Amount at such time, (i) the aggregate outstanding principal amount of all Applied Provider Advances and Applied Special Termination Advances (and of Provider Advances and Special Termination Advances treated as Interest Advances for purposes of determining the Applicable Liquidity Rate for interest payable thereon) shall be automatically reduced by the amount of such Replenishment Amount, and (ii) the aggregate outstanding principal amount of all Unapplied Provider Advances shall be automatically increased by the amount of such Replenishment Amount.

(c) Upon the provision of a Replacement Liquidity Facility in replacement of this Agreement in accordance with Section 3.05(e) of the Intercreditor Agreement, as provided in Section 3.05(f) of the Intercreditor Agreement, amounts remaining on deposit in the Class AA Cash Collateral Account after giving effect to any Applied Provider Advance on the date of such replacement shall be reimbursed to the Liquidity Provider, but only to the extent such amounts are necessary to repay in full to the Liquidity Provider all amounts owing to it hereunder.

(d) If at any time after making a Downgrade Advance, the Liquidity Provider satisfies the Threshold Rating and delivers a written notice to that effect to the Borrower and American, as of the second Business Day following receipt of such notice, (i) any Unapplied Downgrade Advance shall be withdrawn from the Class AA Cash Collateral Account and reimbursed to the Liquidity Provider and (ii) any Applied Downgrade Advance shall be converted to an Interest Advance, the Maximum Commitment shall be reinstated by an amount equal to the amount of such Unapplied Downgrade Advance so reimbursed, but not to exceed the Maximum Commitment and the obligation of the Liquidity Provider to make Advances shall be reinstated in an equal amount, and the proviso in the definition of Maximum Available Commitment shall no longer apply to such Downgrade Advance.

Section 2.07 Payments to the Liquidity Provider Under the Intercreditor Agreement. In order to provide for payment or repayment to the Liquidity Provider of any amounts hereunder, the Intercreditor Agreement provides that amounts available and referred to in Articles II and III of the Intercreditor Agreement, to the extent payable to the Liquidity Provider pursuant to the terms of the Intercreditor Agreement (including, without limitation, Section 3.05(f) of the Intercreditor Agreement), shall be paid to the Liquidity Provider in accordance with the terms thereof (but, for the avoidance of doubt, without duplication of or increase in any amounts payable hereunder). Amounts so paid to the Liquidity Provider shall be applied by the Liquidity Provider in the order of priority required by the applicable provisions of Articles II and III of the Intercreditor Agreement (or, if not provided for in the Intercreditor Agreement, then in such manner as the Liquidity Provider shall deem appropriate) and shall discharge in full the corresponding obligations of the Borrower hereunder.

Section 2.08 Book Entries. The Liquidity Provider shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower resulting from Advances made from time to time and the amounts of principal and interest payable hereunder and paid from time to time in respect thereof; provided, however, that the failure by the Liquidity Provider to maintain such account or accounts shall not affect the obligations of the Borrower in respect of Advances.

Section 2.09 Payments from Available Funds Only. All payments to be made by the Borrower under this Agreement shall be made only from the amounts that constitute Scheduled Payments, Special Payments and other payments under the Operative Agreements, including payment under Section 4.02 of the Participation Agreements and payments under Section 2.14 of the Indentures, and only to the extent that the Borrower shall have sufficient income or proceeds therefrom to enable the Borrower to make payments in accordance with the terms hereof after giving effect to the priority of payments provisions set forth in the Intercreditor Agreement. The Liquidity Provider agrees that it will look solely to such amounts to the extent available for distribution to it as provided in the Intercreditor Agreement and this Agreement and that the Borrower, in its individual capacity, is not personally liable to it for any amounts payable or liability under this Agreement except as expressly provided in this Agreement, the Intercreditor Agreement or any Participation Agreement. Amounts on deposit in the Class AA Cash Collateral Account shall be available to the Borrower to make payments under this Agreement only to the extent and for the purposes expressly contemplated in Section 3.05(f) of the Intercreditor Agreement.

Section 2.10 Extension of the Expiry Date; Non-Extension Advance. If the Liquidity Provider notifies the Borrower in writing before the 25th day prior to an anniversary date of the Closing Date that is prior to the 15th day after the Final Legal Distribution Date for the Class AA Certificates (such notification, a "***Non-Extension Notice***"; the date of such notification, the "***Notice Date***") that its obligation to make Advances hereunder shall not be extended beyond the immediately following anniversary date of the Closing Date (and if the Liquidity Provider shall not have been replaced in accordance with Section 3.05(e) of the Intercreditor Agreement), the Borrower shall be entitled on and after the Notice Date (but prior to such anniversary date) to request a Non-Extension Advance in accordance with Section 2.02(b)(i) hereof and Section 3.05(d) of the Intercreditor Agreement.

ARTICLE III

OBLIGATIONS OF THE BORROWER

Section 3.01 Increased Costs. Without duplication of any rights created by Section 3.03, if as a result of any Regulatory Change there shall be any increase by an amount reasonably deemed by the Liquidity Provider to be material in the actual cost to the Liquidity Provider of making, funding or maintaining any Advances or its obligation to make any such Advances or there shall be any reduction by an amount reasonably deemed by the Liquidity Provider to be material in the amount receivable by the Liquidity Provider under this Agreement or the Intercreditor Agreement in respect thereof, and in case of either such an increase or reduction, such event does not arise from the gross negligence or willful misconduct of the Liquidity Provider, from its breach of any of its representations, warranties, covenants or agreements contained herein or in the Intercreditor Agreement or from its failure to comply with any such Regulatory Change (any such increase or reduction being referred to herein as an "***Increased Cost***"), then, subject to Sections 2.07 and 2.09, the Borrower shall from time to time pay to the Liquidity Provider an amount equal to such Increased Cost within 10 Business Days after delivery to the Borrower and American of a certificate of an officer of the Liquidity Provider describing in reasonable detail the event by reason of which it claims such Increased Cost and the basis for the determination of the amount of such Increased Cost; provided that the Borrower

shall be obligated to pay amounts only with respect to any Increased Costs accruing from the date 120 days prior to the date of delivery of such certificate. Such certificate, in the absence of manifest error, shall be considered prima facie evidence of the amount of the Increased Costs for purposes of this Agreement; provided that any determinations and allocations by the Liquidity Provider of the effect of any Regulatory Change on the costs of maintaining the Advances or the obligation to make Advances are made on a reasonable basis. For the avoidance of doubt, the Liquidity Provider shall not be entitled to assert any claim under this Section 3.01 in respect of or attributable to Excluded Taxes. The Liquidity Provider will notify the Borrower and American as promptly as practicable of any event occurring after the date of this Agreement that will entitle the Liquidity Provider to compensation under this Section 3.01. The Liquidity Provider agrees to investigate all commercially reasonable alternatives for reducing any Increased Costs and to use all commercially reasonable efforts to avoid or minimize, to the greatest extent possible, any claim in respect of Increased Costs, including, without limitation, by designating a different Lending Office, if such designation or other action would avoid the need for, or reduce the amount of, any such claim; provided that the foregoing shall not obligate the Liquidity Provider to take any action that would, in its reasonable judgment, cause the Liquidity Provider to take any action that is not materially consistent with its internal policies or is otherwise materially disadvantageous to the Liquidity Provider or that would cause the Liquidity Provider to incur any material loss or cost, unless the Borrower or American agrees to reimburse or indemnify the Liquidity Provider therefor. If no such designation or other action is effected, or, if effected, such notice fails to avoid the need for any claim in respect of Increased Costs, American may arrange for a Replacement Liquidity Facility in accordance with Section 3.05(e) of the Intercreditor Agreement.

Notwithstanding the foregoing provisions, in no event shall the Borrower be required to make payments under this Section 3.01: (a) in respect of any Regulatory Change proposed by any applicable governmental authority (including any branch of a legislature), central bank or comparable agency of the United States or the Liquidity Provider's jurisdiction of organization or in which its Lending Office is located and pending as of the date of this Agreement (it being agreed that the Regulatory Changes contemplated by (i) all requests, rules, guidelines or directives promulgated or issued by the Basel Committee on Banking Supervision (or any successor or similar authority) including, but not limited to the Consultative Documents entitled "Strengthening the resilience of the banking sector" and "International framework for liquidity risk measurement, standards and monitoring," each dated December 2009 or the United States regulatory authorities, in each case pursuant to Basel III and (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, shall not be considered to have been proposed or pending as of the date of this Agreement); (b) if a claim hereunder in respect of an Increased Cost arises through circumstances peculiar to the Liquidity Provider and that do not affect similarly organized commercial banking institutions in the same jurisdiction generally that are in compliance with the law, rule, regulation or interpretation giving rise to the Regulatory Change relating to such Increased Cost; (c) if the Liquidity Provider shall fail to comply with its obligations under this Section 3.01 or (d) if the Liquidity Provider is not also seeking payment for similar increased costs in other similarly situated transactions related to the airline industry.

Section 3.02 Intentionally omitted.

Section 3.03 Withholding Taxes. (a) All payments made by the Borrower under this Agreement shall be made without deduction or withholding for or on account of any Taxes, unless such deduction or withholding is required by law. If any Taxes are so required to be withheld or deducted from any amounts payable to the Liquidity Provider under this Agreement, then, subject to Sections 2.07 and 2.09, the Borrower shall (i) deduct or withhold and shall pay to the relevant authorities the full amount so required to be deducted or withheld, (ii) without duplication of any rights created by Section 3.01, if such Taxes are Covered Taxes, pay to the Liquidity Provider such additional amounts as shall be necessary to ensure that the net amount actually received by the Liquidity Provider (after deduction or withholding of all Covered Taxes) shall be equal to the full amount that would have been received by the Liquidity Provider had no withholding or deduction of Covered Taxes been required and (iii) within 30 days after the date of a payment to the relevant authorities furnish to the Liquidity Provider the original or a certified copy of (or other reasonable evidence of) the payment of the Taxes applicable to such payment. The Borrower agrees to indemnify the Liquidity Provider, within 10 Business Days of demand therefor the full amount of Covered Taxes paid or payable by the Liquidity Provider in respect of payments by the Borrower under this Agreement and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. If the Borrower provides a written request (which shall be considered prior written consent under subsection (vi) of the definition of Covered Taxes), the Liquidity Provider agrees to use commercially reasonable efforts (consistent with applicable legal and regulatory restrictions) to change the jurisdiction of its Lending Office if making such change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of the Liquidity Provider, be otherwise materially disadvantageous to the Liquidity Provider. If the Liquidity Provider receives a refund of, or realizes a net Tax benefit not otherwise available to it as a result of, any Taxes for which additional amounts were paid by the Borrower pursuant to this Section 3.03, the Liquidity Provider shall pay to the Borrower (for deposit into the Collection Account) the amount of such refund (and any interest thereon), net of any related out-of-pocket expenses, or net benefit. The Borrower, upon the request of the Liquidity Provider, shall repay to the Liquidity Provider the amount paid over pursuant to this paragraph (a) (plus any penalties, interest or other charges imposed by the relevant governmental or taxing authority) in the event that the Liquidity Provider is required to repay such refund to such governmental or taxing authority. Notwithstanding anything to the contrary in this paragraph (a), in no event will the Liquidity Provider be required to pay any amount to the Borrower pursuant to this paragraph (a) the payment of which would place the Liquidity Provider in a less favorable net after-Tax position than the Liquidity Provider would have been in if the Tax subject to indemnification and giving rise to such refund or net Tax benefit had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph (a) shall not be construed to require the Liquidity Provider to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Borrower or any other Person.

The Liquidity Provider will (i) provide (on its behalf and on behalf of any participant holding a Participation pursuant to Section 7.08) to the Borrower (x) on or prior to the Effective Date two valid completed and executed originals of Internal Revenue Service Form W-9, W-8BEN-E or W-8ECI (whichever is applicable), including thereon a valid U.S. taxpayer identification number (or, with respect to any such participant, such other form or documentation as may be applicable) covering all amounts receivable by it in connection with the transactions

contemplated by the Operative Agreements and (y) thereafter from time to time such additional forms or documentation as may be necessary to establish an available exemption from withholding of United States Tax on payments hereunder so that such forms or documentation are effective for all periods during which it is the Liquidity Provider and (ii) provide timely notice to the Borrower if any such form or documentation is or becomes inaccurate. The Liquidity Provider shall deliver to the Borrower such other forms or documents as may be reasonably requested by the Borrower or required by applicable law to establish that payments hereunder are exempt from or entitled to a reduced rate of Covered Taxes.

If a payment made to the Liquidity Provider or Borrower hereunder would be subject to U.S. federal withholding Tax imposed by FATCA if the Borrower or Liquidity Provider, as applicable, were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the U.S. Internal Revenue Code, as applicable), it shall deliver to the Borrower or the Liquidity Provider, as applicable, at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or Liquidity Provider, as applicable, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the U.S. Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or Liquidity Provider, as applicable, as may be necessary for the Borrower or Liquidity Provider, as applicable, to comply with its obligations under FATCA and to determine that the Liquidity Provider or Borrower has complied with the Liquidity Provider's or Borrower's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this paragraph, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(b) All payments (including, without limitation, Advances) made by the Liquidity Provider under this Agreement shall be made free and clear of, and without reduction for or on account of, any Taxes. If any Taxes are required to be withheld or deducted from any amounts payable to the Borrower under this Agreement, the Liquidity Provider shall (i) within the time prescribed therefor by applicable law pay to the appropriate governmental or taxing authority the full amount of any such Taxes (and any additional Taxes in respect of the additional amounts payable under clause (ii) hereof) and make such reports or returns in connection therewith at the time or times and in the manner prescribed by applicable law, and (ii) pay to the Borrower an additional amount which (after deduction of all such Taxes) will be sufficient to yield to the Borrower the full amount which would have been received by it had no such withholding or deduction been made. Within 30 days after the date of each payment hereunder, the Liquidity Provider shall furnish to the Borrower the original or a certified copy of (or other documentary evidence of) the payment of the Taxes applicable to such payment.

On or before the Closing Date, the Borrower shall provide the Liquidity Provider with its fully executed Internal Revenue Service Form W-9, showing a complete exemption from U.S. federal withholding tax and backup withholding. If any other exemption from, or reduction in the rate of, any Taxes required to be borne by the Liquidity Provider under this Section 3.03(b) is reasonably available to the Borrower without providing any information regarding the holders or beneficial owners of the Certificates, the Borrower shall deliver the Liquidity Provider such form or forms and such other evidence of the eligibility of the Borrower for such exemption or reductions (but without any requirement to provide any information regarding the holders or beneficial owners of the Certificates) as the Liquidity Provider may reasonably identify to the Borrower as being required as a condition to exemption from, or reduction in the rate of, such Taxes.

Section 3.04 Payments. Subject to Sections 2.07 and 2.09, the Borrower shall make or cause to be made each payment to the Liquidity Provider under this Agreement so as to cause the same to be received by the Liquidity Provider not later than 12:00 p.m. (New York City time) on the day when due. The Borrower shall make all such payments in Dollars, to the Liquidity Provider in immediately available funds, by wire transfer to the account set forth below or such other U.S. bank account as the Liquidity Provider may from time to time direct the Subordination Agent:

Correspondent Bank:	Citibank N.A., New York
SWIFT:	###
Account number:	###
Beneficiary:	National Australia Bank Ltd.
SWIFT:	###
Reference:	American Airlines 2017-1 Liquidity Facility

Section 3.05 Computations. All computations of interest based on the Base Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the LIBOR Rate shall be made on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable.

Section 3.06 Payment on Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day and no additional interest shall be due as a result (and if so made, shall be deemed to have been made when due). If any payment in respect of interest on an Advance is so deferred to the next succeeding Business Day, such deferral shall not delay the commencement of the next Interest Period for such Advance (if such Advance is a LIBOR Advance) or reduce the number of days for which interest will be payable on such Advance on the next Interest Payment Date for such Advance.

Section 3.07 Interest. (a) Subject to Sections 2.07 and 2.09, the Borrower shall pay, or shall cause to be paid, without duplication, interest on (i) the unpaid principal amount of each Advance from and including the date of such Advance (or, in the case of an Applied Provider Advance or Applied Special Termination Advance, from and including the date on which the amount thereof was withdrawn from the Class AA Cash Collateral Account to pay interest on the Class AA Certificates) to but excluding the date such principal amount shall be paid in full (or, in the case of an Applied Provider Advance or Applied Special Termination Advance, the date on which the Class AA Cash Collateral Account is fully replenished in respect of such Advance) and (ii), to the extent permitted by law, any other amount due hereunder (whether fees, commissions, expenses or other amounts or installments of interest on Advances or any such other amount) that is not paid when due (whether at stated maturity, by acceleration or otherwise) from and including the due date thereof to but excluding the date such amount is paid in full, in each such case, at the interest rate per annum for each day that such amount remains overdue and unpaid equal to the Applicable Liquidity Rate for such Advance or such other

amount, as the case may be, as in effect for such day, but in no event in any case referred to in clause (i) or (ii) above at a rate per annum greater than the maximum rate permitted by applicable law; provided, however, that, if at any time the otherwise applicable interest rate as set forth in this Section 3.07 shall exceed the maximum rate permitted by applicable law, then to the maximum extent permitted by applicable law any subsequent reduction in such interest rate will not reduce the rate of interest payable pursuant to this Section 3.07 below the maximum rate permitted by applicable law until the total amount of interest accrued equals the absolute amount of interest that would have accrued (without additional interest thereon) if such otherwise applicable interest rate as set forth in this Section 3.07 had at all relevant times been in effect.

(b) Each Advance will be either a Base Rate Advance or a LIBOR Advance as provided in this Section 3.07. Each such Advance will be a Base Rate Advance for the period from the date of its borrowing to (but excluding) the third Business Day following the Liquidity Provider's receipt of the Notice of Borrowing for such Advance. Thereafter, such Advance shall be a LIBOR Advance; provided that a Provider Advance shall always be a LIBOR Advance.

(c) Each LIBOR Advance shall bear interest during each Interest Period at a rate per annum equal to the LIBOR Rate for such Interest Period plus the Applicable Margin for such LIBOR Advance, payable in arrears on the last day of such Interest Period and, in the event of the payment of principal of such LIBOR Advance on a day other than such last day, on the date of such payment (to the extent of interest accrued on the amount of principal repaid).

(d) Each Base Rate Advance shall bear interest at a rate per annum equal to the Base Rate plus the Applicable Margin for such Base Rate Advance, payable in arrears on each Regular Distribution Date and, in the event of the payment of principal of such Base Rate Advance on a day other than a Regular Distribution Date, on the date of such payment (to the extent of interest accrued on the amount of principal repaid).

(e) Intentionally omitted.

(f) Each amount not paid when due hereunder (whether fees, commissions, expenses or other amounts or installments of interest on Advances but excluding Advances) shall bear interest, to the extent permitted by applicable law, at a rate per annum equal to the Base Rate plus 2.0% per annum until paid.

(g) If at any time, the Liquidity Provider shall have determined (which determination shall be conclusive and binding upon the Borrower, absent manifest error) that, by reason of circumstances affecting the relevant interbank lending market generally, the LIBOR Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to the Liquidity Provider (as conclusively certified by the Liquidity Provider, absent manifest error) of making or maintaining Advances, the Liquidity Provider shall give facsimile or telephonic notice thereof (a "***Rate Determination Notice***") to the Borrower. If such notice is given, then the outstanding principal amount of the LIBOR Advances shall be converted to Base Rate Advances effective from the date of the Rate Determination Notice; provided that the Applicable Liquidity Rate in respect of such Base Rate Advances shall be increased by one percent (1.00%). The Liquidity Provider shall withdraw a Rate Determination Notice given hereunder when the Liquidity Provider determines that the circumstances giving

rise to such Rate Determination Notice no longer apply to the Liquidity Provider, and the Base Rate Advances shall be converted to LIBOR Advances effective as of the first day of the next succeeding Interest Period after the date of such withdrawal. Each change in the Base Rate shall become effective immediately. The rates of interest specified in this Section 3.07 with respect to any Advance or other amount shall be referred to as the "***Applicable Liquidity Rate***".

Section 3.08 Replacement of Borrower. Subject to Section 5.02, from time to time and subject to the successor Borrower's meeting the eligibility requirements set forth in Section 6.09 of the Intercreditor Agreement applicable to the Subordination Agent, upon the effective date and time specified in a written and completed Notice of Replacement Subordination Agent in substantially the form of **Annex VIII** (a "***Notice of Replacement Subordination Agent***") delivered to the Liquidity Provider by the then Borrower, the successor Borrower designated therein shall become the Borrower for all purposes hereunder.

Section 3.09 Funding Loss Indemnification. The Borrower shall pay to the Liquidity Provider, upon the request of the Liquidity Provider, such amount or amounts as shall be sufficient (in the reasonable opinion of the Liquidity Provider) to compensate it for any loss, cost or expense incurred by reason of the liquidation or redeployment of deposits or other funds acquired by the Liquidity Provider to fund or maintain any LIBOR Advance (but excluding loss of the Applicable Margin or anticipated profits) incurred as a result of:

(1) Any repayment of a LIBOR Advance on a date other than the last day of the Interest Period for such Advance; or

(2) Any failure by the Borrower to borrow a LIBOR Advance on the date for borrowing specified in the relevant notice under Section 2.02.

Section 3.10 Illegality. Notwithstanding any other provision in this Agreement, if any change in any law, rule or regulation applicable to or binding on the Liquidity Provider, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Liquidity Provider with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Liquidity Provider to maintain or fund its LIBOR Advances, then upon notice to the Borrower and American by the Liquidity Provider, the outstanding principal amount of the LIBOR Advances shall be converted to Base Rate Advances (a) immediately upon demand of the Liquidity Provider, if such change or compliance with such request, in the reasonable judgment of the Liquidity Provider, requires immediate conversion; or (b) at the expiration of the last Interest Period to expire before the effective date of any such change or request. The Liquidity Provider will notify the Borrower and American as promptly as practicable of any event that will or to its knowledge is reasonably likely to lead to the conversion of LIBOR Advances to Base Rate Advances under this Section 3.10; provided that a failure by the Liquidity Provider to notify the Borrower or American of an event that is reasonably likely to lead to such a conversion prior to the time that it is determined that such event will lead to such a conversion shall not prejudice the rights of the Liquidity Provider under this Section 3.10. The Liquidity Provider agrees to investigate all commercially reasonable alternatives for avoiding the need for such conversion including, without limitation, designating a different Lending Office, if such

designation or other action would avoid the need to convert such LIBOR Advances to Base Rate Advances; provided that the foregoing shall not obligate the Liquidity Provider to take any action that would, in its reasonable judgment, cause the Liquidity Provider to incur any material loss or cost, unless the Borrower or American agrees to reimburse or indemnify the Liquidity Provider therefor. If no such designation or other action is effected, or, if effected, fails to avoid the need for conversion of the LIBOR Advances to Base Rate Advances, American may arrange for a Replacement Liquidity Facility in accordance with Section 3.05(e) of the Intercreditor Agreement.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01 Conditions Precedent to Effectiveness of Section 2.01. Section 2.01 of this Agreement shall become effective on and as of the first date (the "***Effective Date***") on which the following conditions precedent have been satisfied (or waived by the appropriate party or parties):

(a) The Liquidity Provider shall have received on or before the date hereof each of the following, and in the case of each document delivered pursuant to paragraphs (i), (ii) and (iii), each in form and substance satisfactory to the Liquidity Provider:

(i) This Agreement and the Fee Letter duly executed on behalf of the Borrower and, in the case of the Fee Letter, American;

(ii) The Intercreditor Agreement duly executed on behalf of each of the parties thereto (other than the Liquidity Provider);

(iii) Fully executed copies of each of the Operative Agreements executed and delivered on or before the date hereof (other than this Agreement, the Fee Letter and the Intercreditor Agreement);

(iv) A copy of the Prospectus Supplement and specimen copies of the Class AA Certificates;

(v) An executed copy of each document, instrument and certificate delivered on or before the date hereof pursuant to the Class AA Trust Agreement, the Intercreditor Agreement and the other Operative Agreements;

(vi) An agreement from American, pursuant to which (x) American agrees to provide copies of quarterly financial statements and audited annual financial statements to the Liquidity Provider (which American may provide in an electronic format by electronic mail or making such available over the internet) and (y) American agrees to allow the Liquidity Provider to discuss the transactions contemplated by the Operative Agreements with officers and employees of American; and

(vii) Such documentation as the Liquidity Provider may reasonably request five (5) or more Business Days prior to the date hereof in order to satisfy its "know your customer" policies.

(b) On and as of the Effective Date no event shall have occurred and be continuing, or would result from the entering into of this Agreement or the making of any Advance, which constitutes a Liquidity Event of Default.

(c) The Liquidity Provider shall have received payment in full of the fees and other sums required to be paid to or for the account of the Liquidity Provider on or prior to the Effective Date pursuant to the Fee Letter.

(d) All conditions precedent to the issuance of the Certificates under the Trust Agreements shall have been satisfied or waived, all conditions precedent to the effectiveness of the other Liquidity Facilities, if any, shall have been satisfied or waived, and all conditions precedent to the purchase of the Class AA Certificates by the Underwriters under the Underwriting Agreement shall have been satisfied (unless any of such conditions precedent under the Underwriting Agreement shall have been waived by the Underwriters).

(e) The Borrower and American shall have received (i) the Acknowledgment and Agreement duly executed on behalf of each of the parties thereto and (ii) a certificate, dated the Effective Date signed by a duly authorized representative of the Liquidity Provider, certifying that all conditions precedent specified in this Section 4.01 have been satisfied or waived by the Liquidity Provider.

Section 4.02 Conditions Precedent to Borrowing. The obligation of the Liquidity Provider to make an Advance on the occasion of each Borrowing shall be subject to the conditions precedent that the Effective Date shall have occurred and, prior to the time of such Borrowing, the Borrower shall have delivered a Notice of Borrowing which conforms to the terms and conditions of this Agreement.

Section 4.03 Representations and Warranties. The representations and warranties of the Borrower as Subordination Agent in Sections 5.01(a), (b), (c), (d) and (i) of the Participation Agreements shall be deemed to be incorporated into this Agreement as if set out in full herein and as if such representations and warranties were made by the Borrower to the Liquidity Provider.

ARTICLE V

COVENANTS

Section 5.01 Affirmative Covenants of the Borrower. So long as any Advance shall remain unpaid or the Liquidity Provider shall have any Maximum Available Commitment hereunder or the Borrower shall have any obligation to pay any amount to the Liquidity Provider hereunder, the Borrower will, unless the Liquidity Provider shall otherwise consent in writing:

(a) Performance of Agreements. Subject to Sections 2.07 and 2.09, punctually pay or cause to be paid all amounts payable by it under this Agreement and the Intercreditor Agreement and observe and perform in all material respects the conditions, covenants and requirements applicable to it contained in this Agreement and the Intercreditor Agreement;

(b) Reporting Requirements. Furnish to the Liquidity Provider with reasonable promptness, such other information and data with respect to the transactions contemplated by the Operative Agreements as from time to time may be reasonably requested by the Liquidity Provider; and permit the Liquidity Provider, upon reasonable notice, to inspect the Borrower's books and records with respect to such transactions and to meet with officers and employees of the Borrower to discuss such transactions. The Borrower shall also provide to the Liquidity Provider, without the need for any request thereof, copies of all documents and reports provided to the Certificateholders under the Operative Agreements; and

(c) Certain Operative Agreements. Furnish to the Liquidity Provider, with reasonable promptness, copies of such Operative Agreements entered into after the date hereof as from time to time may be reasonably requested by the Liquidity Provider.

Section 5.02 Negative Covenants of the Borrower. Subject to the first and fourth paragraphs of Section 7.01(a) of the Intercreditor Agreement and Section 7.01(b) of the Intercreditor Agreement, so long as any Advance shall remain unpaid or the Liquidity Provider shall have any Maximum Available Commitment hereunder or the Borrower shall have any obligation to pay any amount to the Liquidity Provider hereunder, the Borrower will not appoint or permit or suffer to be appointed any successor Borrower without the prior written consent of the Liquidity Provider, which consent shall not be unreasonably withheld or delayed.

ARTICLE VI

LIQUIDITY EVENTS OF DEFAULT AND SPECIAL TERMINATION

Section 6.01 Liquidity Events of Default. (a) If any Liquidity Event of Default has occurred and is continuing and there is a Performing Note Deficiency, the Liquidity Provider may, in its discretion, deliver to the Borrower a Termination Notice, the effect of which shall be to cause (i) this Agreement to expire at the close of business on the fifth Business Day after the date on which such Termination Notice is received by the Borrower, (ii) the Borrower to promptly request, and the Liquidity Provider to promptly make, a Final Advance in accordance with Section 2.02(c) hereof and Section 3.05(i) of the Intercreditor Agreement, (iii) all other outstanding Advances to be automatically converted into Final Advances for purposes of determining the Applicable Liquidity Rate for interest payable thereon and (iv) subject to Sections 2.07 and 2.09, all Advances, any accrued interest thereon and any other amounts outstanding hereunder to become immediately due and payable to the Liquidity Provider.

(b) If the aggregate Pool Balance of the Class AA Certificates is greater than the aggregate outstanding principal amount of the Series AA Equipment Notes (other than any Series AA Equipment Notes previously sold by the Borrower or with respect to which the Aircraft related to such Series AA Equipment Notes has been disposed of by the Loan Trustee) at any time during the 18-month period ending on February 15, 2029, the Liquidity Provider may, in its discretion, deliver to the Borrower a Special Termination Notice, the effect of which shall be to cause (i) the obligation of the Liquidity Provider to make Advances hereunder to terminate

on the fifth Business Day after the date on which such Special Termination Notice is received by the Borrower and American, (ii) the Borrower to promptly request, and the Liquidity Provider to promptly make, a Special Termination Advance in accordance with Section 2.02(d) hereof and Section 3.05(k) of the Intercreditor Agreement, and (iii) subject to Sections 2.07 and 2.09, all Advances (including, without limitation, any Provider Advance and Applied Provider Advance), to be automatically treated as Special Termination Drawings (as defined in the Intercreditor Agreement).

ARTICLE VII

MISCELLANEOUS

Section 7.01 No Oral Modifications or Continuing Waivers. No terms or provisions of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the Borrower and the Liquidity Provider and any other Person whose consent is required pursuant to this Agreement; provided that no such change or other action shall affect the payment obligations of American or the rights of American without American's prior written consent; and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

Section 7.02 Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices, requests, demands, authorizations, directions, consents, waivers or documents required or permitted under the terms and provisions of this Agreement shall be in English and in writing, and given by United States registered or certified mail, courier service or facsimile, and any such notice shall be effective when delivered (or, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that such transmission was received) addressed as follows:

If to the Borrower, to:

Wilmington Trust Company
1100 North Market Street
Wilmington, Delaware 19890
Attention: ###
Ref.: American Airlines 2017-1AA EETC
Telephone: ###
Facsimile: ###

If to the Liquidity Provider, to:

National Australia Bank Limited
Level 29, 500 Bourke St
VIC 3000
Australia
Attention: ###
Telephone: ###
Fax: ###
Email: ###

with a copy to:

National Australia Bank Limited
245 Park Avenue
New York, NY 10167
Attention: Director, Asset Finance & Leasing
Telephone: ###
Fax: ###

Any party, by notice to the other party hereto, may designate additional or different addresses for subsequent notices or communications. Whenever the words “notice” or “notify” or similar words are used herein, they mean the provision of formal notice as set forth in this Section 7.02.

Section 7.03 No Waiver; Remedies. No failure on the part of the Liquidity Provider to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 7.04 Further Assurances. The Borrower agrees to do such further acts and things and to execute and deliver to the Liquidity Provider such additional assignments, agreements, powers and instruments as the Liquidity Provider may reasonably require or deem advisable to carry into effect the purposes of this Agreement and the other Operative Agreements or to better assure and confirm unto the Liquidity Provider its rights, powers and remedies hereunder and under the other Operative Agreements.

Section 7.05 Indemnification; Survival of Certain Provisions. The Liquidity Provider shall be indemnified hereunder to the extent and in the manner described in Section 4.02 of the Participation Agreements. In addition, the Borrower agrees to indemnify, protect, defend and hold harmless each Liquidity Indemnitee from and against all Expenses of any kind or nature whatsoever (other than any Expenses of the nature described in Sections 3.01, 3.03, 3.09 or 7.07 or in the Fee Letter (regardless of whether indemnified against pursuant to said Sections or in such Fee Letter)), that may be imposed on or incurred by such Liquidity Indemnitee, in any way relating to, resulting from, or arising out of or in connection with, any action, suit or proceeding by any third party against such Liquidity Indemnitee and relating to this Agreement, the Fee Letter, the Intercreditor Agreement or any Participation Agreement; provided, however, that the Borrower shall not be required to indemnify, protect, defend and hold harmless any Liquidity Indemnitee in respect of any Expense of such Liquidity Indemnitee to the extent such Expense is (i) attributable to the gross negligence or willful misconduct of such Liquidity Indemnitee or any other Liquidity Indemnitee, (ii) an ordinary and usual operating overhead expense, (iii) attributable to the failure by such Liquidity Indemnitee or any other Liquidity Indemnitee to perform or observe any agreement, covenant or condition on its part to be performed or observed in this Agreement, the Intercreditor Agreement, the Fee Letter or any other Operative Agreement to which it is a party or (iv) otherwise excluded from the indemnification provisions contained in

Section 4.02 of the Participation Agreements. The provisions of Sections 3.01, 3.03, 3.09, 7.05 and 7.07 and the indemnities contained in Section 4.02 of the Participation Agreements shall survive the termination of this Agreement.

Section 7.06 Liability of the Liquidity Provider. (a) Neither the Liquidity Provider nor any of its officers, employees or directors shall be liable or responsible for: (i) the use which may be made of the Advances or any acts or omissions of the Borrower or any beneficiary or transferee in connection therewith; (ii) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; or (iii) the making of Advances by the Liquidity Provider against delivery of a Notice of Borrowing and other documents which do not comply with the terms hereof; provided, however, that the Borrower shall have a claim against the Liquidity Provider, and the Liquidity Provider shall be liable to the Borrower, to the extent of any damages suffered by the Borrower that were the result of (A) the Liquidity Provider's willful misconduct or gross negligence in determining whether documents presented hereunder comply with the terms hereof or (B) any breach by the Liquidity Provider of any of the terms of this Agreement or the Intercreditor Agreement, including, but not limited to, the Liquidity Provider's failure to make lawful payment hereunder after the delivery to it by the Borrower of a Notice of Borrowing complying with the terms and conditions hereof. In no event, however, shall the Liquidity Provider be liable on any theory of liability for any special, indirect, consequential or punitive damages (including, without limitation, loss of profits, business or anticipated savings).

(b) Neither the Liquidity Provider nor any of its officers, employees or directors or affiliates shall be liable or responsible in any respect for (i) any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with this Agreement or any Notice of Borrowing delivered hereunder or (ii) any action, inaction or omission which may be taken by it in good faith, absent willful misconduct or gross negligence (in which event the extent of the Liquidity Provider's potential liability to the Borrower shall be limited as set forth in the immediately preceding paragraph), in connection with this Agreement or any Notice of Borrowing.

Section 7.07 Certain Costs and Expenses. The Borrower agrees promptly to pay, or cause to be paid, (a) the reasonable fees, expenses and disbursements of Pillsbury Winthrop Shaw Pittman LLP, special counsel for the Liquidity Provider, in connection with the preparation, negotiation, execution, delivery, filing and recording of the Operative Agreements, any waiver or consent thereunder or any amendment thereof, (b) if a Liquidity Event of Default occurs, all out-of-pocket expenses incurred by the Liquidity Provider, including reasonable fees and disbursements of counsel, in connection with such Liquidity Event of Default and any collection, bankruptcy, insolvency and other enforcement proceedings in connection therewith and (c) on demand, all reasonable costs and expenses (including reasonable counsel fees and expenses) of the Liquidity Provider in connection with the modification or amendment of, or supplement to, this Agreement or any other Operative Agreement or such other documents which may be delivered in connection herewith or therewith (whether or not the same shall become effective) or any waiver or consent thereunder (whether or not the same shall be effective), unless such costs or expenses arise as a result of the negligence of the Liquidity Provider or any breach by the Liquidity Provider of its obligations under any Operative Agreement. In addition, the Borrower shall pay any and all recording, stamp and other similar taxes and fees payable or

determined to be payable in the United States in connection with the execution, delivery, filing and recording of this Agreement, any other Operative Agreement and such other documents, and agrees to save the Liquidity Provider harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes or fees.

Section 7.08 Binding Effect; Participations. (a) This Agreement shall be binding upon and inure to the benefit of the Borrower and the Liquidity Provider and their respective successors and permitted assigns, except that neither the Liquidity Provider (except as otherwise provided in this Section 7.08) nor (except as contemplated by Section 3.08) the Borrower shall have the right to assign, pledge or otherwise transfer its rights or obligations hereunder or any interest herein, subject to the Liquidity Provider's right to grant Participations pursuant to Section 7.08(b).

(b) The Liquidity Provider agrees that it will not grant any participation (including, without limitation, a "risk participation") (any such participation, a "***Participation***") in or to all or a portion of its rights and obligations hereunder or under the other Operative Agreements, unless all of the following conditions are satisfied (and, if all such conditions are satisfied with respect to any Participation, the Liquidity Provider may grant such Participation): (i) such Participation is made in accordance with all applicable laws, including, without limitation, the Securities Act of 1933, as amended, the Trust Indenture Act of 1939, as amended, and any other applicable laws relating to the transfer of similar interests, (ii) such Participation shall not be made under circumstances that require registration under the Securities Act of 1933, as amended, or qualification of any indenture under the Trust Indenture Act of 1939, as amended and (iii) such Participation shall not be made to any Person that is a commercial air carrier, American or any affiliate of American. Notwithstanding any such Participation, the Liquidity Provider agrees that (1) the Liquidity Provider's obligations under the Operative Agreements shall remain unchanged, and such participant shall have no rights or benefits as against American or the Borrower or under any Operative Agreement, (2) the Liquidity Provider shall remain solely responsible to the other parties to the Operative Agreements for the performance of such obligations, (3) the Liquidity Provider shall remain the maker of any Advances, and the other parties to the Operative Agreements shall continue to deal solely and directly with the Liquidity Provider in connection with the Advances and the Liquidity Provider's rights and obligations under the Operative Agreements, (4) the Liquidity Provider shall be solely responsible for any withholding Taxes or any filing or reporting requirements relating to such Participation and shall hold the Borrower and American and their respective successors, permitted assigns, affiliates, agents and servants harmless against the same and (5) neither American nor the Borrower shall be required to pay to the Liquidity Provider any amount under Section 3.01 or Section 3.03 greater than it would have been required to pay had there not been any grant of a Participation by the Liquidity Provider. The Liquidity Provider may, in connection with any Participation or proposed Participation pursuant to this Section 7.08(b), disclose to the participant or proposed participant any information relating to the Operative Agreements or to the parties thereto furnished to the Liquidity Provider thereunder or in connection therewith and permitted to be disclosed by the Liquidity Provider; provided, however, that prior to any such disclosure, the participant or proposed participant shall agree in writing for the express benefit of the Borrower and American to preserve the confidentiality of any confidential information included therein (subject to customary exceptions). The Borrower acknowledges and agrees that the Liquidity Provider's source of funds may derive in part from its participants. Accordingly, in determining

amounts due by the Borrower to the Liquidity Provider pursuant to Section 3.01 and Section 3.03 of this Agreement, references in this Agreement to determinations, reserve, liquidity and capital adequacy requirements, increased costs, reduced receipts, additional amounts due pursuant to Section 3.03 and the like as they pertain to the Liquidity Provider shall be deemed also to include those of each of its participants that are commercial banking institutions and of whose participation the Borrower has been notified, in each case up to the maximum amount that would have been incurred by or attributable to the Liquidity Provider directly had there not been any grant of a Participation by the Liquidity Provider, and references to the Liquidity Provider therein and in related definitions shall be treated as references to such participants where applicable; provided that in any event, neither American nor the Borrower shall be required to pay any amount under Section 3.01 or Section 3.03 greater than it would have been required to pay had there not been any grant of a Participation by the Liquidity Provider. If the Liquidity Provider sells a Participation, it shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in this Agreement.

(c) The Liquidity Provider agrees that, as a condition of any Participation, the participant shall (i) represent to the Liquidity Provider (for the benefit of the Liquidity Provider and the Borrower) that under applicable law and treaties, no taxes will be required to be withheld with respect to any income derived by such participant from the transactions contemplated by the Operative Agreements, (ii) furnish to the Liquidity Provider and the Borrower two properly completed executed originals of United States Internal Revenue Service Form W-8ECI, Form W-8BEN-E or Form W-9, as appropriate, or other applicable form, certificate or document prescribed by the Internal Revenue Service certifying, in each case, such participant's entitlement to a complete exemption from United States federal withholding tax and backup withholding for all income derived by it from the transactions contemplated by the Operative Agreements, (iii) agree (for the benefit of the Liquidity Provider and the Borrower) to provide each of the Liquidity Provider and the Borrower a new Form W-8ECI, Form W-8BEN-E or Form W-9, as appropriate, or other applicable form, certificate or document (A) on or before the date that any such form, certificate or document expires or becomes obsolete or (B) after the occurrence of any event requiring a change in the most recent form, certificate or document previously delivered by it and prior to the immediately following due date of any payment to be made to the participant pursuant to the Operative Agreements, certifying that such participant is entitled to a complete exemption from or reduction in United States federal withholding tax and backup withholding for all income derived by it from the transactions contemplated by the Operative Agreements or that it is no longer so entitled and (iv) agree (for the benefit of the Liquidity Provider and the Borrower) to provide such other forms or documents as may be reasonably requested by the Borrower or required by applicable law to establish that all income derived by it from the transactions contemplated by the Operative Agreements is exempt from or entitled to a reduced rate of Covered Taxes. The Liquidity Provider shall provide to the Borrower such information as the Borrower may reasonably request about the Liquidity Provider or a participant to satisfy any reporting or other Tax obligations of the Borrower with respect to this Agreement; provided that the Liquidity Provider shall not be required to provide any such information (other than the names of participants, percentage of participation and copies of such participants' withholding tax forms) which is not within its possession or which is confidential.

(d) Notwithstanding the other provisions of this Section 7.08, the Liquidity Provider may assign and pledge all or any portion of the Advances owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank; provided that any payment in respect of such assigned Advances made by the Borrower to the Liquidity Provider in accordance with the terms of this Agreement shall satisfy the Borrower's obligations hereunder in respect of such assigned Advance to the extent of such payment. No such assignment shall release the Liquidity Provider from its obligations hereunder.

Section 7.09 Severability. To the extent permitted by applicable law, any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 7.10 Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

Section 7.11 Submission to Jurisdiction; Waiver of Jury Trial; Waiver of Immunity. (a) Each of the parties hereto, to the extent it may do so under applicable law, for purposes hereof hereby (i) irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto or thereto, or their successors or permitted assigns, (ii) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts, (iii) agrees that service of process in any such suit, action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to each party hereto at its address set forth in Section 7.02 hereof, or at such other address of which the Liquidity Provider shall have been notified pursuant thereto and (iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law.

(b) THE BORROWER AND THE LIQUIDITY PROVIDER EACH HEREBY AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT AND THE RELATIONSHIP THAT IS BEING ESTABLISHED, including, without limitation, contract claims, tort claims, breach of duty claims and all other common law and statutory claims. The Borrower and the Liquidity Provider each warrant and represent that it has reviewed this waiver with its legal counsel, and that it knowingly and voluntarily waives its

jury trial rights following consultation with such legal counsel. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THIS WAIVER IS IRREVOCABLE, AND CANNOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

(c) To the extent that the Liquidity Provider or any of its properties has or may hereafter acquire any right of immunity, whether characterized as sovereign immunity or otherwise, and whether under the United States Foreign Sovereign Immunities Act of 1976 (or any successor legislation) or otherwise, from any legal proceedings, whether in the United States or elsewhere, to enforce or collect upon this Agreement, including, without limitation, immunity from suit or service of process, immunity from jurisdiction or judgment of any court or tribunal or execution of a judgment, or immunity of any of its property from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, the Liquidity Provider hereby irrevocably and expressly waives any such immunity, and agrees not to assert any such right or claim in any such proceeding, whether in the United States or elsewhere.

Section 7.12 Counterparts. This Agreement may be executed in any number of counterparts (and each party shall not be required to execute the same counterpart). Each counterpart of this Agreement including a signature page or pages executed by each of the parties hereto shall be an original counterpart of this Agreement, but all of such counterparts together shall constitute one instrument.

Section 7.13 Entirety. This Agreement and the Intercreditor Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior understandings and agreements of such parties.

Section 7.14 Headings. The headings of the various Articles and Sections herein and in the Table of Contents hereto are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 7.15 Liquidity Provider’s Obligation to Make Advances. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE OBLIGATIONS OF THE LIQUIDITY PROVIDER TO MAKE ADVANCES HEREUNDER, AND THE BORROWER’S RIGHTS TO DELIVER NOTICES OF BORROWING REQUESTING THE MAKING OF ADVANCES HEREUNDER, SHALL BE ABSOLUTE, UNCONDITIONAL AND IRREVOCABLE, AND SHALL BE PAID OR PERFORMED, IN EACH CASE STRICTLY IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT.

Section 7.16 Patriot Act. The Liquidity Provider hereby notifies the Borrower that pursuant to the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (“USA PATRIOT Act”) it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Liquidity Provider to identify the Borrower in accordance with such Act.

Section 7.17 No Fiduciary Relationship. The Borrower agrees that in connection with all aspects of the transactions contemplated hereby and any communications in connection therewith, the Borrower and the persons for which it acts as agent, on the one hand, and the Liquidity Provider, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Liquidity Provider, and no such duty will be deemed to have arisen in connection with any such transactions or communications.

Section 7.18 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in this Agreement or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under this Agreement, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any write-down or conversion powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction, in full or in part, of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first set forth above.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as agent and trustee for the Class AA Trust, as Borrower

By: /s/ Adam R. Vogelsong
Name: Adam R. Vogelsong
Title: Vice President

NATIONAL AUSTRALIA BANK LIMITED,
as Liquidity Provider

By: /s/ Daniel Carr
Name: Daniel Carr
Title: Director

Signature Page

FORM OF INTEREST ADVANCE NOTICE OF BORROWING

INTEREST ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "***Borrower***"), hereby certifies to NATIONAL AUSTRALIA BANK LIMITED (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2017-1AA), dated as of March 31, 2017, between the Borrower and the Liquidity Provider (the "***Liquidity Agreement***"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of an Interest Advance by the Liquidity Provider to be used for the payment of the interest on the Class AA Certificates which is payable on ______, ____ (the "***Distribution Date***") in accordance with the terms and provisions of the Class AA Trust Agreement and the Class AA Certificates, which Advance is requested to be made on ______, ____. The Interest Advance should be remitted to [*insert wire and account details*].

(3) The amount of the Interest Advance requested hereby (i) is $____, to be applied in respect of the payment of the interest which is due and payable on the Class AA Certificates on the Distribution Date, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class AA Certificates, or principal of, or interest or premium on the Class A Certificates, the Class B Certificates or the Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class AA Certificates, the Class AA Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I), (iv) does not exceed the Maximum Available Commitment on the date hereof, and (v) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will apply the same in accordance with the terms of Section 3.05(b) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, the making of the Interest Advance as requested by this Notice of Borrowing shall automatically reduce, subject to reinstatement in accordance with the terms of the Liquidity Agreement, the Maximum Available Commitment by an amount equal to the amount of the Interest Advance requested to be made hereby as set forth in clause (i) of paragraph (3) of this Notice of Borrowing and such reduction shall automatically result in corresponding reductions in the amounts available to be borrowed pursuant to a subsequent Advance.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the __ day of ______, ____.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as Borrower

By: ______________________________
Name:
Title:

SCHEDULE I TO INTEREST ADVANCE NOTICE OF BORROWING

[*Insert Copy of Computations in accordance with Interest Advance Notice of Borrowing*]

FORM OF NON-EXTENSION ADVANCE NOTICE OF BORROWING

NON-EXTENSION ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "***Borrower***"), hereby certifies to NATIONAL AUSTRALIA BANK LIMITED (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2017-1AA), dated as of March 31, 2017, between the Borrower and the Liquidity Provider (the "***Liquidity Agreement***"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Non-Extension Advance by the Liquidity Provider to be used for the funding of the Class AA Cash Collateral Account in accordance with Section 3.05(d) of the Intercreditor Agreement, which Advance is requested to be made on ______, ____. The Non-Extension Advance should be remitted to [*insert wire and account details*].

(3) The amount of the Non-Extension Advance requested hereby (i) is $____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class AA Cash Collateral Account in accordance with Sections 3.05(d) and 3.05(f) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of the principal of, or premium on, the Class AA Certificates, or principal of, or interest or premium on, the Class A Certificates, the Class B Certificates or the Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class AA Certificates, the Liquidity Agreement, the Class AA Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing under the Liquidity Agreement.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class AA Cash Collateral Account and apply the same in accordance with the terms of Sections 3.05(d) and 3.05(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Non-Extension Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Liquidity Provider to make further Advances under the Liquidity Agreement and (B) following the making by the Liquidity Provider of the Non-Extension Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the __ day of ______, ____.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as Borrower

By: ____
Name:
Title:

SCHEDULE I TO NON-EXTENSION ADVANCE NOTICE OF BORROWING

[*Insert Copy of computations in accordance with Non-Extension Advance Notice of Borrowing*]

FORM OF DOWNGRADE ADVANCE NOTICE OF BORROWING

DOWNGRADE ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "***Borrower***"), hereby certifies to NATIONAL AUSTRALIA BANK LIMITED (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2017-1AA), dated as of March 31, 2017, between the Borrower and the Liquidity Provider (the "***Liquidity Agreement***"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Downgrade Advance by the Liquidity Provider to be used for the funding of the Class AA Cash Collateral Account in accordance with Section 3.05(c)(iii) of the Intercreditor Agreement by reason of the Liquidity Facility provided under the Liquidity Agreement becoming a Downgraded Facility which has not been replaced by a Replacement Liquidity Facility, which Advance is requested to be made on ______, ____. The Downgrade Advance should be remitted to [*insert wire and account details*].

(3) The amount of the Downgrade Advance requested hereby (i) is $____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class AA Cash Collateral Account in accordance with Sections 3.05(c) and 3.05(f) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of the principal of, or premium on, the Class AA Certificates, or principal of, or interest or premium on, the Class A Certificates, the Class B Certificates or the Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class AA Certificates, the Class AA Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing under the Liquidity Agreement.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class AA Cash Collateral Account and apply the same in accordance with the terms of Sections 3.05(c) and 3.05(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Downgrade Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Liquidity Provider to make further Advances under the Liquidity Agreement and (B) following the making by the Liquidity Provider of the Downgrade Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the __ day of ______, ____.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as Borrower

By: ____
Name:
Title:

SCHEDULE I TO DOWNGRADE ADVANCE NOTICE OF BORROWING

[*Insert Copy of computations in accordance with Downgrade Advance Notice of Borrowing*]

FORM OF FINAL ADVANCE NOTICE OF BORROWING

FINAL ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "***Borrower***"), hereby certifies to NATIONAL AUSTRALIA BANK LIMITED (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2017-1AA), dated as of March 31, 2017, between the Borrower and the Liquidity Provider (the "***Liquidity Agreement***"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Final Advance by the Liquidity Provider to be used for the funding of the Class AA Cash Collateral Account in accordance with Section 3.05(i) of the Intercreditor Agreement by reason of the receipt by the Borrower of a Termination Notice from the Liquidity Provider with respect to the Liquidity Agreement, which Advance is requested to be made on ______, ____. The Final Advance should be remitted to [*insert wire and account details*].

(3) The amount of the Final Advance requested hereby (i) is $____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class AA Cash Collateral Account in accordance with Sections 3.05(f) and 3.05(i) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class AA Certificates, or principal of, or interest or premium on, the Class A Certificates, the Class B Certificates or the Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class AA Certificates, the Class AA Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class AA Cash Collateral Account and apply the same in accordance with the terms of Sections 3.05(f) and 3.05(i) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Final Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Liquidity Provider to make further Advances under

the Liquidity Agreement and (B) following the making by the Liquidity Provider of the Final Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the __ day of ______, ____.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as Borrower

By: ______________________________
Name:
Title:

SCHEDULE I TO FINAL ADVANCE NOTICE OF BORROWING

[*Insert Copy of Computations in accordance with Final Advance Notice of Borrowing*]

FORM OF SPECIAL TERMINATION
ADVANCE NOTICE OF BORROWING

SPECIAL TERMINATION ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "***Borrower***"), hereby certifies to NATIONAL AUSTRALIA BANK LIMITED (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2017-1AA), dated as of March 31, 2017, between the Borrower and the Liquidity Provider (the "***Liquidity Agreement***"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Special Termination Advance by the Liquidity Provider to be used for the funding of the Class AA Cash Collateral Account in accordance with Section 3.05(k) of the Intercreditor Agreement by reason of the receipt by the Borrower of a Special Termination Notice from the Liquidity Provider with respect to the Liquidity Agreement, which Advance is requested to be made on __________.

(3) The amount of the Special Termination Advance requested hereby (i) is $____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class AA Cash Collateral Account in accordance with Section 3.05(k) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class AA Certificates, or principal of, or interest or premium on, the Class A Certificates, the Class B Certificates or the Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class AA Certificates, the Class AA Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower shall deposit such amount in the Class AA Cash Collateral Account and apply the same in accordance with the terms of Section 3.05(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Special Termination Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Liquidity Provider to make further

Advances under the Liquidity Agreement; and (B) following the making by the Liquidity Provider of the Special Termination Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the __ day of ______, ____.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as Borrower

By: ______________________________
Name:
Title:

SCHEDULE I TO SPECIAL TERMINATION ADVANCE NOTICE OF BORROWING

[*Insert Copy of Computations in accordance with Special Termination Advance Notice of Borrowing*]

FORM OF NOTICE OF TERMINATION

NOTICE OF TERMINATION

[Date]

Wilmington Trust Company,
as Subordination Agent,
as Borrower
Rodney Square North
1100 North Market Square
Wilmington, DE 19890-001
Attention: Corporate Trust Division

Re: Revolving Credit Agreement, dated as of March 31, 2017, between Wilmington Trust Company, not in its individual capacity but solely as Subordination Agent, as agent and trustee for the American Airlines Pass Through Trust 2017-1AA, as Borrower, and National Australia Bank Limited (the "***Liquidity Agreement***")

Ladies and Gentlemen:

You are hereby notified that pursuant to Section 6.01(a) of the Liquidity Agreement, by reason of the occurrence and continuance of a Liquidity Event of Default and the existence of a Performing Note Deficiency (each as defined in the Liquidity Agreement), we are giving this notice to you in order to cause (i) our obligations to make Advances (as defined in the Liquidity Agreement) under such Liquidity Agreement to terminate at the close of business on the fifth Business Day after the date on which you receive this notice and (ii) you to request a Final Advance under the Liquidity Agreement pursuant to Section 2.02(c) of the Liquidity Agreement and Section 3.05(i) of the Intercreditor Agreement (as defined in the Liquidity Agreement) as a consequence of your receipt of this notice.

THIS NOTICE IS THE "NOTICE OF TERMINATION" PROVIDED FOR UNDER THE LIQUIDITY AGREEMENT. OUR OBLIGATIONS TO MAKE ADVANCES UNDER THE LIQUIDITY AGREEMENT WILL TERMINATE AT THE CLOSE OF BUSINESS ON THE FIFTH BUSINESS DAY AFTER THE DATE ON WHICH YOU RECEIVE THIS NOTICE.

Very truly yours,

NATIONAL AUSTRALIA BANK LIMITED,
as Liquidity Provider

By: ______________________________
Name:
Title:

cc: Wilmington Trust Company, as Class AA Trustee
American Airlines, Inc.

FORM OF NOTICE OF SPECIAL TERMINATION

NOTICE OF SPECIAL TERMINATION

[Date]

WILMINGTON TRUST COMPANY,
as Subordination Agent,
as Borrower
Rodney Square North
1100 North Market Square
Wilmington, DE 19890-001

Attention: Corporate Trust Division

Re: Revolving Credit Agreement, dated as of March 31, 2017, between Wilmington Trust Company, not in its individual capacity but solely as Subordination Agent, as agent and trustee for the American Airlines Pass Through Trust 2017-1AA, as Borrower, and National Australia Bank Limited (the "***Liquidity Agreement***")

Ladies and Gentlemen:

You are hereby notified that pursuant to Section 6.01(b) of the Liquidity Agreement, by reason of the aggregate Pool Balance of the Class AA Certificates exceeding the aggregate outstanding principal amount of the Series AA Equipment Notes (other than any Series AA Equipment Notes previously sold or with respect to which the Aircraft related to such Series AA Equipment Notes has been disposed of) during the 18-month period prior to February 15, 2029, we are giving this notice to you in order to cause (i) our obligations to make Advances (as defined in the Liquidity Agreement) under such Liquidity Agreement to terminate on the fifth Business Day after the date on which you receive this notice and (ii) you to request a Special Termination Advance under the Liquidity Agreement pursuant to Section 2.02(d) of the Liquidity Agreement and Section 3.05(k) of the Intercreditor Agreement (as defined in the Liquidity Agreement) as a consequence of your receipt of this notice.

THIS NOTICE IS THE "NOTICE OF SPECIAL TERMINATION" PROVIDED FOR UNDER THE LIQUIDITY AGREEMENT. OUR OBLIGATIONS TO MAKE ADVANCES UNDER THE LIQUIDITY AGREEMENT WILL TERMINATE AT THE CLOSE OF BUSINESS ON THE FIFTH BUSINESS DAY AFTER THE DATE ON WHICH YOU RECEIVE THIS NOTICE.

Very truly yours,

NATIONAL AUSTRALIA BANK LIMITED,
as Liquidity Provider

By: ______________________________
Name:
Title:

cc: Wilmington Trust Company, as Class AA Trustee
American Airlines, Inc.

FORM OF NOTICE OF REPLACEMENT SUBORDINATION AGENT

NOTICE OF REPLACEMENT SUBORDINATION AGENT

[Date]

Attention:

Re: Revolving Credit Agreement, dated as of March 31, 2017, between Wilmington Trust Company, not in its individual capacity but solely as Subordination Agent, as agent and trustee for the American Airlines Pass Through Trust 2017-1AA, as Borrower, and National Australia Bank Limited (the "***Liquidity Agreement***")

Ladies and Gentlemen:

For value received, the undersigned beneficiary hereby irrevocably transfers to:

[*Name of Transferee*]

[*Address of Transferee*]

all rights and obligations of the undersigned as Borrower under the Liquidity Agreement referred to above. The transferee has succeeded the undersigned as Subordination Agent under the Intercreditor Agreement referred to in the first paragraph of the Liquidity Agreement, pursuant to the terms of Section 7.01 of the Intercreditor Agreement.

By this transfer, all rights of the undersigned as Borrower under the Liquidity Agreement are transferred to the transferee and the transferee shall hereafter have the sole rights and obligations as Borrower thereunder. The undersigned shall pay any costs and expenses of such transfer, including, but not limited to, transfer taxes or governmental charges.

This transfer shall be effective as of [*specify time and date*].

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as Borrower

By: ______________________________
Name:
Title:

Exhibit 4.22

Execution Version

REVOLVING CREDIT AGREEMENT
(2017-1A)

Dated as of March 31, 2017

between

WILMINGTON TRUST COMPANY,
as Subordination Agent,
as agent and trustee for the trustee of
American Airlines Pass Through Trust 2017-1A,

as Borrower

and

NATIONAL AUSTRALIA BANK LIMITED,

as Liquidity Provider

American Airlines Pass Through Trust 2017-1A
American Airlines
Pass Through Certificates,
Series 2017-1A

Table of Contents

		Page
	ARTICLE I	
	DEFINITIONS	
Section 1.01	Definitions	1
	ARTICLE II	
	AMOUNT AND TERMS OF THE COMMITMENT	
Section 2.01	The Advances	8
Section 2.02	Making of Advances	8
Section 2.03	Fees	11
Section 2.04	Reduction or Termination of the Maximum Commitment	11
Section 2.05	Repayments of Interest Advances, the Special Termination Advance or the Final Advance	11
Section 2.06	Repayments of Provider Advances	12
Section 2.07	Payments to the Liquidity Provider Under the Intercreditor Agreement	13
Section 2.08	Book Entries	13
Section 2.09	Payments from Available Funds Only	14
Section 2.10	Extension of the Expiry Date; Non-Extension Advance	14
	ARTICLE III	
	OBLIGATIONS OF THE BORROWER	
Section 3.01	Increased Costs	14
Section 3.02	Intentionally omitted	16
Section 3.03	Withholding Taxes	16
Section 3.04	Payments	18
Section 3.05	Computations	18
Section 3.06	Payment on Non-Business Days	18
Section 3.07	Interest	18
Section 3.08	Replacement of Borrower	20
Section 3.09	Funding Loss Indemnification	20
Section 3.10	Illegality	20

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01	Conditions Precedent to Effectiveness of Section 2.01	21
Section 4.02	Conditions Precedent to Borrowing	22
Section 4.03	Representations and Warranties	22

ARTICLE V

COVENANTS

Section 5.01	Affirmative Covenants of the Borrower	22
Section 5.02	Negative Covenants of the Borrower	23

ARTICLE VI

LIQUIDITY EVENTS OF DEFAULT AND SPECIAL TERMINATION

Section 6.01	Liquidity Events of Default	23

ARTICLE VII

MISCELLANEOUS

Section 7.01	No Oral Modifications or Continuing Waivers	24
Section 7.02	Notices	24
Section 7.03	No Waiver; Remedies	25
Section 7.04	Further Assurances	25
Section 7.05	Indemnification; Survival of Certain Provisions	25
Section 7.06	Liability of the Liquidity Provider	26
Section 7.07	Certain Costs and Expenses	26
Section 7.08	Binding Effect; Participations	27
Section 7.09	Severability	29
Section 7.10	Governing Law	29
Section 7.11	Submission to Jurisdiction; Waiver of Jury Trial; Waiver of Immunity	29
Section 7.12	Counterparts	30
Section 7.13	Entirety	30
Section 7.14	Headings	30
Section 7.15	Liquidity Provider’s Obligation to Make Advances	30

Section 7.16	Patriot Act	30
Section 7.17	No Fiduciary Relationship	31
Section 7.18	Acknowledgement and Consent to Bail-In of EEA Financial Institutions	31

Annex I - Form of Interest Advance Notice of Borrowing
Annex II - Form of Non-Extension Advance Notice of Borrowing
Annex III - Form of Downgrade Advance Notice of Borrowing
Annex IV - Form of Final Advance Notice of Borrowing
Annex V - Form of Special Termination Advance Notice of Borrowing
Annex VI - Form of Notice of Termination
Annex VII - Form of Notice of Special Termination
Annex VIII - Form of Notice of Replacement Subordination Agent

REVOLVING CREDIT AGREEMENT
(2017-1A)

This REVOLVING CREDIT AGREEMENT (2017-1A), dated as of March 31, 2017, is made by and between WILMINGTON TRUST COMPANY, a Delaware trust company, not in its individual capacity but solely as Subordination Agent (such term and other capitalized terms used herein without definition being defined as provided in Article I) under the Intercreditor Agreement (as defined below), as agent and trustee for the Class A Trustee (in such capacity, together with its successors in such capacity, the "***Borrower***"), and NATIONAL AUSTRALIA BANK LIMITED, a company incorporated in the Commonwealth of Australia, (the "***Liquidity Provider***").

W I T N E S S E T H:

WHEREAS, pursuant to the Class A Trust Agreement, the Class A Trust has issued the Class A Certificates; and

WHEREAS, the Borrower, in order to support the timely payment of a portion of the interest on the Class A Certificates in accordance with their terms, has requested the Liquidity Provider to enter into this Agreement, providing in part for the Borrower to request in specified circumstances that Advances be made hereunder;

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and of other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. (a) The definitions stated herein apply equally to both the singular and the plural forms of the terms defined.

(b) All references in this Agreement to designated "Articles", "Sections", "Annexes" and other subdivisions are to the designated Article, Section, Annex or other subdivision of this Agreement, unless otherwise specifically stated.

(c) The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, Annex or other subdivision.

(d) Unless the context otherwise requires, whenever the words "including", "include" or "includes" are used herein, it shall be deemed to be followed by the phrase "without limitation".

(e) All references in this Agreement to a Person shall include successors and permitted assigns of such Person.

(f) For the purposes of this Agreement, unless the context otherwise requires, the following capitalized terms shall have the following meanings:

"***Acknowledgment and Agreement***" means the Acknowledgment and Agreement (2017-1), dated the date hereof, among Citibank, N.A., as initial Liquidity Provider, the Liquidity Provider, American and the Subordination Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"***Advance***" means an Interest Advance, a Final Advance, a Provider Advance, an Unapplied Provider Advance, an Applied Provider Advance, a Special Termination Advance, an Applied Special Termination Advance or an Unpaid Advance, as the case may be.

"***Agreement***" means this Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"***Applicable Liquidity Rate***" has the meaning specified in Section 3.07(g).

"***Applicable Margin***" means (a) with respect to any Interest Advance, Final Advance, Applied Provider Advance or Applied Special Termination Advance, 3.75% per annum, (b) with respect to any Unapplied Provider Advance, the rate per annum specified in the Fee Letter or (c) with respect to any Special Termination Advance, the rate per annum specified in the Fee Letter.

"***Applied Downgrade Advance***" has the meaning specified in Section 2.06(a).

"***Applied Non-Extension Advance***" has the meaning specified in Section 2.06(a).

"***Applied Provider Advance***" has the meaning specified in Section 2.06(a).

"***Applied Special Termination Advance***" has the meaning specified in Section 2.05.

"***Bail-in Action***" means the application of any write-down or conversion powers by an EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"***Base Rate***" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for each day in the period for which the Base Rate is to be determined (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the Liquidity Provider from three Federal funds brokers of recognized standing selected by it (and reasonably satisfactory to American) plus one quarter of one percent (0.25%).

"***Base Rate Advance***" means an Advance that bears interest at a rate based upon the Base Rate.

"***Borrower***" has the meaning specified in the introductory paragraph to this Agreement.

"***Borrowing***" means the making of Advances requested by delivery of a Notice of Borrowing.

"***Business Day***" means any day other than a Saturday, a Sunday or a day on which commercial banks are required or authorized to close in New York, New York, Fort Worth, Texas, Wilmington, Delaware, or, so long as any Class A Certificate is outstanding, the city and state in which the Class A Trustee, the Borrower or any related Loan Trustee maintains its Corporate Trust Office or receives or disburses funds, and, if the applicable Business Day relates to any Advance or other amount bearing interest based on the LIBOR Rate, on which dealings are carried on in the London interbank market.

"***Covered Taxes***" means any Taxes imposed on or are required by law to be deducted or withheld from any amounts payable to the Liquidity Provider under this Agreement other than (i) any Tax on, based on or measured by net income, franchises or conduct of business, (ii) any Tax imposed, levied, withheld or assessed as a result of any connection between the Liquidity Provider and the jurisdiction of the taxing authority, other than a connection arising solely from the Liquidity Provider's having executed, delivered, performed its obligations or received a payment under, or enforced, any Operative Agreement, (iii) any Tax attributable to the inaccuracy in or breach by the Liquidity Provider of any of its representations, warranties or covenants contained in any Operative Agreement to which it is a party or the inaccuracy of any form, certificate or document furnished pursuant thereto, (iv) any U.S. federal withholding Taxes (including backup withholding), except to the extent such withholding Taxes are the result of a change in law after such Liquidity Provider became a Liquidity Provider hereunder, (v) any withholding Taxes imposed or increased as a result of the Liquidity Provider failing to deliver to the Borrower any form, certificate or document (which form, certificate or document, in the good faith judgment of the Liquidity Provider, it is legally entitled to provide) which is reasonably requested by the Borrower to establish that payments under this Agreement are exempt from (or entitled to a reduced rate of) withholding Tax, (vi) Taxes that would not have been imposed but for any change in the Lending Office without the prior written consent of American (such consent not to be unreasonably withheld), or (vii) any Tax imposed under FATCA.

"***Downgrade Advance***" means an Advance made pursuant to Section 2.02(b)(ii).

"***Downgrade Event***" means any downgrading of, or any suspension or withdrawal of any applicable rating of, the Liquidity Provider by any Rating Agency such that after such downgrading, suspension or withdrawal the Liquidity Provider does not have either the minimum Long-Term Rating or the minimum Short-Term Rating, if applicable, specified for such Rating Agency in the definition of "Threshold Rating". The occurrence of a Downgrade Event shall be determined separately for each Rating Agency. For the avoidance of doubt, a Downgrade Event shall not occur with respect to a Rating Agency so long as the Liquidity Provider has either of the applicable Threshold Ratings specified for such Rating Agency.

"***EEA Financial Institution***" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“***EEA Member Country***” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“***EEA Resolution Authority***” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“***Effective Date***” has the meaning specified in Section 4.01. The delivery of the certificate of the Liquidity Provider contemplated by Section 4.01(e) shall be conclusive evidence that the Effective Date has occurred.

“***Excluded Taxes***” means (a) Taxes imposed on the overall net income of the Liquidity Provider, (b) Taxes imposed on the “effectively connected income” of its Lending Office, (c) Covered Taxes that are indemnified pursuant to Section 3.03 hereof, and (d) Taxes described in clauses (i) through (vii) in the definition of “***Covered Taxes***”.

“***Expenses***” means liabilities, losses, damages, costs and expenses (including, without limitation, reasonable fees and disbursements of legal counsel), provided that Expenses shall not include any Taxes other than sales, use and V.A.T. taxes imposed on fees and expenses payable pursuant to Section 7.07.

“***Expiry Date***” means the earlier of (a) the anniversary date of the Closing Date immediately following the date on which the Liquidity Provider has provided a Non-Extension Notice to the Borrower pursuant to Section 2.10 and (b) the 15th day after the Final Legal Distribution Date for the Class A Certificates.

“**FATCA**” means Sections 1471, 1472, 1473 and 1474 of the U.S. Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), current or future United States Treasury Regulations promulgated thereunder and published guidance with respect thereto, any agreements entered into pursuant to Section 1471(b)(1) of the U.S. Internal Revenue Code and any applicable intergovernmental agreements with respect thereto, including any laws, regulations, guidance or practices governing any such intergovernmental agreement.

“***Final Advance***” means an Advance made pursuant to Section 2.02(c).

“***Increased Cost***” has the meaning specified in Section 3.01.

“***Intercreditor Agreement***” means the Intercreditor Agreement, dated January 13, 2017, among the Trustees, the Liquidity Provider, the liquidity provider under each Liquidity Facility (other than this Agreement), if any, and the Subordination Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

“***Interest Advance***” means an Advance made pursuant to Section 2.02(a) and any Applied Downgrade Advance converted to an Interest Advance in accordance with Section 2.06(d).

“***Interest Period***” means, with respect to any LIBOR Advance, each of the following periods:

(i) the period beginning on the third Business Day following either (A) the Liquidity Provider’s receipt of the Notice of Borrowing for such LIBOR Advance or (B) the date of the withdrawal of funds from the Class A Cash Collateral Account for the purpose of paying interest on the Class A Certificates as contemplated by Section 2.06(a) hereof and, in each case, ending on the next numerically corresponding day in the first calendar month after the first day of the applicable Interest Period; and

(ii) each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the numerically corresponding day in the first calendar month after the first day of the applicable Interest Period;

provided, however, that if (x) the Final Advance shall have been made pursuant to Section 2.02(c) or (y) other outstanding Advances shall have been converted into the Final Advance pursuant to Section 6.01(a), then the Interest Periods shall be successive periods of one month beginning on (A) the third Business Day following the Liquidity Provider’s receipt of the Notice of Borrowing for such Final Advance (in the case of clause (x) above) or (B) the Regular Distribution Date following such conversion (in the case of clause (y) above).

“***Interpolated Rate***” means, at any time, the rate per annum (rounded to the same number of decimal places as the LIBOR Rate) determined by the Liquidity Provider (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBOR Rate for the longest period for which the LIBOR Rate is available that is shorter than the relevant Interest Period; and (b) the LIBOR Rate for the shortest period (for which that LIBOR Rate is available) that exceeds the relevant Interest Period, in each case, at such time.

“***Lending Office***” means the lending office of the Liquidity Provider, which is presently located in Melbourne, Australia, or such other lending office as the Liquidity Provider from time to time shall notify the Borrower as its lending office hereunder; provided that the Liquidity Provider shall not change its Lending Office without the prior written consent of American (such consent not to be unreasonably withheld).

“***LIBOR Advance***” means an Advance bearing interest at a rate based upon the LIBOR Rate.

“***LIBOR Rate***” shall mean, with respect to each day during each Interest Period pertaining to an Advance, the rate per annum determined by the Liquidity Provider at approximately 11:00 a.m. (London time) on the date that is two (2) Business Days prior to the commencement of each Interest Period by reference to the applicable page for LIBOR deposits in dollars for a period of one (1) month (currently Bloomberg Page BBAM01, or any successor or replacement thereof); provided if the LIBOR Rate shall not be available at such time for such

Interest Period then the LIBOR Rate for such Interest Period shall be the Interpolated Rate; provided further to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, such Advance will earn interest on a "cost of funds" basis as set forth in Section 2.06. Notwithstanding the foregoing, if any such rate (or average of any such rate) would otherwise be below zero, the LIBOR Rate will be deemed to be zero.
"***Liquidity Event of Default***" means the occurrence of either (a) the Acceleration of all of the Equipment Notes or (b) an American Bankruptcy Event.

"***Liquidity Indemnitee***" means the Liquidity Provider, its directors, officers, employees and agents, and its successors and permitted assigns.

"***Liquidity Provider***" has the meaning specified in the introductory paragraph to this Agreement.

"***Maximum Available Commitment***" means, subject to the proviso contained in the third sentence of Section 2.02(a), at any time of determination, (a) the Maximum Commitment at such time less (b) the aggregate amount of each Interest Advance outstanding at such time; provided that, subject to Section 2.06(d), following a Provider Advance, a Special Termination Advance or a Final Advance, the Maximum Available Commitment shall be zero.

"***Maximum Commitment***" means initially $15,801,628 as the same may be reduced from time to time in accordance with Section 2.04(a).

"***Non-Extension Advance***" means an Advance made pursuant to Section 2.02(b)(i).

"***Non-Extension Notice***" has the meaning specified in Section 2.10.

"***Notice Date***" has the meaning specified in Section 2.10.

"***Notice of Borrowing***" has the meaning specified in Section 2.02(e).

"***Notice of Replacement Subordination Agent***" has the meaning specified in Section 3.08.

"***Participation***" has the meaning specified in Section 7.08(b).

"***Performing Note Deficiency***" means any time that less than 65% of the then aggregate outstanding principal amount of all Equipment Notes are Performing Equipment Notes.

"***Prospectus Supplement***" means the final Prospectus Supplement, dated January 4, 2017, relating to the Class AA Certificates and the Class A Certificates, as such Prospectus Supplement may be amended or supplemented.

"***Provider Advance***" means a Downgrade Advance or a Non-Extension Advance.

"***Rate Determination Notice***" has the meaning specified in Section 3.07(g).

"***Regulatory Change***" means (x) the enactment, adoption or promulgation, after the date of this Agreement, of any law or regulation by a United States federal or state government or by

any government having jurisdiction over the Liquidity Provider, or any change, after the date of this Agreement, in any such law or regulation, or in the interpretation thereof by any governmental authority, central bank or comparable agency of the United States or any government having jurisdiction over the Liquidity Provider charged with responsibility for the administration or application thereof, that shall impose, modify or deem applicable, or (y) the compliance by the Liquidity Provider with any applicable direction or requirement (whether or not having the force of law) of any central bank or competent governmental or other authority, after the date of this Agreement, with respect to: (a) any reserve, special deposit or similar requirement against extensions of credit or other assets of, or deposits with or other liabilities of, the Liquidity Provider including, or by reason of, the Advances, or (b) any capital adequacy requirement requiring the maintenance by the Liquidity Provider of additional capital in respect of any Advances or the Liquidity Provider's obligation to make any such Advances, or (c) any requirement to maintain liquidity or liquid assets in respect of the Liquidity Provider's obligation to make any such Advances, or (d) any Taxes (other than Excluded Taxes) on (i) payments or with respect to amounts payable hereunder to the Liquidity Provider, (ii) its Advances, commitments or other obligations hereunder or (iii) its deposits, reserves or other liabilities attributable to clause (i) and/or (ii).

"***Replenishment Amount***" has the meaning specified in Section 2.06(b).

"***Required Amount***" means, for any day, the sum of the aggregate amount of interest, calculated at the rate per annum equal to the Stated Interest Rate for the Class A Certificates on the basis of a 360-day year comprised of twelve 30-day months, that would be payable on the Class A Certificates on each of the three successive semiannual Regular Distribution Dates immediately following such day or, if such day is a Regular Distribution Date, on such day and the succeeding two semiannual Regular Distribution Dates, in each case calculated on the basis of the Pool Balance of the Class A Certificates on such day and without regard to expected future distributions of principal on the Class A Certificates.

"***Special Termination Advance***" means an Advance made pursuant to Section 2.02(d), other than any portion of such Advance that becomes an Applied Special Termination Advance.

"***Special Termination Notice***" means the Notice of Special Termination substantially in the form of **Annex VII** to this Agreement.

"***Termination Date***" means the earliest to occur of the following: (i) the Expiry Date; (ii) the date on which the Borrower delivers to the Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that all of the Class A Certificates have been paid in full (or provision has been made for such payment in accordance with the Intercreditor Agreement and the Class A Trust Agreement) or are otherwise no longer entitled to the benefits of this Agreement; (iii) the date on which the Borrower delivers to the Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that a Replacement Liquidity Facility has been substituted for this Agreement in full pursuant to Section 3.05(e) of the Intercreditor Agreement; (iv) the fifth Business Day following the receipt by the Borrower of a Termination Notice or a Special Termination Notice from the Liquidity Provider pursuant to Section 6.01(a) or 6.01(b), as applicable; and (v) the date on which no Advance is or may (including by reason of reinstatement as herein provided) become available for a Borrowing hereunder.

"***Termination Notice***" means the Notice of Termination substantially in the form of **Annex VI** to this Agreement.

"***Unapplied Downgrade Advance***" means any Downgrade Advance other than an Applied Downgrade Advance.

"***Unapplied Non-Extension Advance***" means any Non-Extension Advance other than an Applied Non-Extension Advance.

"***Unapplied Provider Advance***" means any Provider Advance other than an Applied Provider Advance.

"***Unpaid Advance***" has the meaning specified in Section 2.05.

For the purposes of this Agreement, the following terms shall have the respective meanings specified in the Intercreditor Agreement:

"Acceleration", "Additional Certificates", "American", "American Bankruptcy Event", "Certificate", "Certificate Purchase Agreement", "Class AA Certificates", "Class A Cash Collateral Account", "Class A Certificateholders", "Class A Certificates", "Class A Trust", "Class A Trust Agreement", "Class A Trustee", "Class B Certificates", "Closing Date", "Collection Account", "Corporate Trust Office", "Distribution Date", "Dollars", "Downgraded Facility", "Equipment Notes", "Fee Letter", "Final Legal Distribution Date", "Indenture", "Interest Payment Date", "Investment Earnings", "Liquidity Facility", "Loan Trustee", "Long-Term Rating", "Non-Extended Facility", "Operative Agreements", "Participation Agreements", "Performing Equipment Note", "Person", "Pool Balance", "Rating Agencies", "Regular Distribution Date", "Replacement Liquidity Facility", "Responsible Officer", "Series A Equipment Notes", "Scheduled Payment", "Short-Term Rating", "Special Payment", "Stated Interest Rate", "Subordination Agent", "Taxes", "Threshold Rating", "Trust Agreement", "Trustee", "Underwriters", "Underwriting Agreement" and "United States".

ARTICLE II

AMOUNT AND TERMS OF THE COMMITMENT

Section 2.01 The Advances. The Liquidity Provider hereby irrevocably agrees, on the terms and conditions hereinafter set forth, to make Advances to the Borrower from time to time on any Business Day during the period from the Effective Date until 10:00 a.m. (New York City time) on the Expiry Date (unless the obligations of the Liquidity Provider shall be earlier terminated in accordance with the terms of Section 2.04(b)) in an aggregate amount at any time outstanding not to exceed the Maximum Commitment.

Section 2.02 Making of Advances. (a) Subject to Section 2.06(d), each Interest Advance shall be made by the Liquidity Provider upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex I**, signed by

a Responsible Officer of the Borrower, such Interest Advance to be in an amount not exceeding the Maximum Available Commitment at such time and used solely for the payment when due of interest with respect to the Class A Certificates at the Stated Interest Rate therefor in accordance with Section 3.05(a) and 3.05(b) of the Intercreditor Agreement. Each Interest Advance made hereunder shall automatically reduce the Maximum Available Commitment and the amount available to be borrowed hereunder by subsequent Advances by the amount of such Interest Advance (subject to reinstatement as provided in the next sentence). Upon repayment to the Liquidity Provider in full or in part of the amount of any Interest Advance made pursuant to this Section 2.02(a), together with accrued interest thereon (as provided herein), the Maximum Available Commitment shall be reinstated by an amount equal to the amount of such Interest Advance so repaid, but not to exceed the Maximum Commitment; provided, however, that, subject to Section 2.06(d), the Maximum Available Commitment shall not be so reinstated at any time if (x) both a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing or (y) a Final Advance, a Downgrade Advance, a Non-Extension Advance or a Special Termination Advance shall have occurred.

(b) (i) A Non-Extension Advance shall be made by the Liquidity Provider if this Agreement is not extended in accordance with Section 3.05(d) of the Intercreditor Agreement unless a Replacement Liquidity Facility to replace this Agreement shall have been delivered to the Borrower in accordance with said Section 3.05(d), upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex II**, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class A Cash Collateral Account in accordance with Sections 3.05(d) and 3.05(f) of the Intercreditor Agreement.

(ii) A Downgrade Advance shall be made by the Liquidity Provider if this Liquidity Facility becomes a Downgraded Facility following the occurrence of a Downgrade Event (as provided for in Section 3.05(c) of the Intercreditor Agreement), unless (i) a Replacement Liquidity Facility to replace this Agreement shall have been previously delivered to the Borrower within thirty-five (35) days after the Downgrade Event (or, if earlier, the Expiry Date) or (ii) the relevant Rating Agency shall have provided confirmation within thirty (35) days (or, if earlier, the expiration date of such Downgraded Facility) after the Downgrade Event that such Downgrade Event will not result in a downgrading, withdrawal or suspension by such Rating Agency of the rating then in effect for the related Class of Certificates, in each case of clause (i) and (ii), in accordance with said Section 3.05(c), by delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex III**, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class A Cash Collateral Account in accordance with Sections 3.05(c) and 3.05(f) of the Intercreditor Agreement.

(c) A Final Advance shall be made by the Liquidity Provider following the receipt by the Borrower of a Termination Notice from the Liquidity Provider pursuant to Section 6.01(a) upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex IV**, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class A Cash Collateral Account (in accordance with Sections 3.05(f) and 3.05(i) of the Intercreditor Agreement).

(d) A Special Termination Advance shall be made in a single Borrowing upon the receipt by the Borrower of a Special Termination Notice from the Liquidity Provider pursuant to Section 6.01(b), by delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex V**, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class A Cash Collateral Account (in accordance with Section 3.05(f) and Section 3.05(k) of the Intercreditor Agreement).

(e) Each Borrowing shall be made by notice in writing (a "***Notice of Borrowing***") in substantially the form required by Section 2.02(a), 2.02(b), 2.02(c) or 2.02(d), as the case may be, given by the Borrower to the Liquidity Provider. If a Notice of Borrowing is delivered by the Borrower in respect of any Borrowing no later than 10:00 a.m. (New York City time) on a Business Day, upon satisfaction of the conditions precedent set forth in Section 4.02 with respect to such requested Borrowing, the Liquidity Provider shall make available to the Borrower, in accordance with its payment instructions, the amount of such Borrowing in Dollars and immediately available funds, before 4:00 p.m. (New York City time) on such Business Day or before 10:00 a.m. (New York City time) on such later Business Day specified in such Notice of Borrowing. If a Notice of Borrowing is delivered by the Borrower in respect of any Borrowing after 10:00 a.m. (New York City time) on a Business Day, upon satisfaction of the conditions precedent set forth in Section 4.02 with respect to such requested Borrowing, the Liquidity Provider shall make available to the Borrower, in accordance with its payment instructions, the amount of such Borrowing in Dollars and immediately available funds, before 1:00 p.m. (New York City time) on the first Business Day next following the day of receipt of such Notice of Borrowing or on such later Business Day specified by the Borrower in such Notice of Borrowing. Payments of proceeds of a Borrowing shall be made by wire transfer of immediately available funds to the Borrower in accordance with such wire transfer instructions as the Borrower shall furnish from time to time to the Liquidity Provider for such purpose. Each Notice of Borrowing shall be irrevocable and binding on the Borrower. Each Notice of Borrowing shall be effective upon delivery of a copy thereof to the Liquidity Provider at the address and in the manner specified in Section 7.02 hereof.

(f) Upon the making of any Advance requested pursuant to a Notice of Borrowing in accordance with the Borrower's payment instructions, the Liquidity Provider shall be fully discharged of its obligation hereunder with respect to such Notice of Borrowing, and the Liquidity Provider shall not thereafter be obligated to make any further Advances hereunder in respect of such Notice of Borrowing to the Borrower or to any other Person (including the Class A Trustee or any Class A Certificateholder). If the Liquidity Provider makes an Advance requested pursuant to a Notice of Borrowing before 10:00 a.m. (New York City time) on the second Business Day after the date of payment specified in Section 2.02(e), the Liquidity Provider shall have fully discharged its obligations hereunder with respect to such Advance and an event of default shall not have occurred hereunder. Following the making of any Advance pursuant to Section 2.02(b), 2.02(c) or 2.02(d) to fund the Class A Cash Collateral Account, the Liquidity Provider shall have no interest in or rights to the Class A Cash Collateral Account, such Advance or any other amounts from time to time on deposit in the Class A Cash Collateral Account; provided that the foregoing shall not affect or impair the obligations of the Subordination Agent to make the distributions contemplated by Section 3.05(e) or 3.05(f) of the Intercreditor Agreement, and provided, further, that the foregoing shall not affect or impair the

rights of the Liquidity Provider to provide written instructions with respect to the investment and reinvestment of amounts in the Class A Cash Collateral Account to the extent provided in Section 2.02(b) of the Intercreditor Agreement. By paying to the Borrower proceeds of Advances requested by the Borrower in accordance with the provisions of this Agreement, the Liquidity Provider makes no representation as to, and assumes no responsibility for, the correctness or sufficiency for any purpose of the amount of the Advances so made and requested.

Section 2.03 Fees. The Borrower agrees to pay to the Liquidity Provider the fees set forth in the Fee Letter.

Section 2.04 Reduction or Termination of the Maximum Commitment. (a) Automatic Reduction. Promptly following each date on which the Required Amount is reduced as a result of a reduction in the Pool Balance of the Class A Certificates or otherwise, the Maximum Commitment shall automatically be reduced to an amount equal to such reduced Required Amount (as calculated by the Borrower). The Borrower shall give notice of any such automatic reduction of the Maximum Commitment to the Liquidity Provider and American within two Business Days thereof. The failure by the Borrower to furnish any such notice shall not affect any such automatic reduction of the Maximum Commitment.

(b) Termination. Upon the making of any Provider Advance, Special Termination Advance or Final Advance hereunder or the occurrence of the Termination Date, the obligation of the Liquidity Provider to make further Advances hereunder shall automatically and irrevocably terminate, and the Borrower shall not be entitled to request any further Borrowing hereunder, except in the case of a Downgrade Advance, as provided in Section 2.06(d).

Section 2.05 Repayments of Interest Advances, the Special Termination Advance or the Final Advance. Subject to Sections 2.06, 2.07 and 2.09 hereof, the Borrower hereby agrees, without notice of an Advance or demand for repayment from the Liquidity Provider (which notice and demand are hereby waived by the Borrower), to pay, or to cause to be paid, to the Liquidity Provider (a) on each date on which the Liquidity Provider shall make an Interest Advance, the Special Termination Advance or the Final Advance, an amount equal to the amount of such Advance (any such Advance, until repaid, is referred to herein as an "***Unpaid Advance***") (if multiple Interest Advances are outstanding any such repayment to be applied in the order in which such Interest Advances have been made, starting with the earliest), plus (b) interest on the amount of each such Unpaid Advance in the amounts and on the dates determined as provided in Section 3.07; provided that if (i) the Liquidity Provider shall make a Provider Advance at any time after making one or more Interest Advances which shall not have been repaid in accordance with this Section 2.05 or (ii) this Liquidity Facility shall become a Downgraded Facility or Non-Extended Facility at any time when unreimbursed Interest Advances have reduced the Maximum Available Commitment to zero, then such Interest Advances shall cease to constitute Unpaid Advances and shall be deemed to have been changed into an Applied Downgrade Advance or an Applied Non-Extension Advance, as the case may be, for all purposes of this Agreement (including, without limitation, for the purpose of determining when such Interest Advance is required to be repaid to the Liquidity Provider in accordance with Section 2.06 and for the purposes of Section 2.06(b)); provided, further, that amounts in respect of a Special Termination Advance withdrawn from the Class A Cash Collateral Account for the purpose of paying interest on the Class A Certificates in accordance with Section 3.05(f) of the Intercreditor Agreement

(the portion of the outstanding Special Termination Advance equal to the amount of any such withdrawal, but not in excess of the outstanding Special Termination Advance, being an "***Applied Special Termination Advance***") shall thereafter (subject to Section 2.06(b)) be treated as an Interest Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon; provided, further, that if, following the making of a Special Termination Advance, the Liquidity Provider delivers a Termination Notice to the Borrower pursuant to Section 6.01(a), such Special Termination Advance (including any portion thereof that is an Applied Special Termination Advance) shall thereafter be treated as a Final Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon; and, provided, further, that if, after making a Provider Advance, the Liquidity Provider delivers a Special Termination Notice to the Borrower pursuant to Section 6.01(b), any Unapplied Provider Advance shall be converted to and treated as a Special Termination Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon and the obligation for repayment thereof under the Intercreditor Agreement. The Borrower and the Liquidity Provider agree that the repayment in full of each Interest Advance, Special Termination Advance and Final Advance on the date such Advance is made is intended to be a contemporaneous exchange for new value given to the Borrower by the Liquidity Provider. For the avoidance of doubt, interest payable on an Interest Advance, Special Termination Advance or the Final Advance shall not be regarded as overdue unless such interest is not paid when due under Section 3.07.

Section 2.06 Repayments of Provider Advances. (a) Amounts advanced hereunder in respect of a Provider Advance shall be deposited in the Class A Cash Collateral Account and invested and withdrawn from the Class A Cash Collateral Account as set forth in Sections 3.05(c), 3.05(d), 3.05(e) and 3.05(f) of the Intercreditor Agreement. Subject to Sections 2.07 and 2.09, the Borrower agrees to pay to the Liquidity Provider, on each Regular Distribution Date, commencing on the first Regular Distribution Date after the making of a Provider Advance, interest on the principal amount of any such Provider Advance, in the amounts determined as provided in Section 3.07; provided, however, that amounts in respect of a Provider Advance withdrawn from the Class A Cash Collateral Account for the purpose of paying interest on the Class A Certificates in accordance with Section 3.05(f) of the Intercreditor Agreement (the amount of any such withdrawal being (y), in the case of a Downgrade Advance, an "***Applied Downgrade Advance***" and (z) in the case of a Non-Extension Advance, an "***Applied Non-Extension Advance***" and together with an Applied Downgrade Advance, an "***Applied Provider Advance***") shall thereafter (subject to Section 2.06(b)) be treated as an Interest Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon; provided, further, however, that if, following the making of a Provider Advance, the Liquidity Provider delivers a Termination Notice to the Borrower pursuant to Section 6.01(a), such Provider Advance shall thereafter be treated as a Final Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon. Subject to Sections 2.07 and 2.09, immediately upon the withdrawal of any amounts from the Class A Cash Collateral Account on account of a reduction in the Required Amount, the Borrower shall repay to the Liquidity Provider a portion of the Provider Advances in a principal amount equal to such reduction, plus interest on the principal amount so repaid as provided in Section 3.07.

(b) At any time when an Applied Provider Advance or Applied Special Termination Advance (or any portion thereof) is outstanding, upon the deposit in the Class A

Cash Collateral Account of any amount pursuant to clause "fourth" of Section 3.02 of the Intercreditor Agreement (any such amount being a "***Replenishment Amount***") for the purpose of replenishing or increasing the balance thereof up to the Required Amount at such time, (i) the aggregate outstanding principal amount of all Applied Provider Advances and Applied Special Termination Advances (and of Provider Advances and Special Termination Advances treated as Interest Advances for purposes of determining the Applicable Liquidity Rate for interest payable thereon) shall be automatically reduced by the amount of such Replenishment Amount, and (ii) the aggregate outstanding principal amount of all Unapplied Provider Advances shall be automatically increased by the amount of such Replenishment Amount.

(c) Upon the provision of a Replacement Liquidity Facility in replacement of this Agreement in accordance with Section 3.05(e) of the Intercreditor Agreement, as provided in Section 3.05(f) of the Intercreditor Agreement, amounts remaining on deposit in the Class A Cash Collateral Account after giving effect to any Applied Provider Advance on the date of such replacement shall be reimbursed to the Liquidity Provider, but only to the extent such amounts are necessary to repay in full to the Liquidity Provider all amounts owing to it hereunder.

(d) If at any time after making a Downgrade Advance, the Liquidity Provider satisfies the Threshold Rating and delivers a written notice to that effect to the Borrower and American, as of the second Business Day following receipt of such notice, (i) any Unapplied Downgrade Advance shall be withdrawn from the Class A Cash Collateral Account and reimbursed to the Liquidity Provider and (ii) any Applied Downgrade Advance shall be converted to an Interest Advance, the Maximum Commitment shall be reinstated by an amount equal to the amount of such Unapplied Downgrade Advance so reimbursed, but not to exceed the Maximum Commitment and the obligation of the Liquidity Provider to make Advances shall be reinstated in an equal amount, and the proviso in the definition of Maximum Available Commitment shall no longer apply to such Downgrade Advance.

Section 2.07 Payments to the Liquidity Provider Under the Intercreditor Agreement. In order to provide for payment or repayment to the Liquidity Provider of any amounts hereunder, the Intercreditor Agreement provides that amounts available and referred to in Articles II and III of the Intercreditor Agreement, to the extent payable to the Liquidity Provider pursuant to the terms of the Intercreditor Agreement (including, without limitation, Section 3.05(f) of the Intercreditor Agreement), shall be paid to the Liquidity Provider in accordance with the terms thereof (but, for the avoidance of doubt, without duplication of or increase in any amounts payable hereunder). Amounts so paid to the Liquidity Provider shall be applied by the Liquidity Provider in the order of priority required by the applicable provisions of Articles II and III of the Intercreditor Agreement (or, if not provided for in the Intercreditor Agreement, then in such manner as the Liquidity Provider shall deem appropriate) and shall discharge in full the corresponding obligations of the Borrower hereunder.

Section 2.08 Book Entries. The Liquidity Provider shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower resulting from Advances made from time to time and the amounts of principal and interest payable hereunder and paid from time to time in respect thereof; provided, however, that the failure by the Liquidity Provider to maintain such account or accounts shall not affect the obligations of the Borrower in respect of Advances.

Section 2.09 Payments from Available Funds Only. All payments to be made by the Borrower under this Agreement shall be made only from the amounts that constitute Scheduled Payments, Special Payments and other payments under the Operative Agreements, including payment under Section 4.02 of the Participation Agreements and payments under Section 2.14 of the Indentures, and only to the extent that the Borrower shall have sufficient income or proceeds therefrom to enable the Borrower to make payments in accordance with the terms hereof after giving effect to the priority of payments provisions set forth in the Intercreditor Agreement. The Liquidity Provider agrees that it will look solely to such amounts to the extent available for distribution to it as provided in the Intercreditor Agreement and this Agreement and that the Borrower, in its individual capacity, is not personally liable to it for any amounts payable or liability under this Agreement except as expressly provided in this Agreement, the Intercreditor Agreement or any Participation Agreement. Amounts on deposit in the Class A Cash Collateral Account shall be available to the Borrower to make payments under this Agreement only to the extent and for the purposes expressly contemplated in Section 3.05(f) of the Intercreditor Agreement.

Section 2.10 Extension of the Expiry Date; Non-Extension Advance. If the Liquidity Provider notifies the Borrower in writing before the 25th day prior to an anniversary date of the Closing Date that is prior to the 15th day after the Final Legal Distribution Date for the Class A Certificates (such notification, a "***Non-Extension Notice***"; the date of such notification, the "***Notice Date***") that its obligation to make Advances hereunder shall not be extended beyond the immediately following anniversary date of the Closing Date (and if the Liquidity Provider shall not have been replaced in accordance with Section 3.05(e) of the Intercreditor Agreement), the Borrower shall be entitled on and after the Notice Date (but prior to such anniversary date) to request a Non-Extension Advance in accordance with Section 2.02(b)(i) hereof and Section 3.05(d) of the Intercreditor Agreement.

ARTICLE III

OBLIGATIONS OF THE BORROWER

Section 3.01 Increased Costs. Without duplication of any rights created by Section 3.03, if as a result of any Regulatory Change there shall be any increase by an amount reasonably deemed by the Liquidity Provider to be material in the actual cost to the Liquidity Provider of making, funding or maintaining any Advances or its obligation to make any such Advances or there shall be any reduction by an amount reasonably deemed by the Liquidity Provider to be material in the amount receivable by the Liquidity Provider under this Agreement or the Intercreditor Agreement in respect thereof, and in case of either such an increase or reduction, such event does not arise from the gross negligence or willful misconduct of the Liquidity Provider, from its breach of any of its representations, warranties, covenants or agreements contained herein or in the Intercreditor Agreement or from its failure to comply with any such Regulatory Change (any such increase or reduction being referred to herein as an "***Increased Cost***"), then, subject to Sections 2.07 and 2.09, the Borrower shall from time to time pay to the Liquidity Provider an amount equal to such Increased Cost within 10 Business Days after delivery to the Borrower and American of a certificate of an officer of the Liquidity Provider describing in reasonable detail the event by reason of which it claims such Increased Cost and the basis for the determination of the amount of such Increased Cost; provided that the Borrower

shall be obligated to pay amounts only with respect to any Increased Costs accruing from the date 120 days prior to the date of delivery of such certificate. Such certificate, in the absence of manifest error, shall be considered prima facie evidence of the amount of the Increased Costs for purposes of this Agreement; provided that any determinations and allocations by the Liquidity Provider of the effect of any Regulatory Change on the costs of maintaining the Advances or the obligation to make Advances are made on a reasonable basis. For the avoidance of doubt, the Liquidity Provider shall not be entitled to assert any claim under this Section 3.01 in respect of or attributable to Excluded Taxes. The Liquidity Provider will notify the Borrower and American as promptly as practicable of any event occurring after the date of this Agreement that will entitle the Liquidity Provider to compensation under this Section 3.01. The Liquidity Provider agrees to investigate all commercially reasonable alternatives for reducing any Increased Costs and to use all commercially reasonable efforts to avoid or minimize, to the greatest extent possible, any claim in respect of Increased Costs, including, without limitation, by designating a different Lending Office, if such designation or other action would avoid the need for, or reduce the amount of, any such claim; provided that the foregoing shall not obligate the Liquidity Provider to take any action that would, in its reasonable judgment, cause the Liquidity Provider to take any action that is not materially consistent with its internal policies or is otherwise materially disadvantageous to the Liquidity Provider or that would cause the Liquidity Provider to incur any material loss or cost, unless the Borrower or American agrees to reimburse or indemnify the Liquidity Provider therefor. If no such designation or other action is effected, or, if effected, such notice fails to avoid the need for any claim in respect of Increased Costs, American may arrange for a Replacement Liquidity Facility in accordance with Section 3.05(e) of the Intercreditor Agreement.

Notwithstanding the foregoing provisions, in no event shall the Borrower be required to make payments under this Section 3.01: (a) in respect of any Regulatory Change proposed by any applicable governmental authority (including any branch of a legislature), central bank or comparable agency of the United States or the Liquidity Provider’s jurisdiction of organization or in which its Lending Office is located and pending as of the date of this Agreement (it being agreed that the Regulatory Changes contemplated by (i) all requests, rules, guidelines or directives promulgated or issued by the Basel Committee on Banking Supervision (or any successor or similar authority) including, but not limited to the Consultative Documents entitled “Strengthening the resilience of the banking sector” and “International framework for liquidity risk measurement, standards and monitoring,” each dated December 2009 or the United States regulatory authorities, in each case pursuant to Basel III and (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, shall not be considered to have been proposed or pending as of the date of this Agreement); (b) if a claim hereunder in respect of an Increased Cost arises through circumstances peculiar to the Liquidity Provider and that do not affect similarly organized commercial banking institutions in the same jurisdiction generally that are in compliance with the law, rule, regulation or interpretation giving rise to the Regulatory Change relating to such Increased Cost; (c) if the Liquidity Provider shall fail to comply with its obligations under this Section 3.01 or (d) if the Liquidity Provider is not also seeking payment for similar increased costs in other similarly situated transactions related to the airline industry.

Section 3.02 Intentionally omitted.

Section 3.03 Withholding Taxes. (a) All payments made by the Borrower under this Agreement shall be made without deduction or withholding for or on account of any Taxes, unless such deduction or withholding is required by law. If any Taxes are so required to be withheld or deducted from any amounts payable to the Liquidity Provider under this Agreement, then, subject to Sections 2.07 and 2.09, the Borrower shall (i) deduct or withhold and shall pay to the relevant authorities the full amount so required to be deducted or withheld, (ii) without duplication of any rights created by Section 3.01, if such Taxes are Covered Taxes, pay to the Liquidity Provider such additional amounts as shall be necessary to ensure that the net amount actually received by the Liquidity Provider (after deduction or withholding of all Covered Taxes) shall be equal to the full amount that would have been received by the Liquidity Provider had no withholding or deduction of Covered Taxes been required and (iii) within 30 days after the date of a payment to the relevant authorities furnish to the Liquidity Provider the original or a certified copy of (or other reasonable evidence of) the payment of the Taxes applicable to such payment. The Borrower agrees to indemnify the Liquidity Provider, within 10 Business Days of demand therefor the full amount of Covered Taxes paid or payable by the Liquidity Provider in respect of payments by the Borrower under this Agreement and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. If the Borrower provides a written request (which shall be considered prior written consent under subsection (vi) of the definition of Covered Taxes), the Liquidity Provider agrees to use commercially reasonable efforts (consistent with applicable legal and regulatory restrictions) to change the jurisdiction of its Lending Office if making such change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of the Liquidity Provider, be otherwise materially disadvantageous to the Liquidity Provider. If the Liquidity Provider receives a refund of, or realizes a net Tax benefit not otherwise available to it as a result of, any Taxes for which additional amounts were paid by the Borrower pursuant to this Section 3.03, the Liquidity Provider shall pay to the Borrower (for deposit into the Collection Account) the amount of such refund (and any interest thereon), net of any related out-of-pocket expenses, or net benefit. The Borrower, upon the request of the Liquidity Provider, shall repay to the Liquidity Provider the amount paid over pursuant to this paragraph (a) (plus any penalties, interest or other charges imposed by the relevant governmental or taxing authority) in the event that the Liquidity Provider is required to repay such refund to such governmental or taxing authority. Notwithstanding anything to the contrary in this paragraph (a), in no event will the Liquidity Provider be required to pay any amount to the Borrower pursuant to this paragraph (a) the payment of which would place the Liquidity Provider in a less favorable net after-Tax position than the Liquidity Provider would have been in if the Tax subject to indemnification and giving rise to such refund or net Tax benefit had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph (a) shall not be construed to require the Liquidity Provider to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Borrower or any other Person.

The Liquidity Provider will (i) provide (on its behalf and on behalf of any participant holding a Participation pursuant to Section 7.08) to the Borrower (x) on or prior to the Effective Date two valid completed and executed originals of Internal Revenue Service Form W-9, W-8BEN-E or W-8ECI (whichever is applicable), including thereon a valid U.S. taxpayer identification number (or, with respect to any such participant, such other form or documentation as may be applicable) covering all amounts receivable by it in connection with the transactions

contemplated by the Operative Agreements and (y) thereafter from time to time such additional forms or documentation as may be necessary to establish an available exemption from withholding of United States Tax on payments hereunder so that such forms or documentation are effective for all periods during which it is the Liquidity Provider and (ii) provide timely notice to the Borrower if any such form or documentation is or becomes inaccurate. The Liquidity Provider shall deliver to the Borrower such other forms or documents as may be reasonably requested by the Borrower or required by applicable law to establish that payments hereunder are exempt from or entitled to a reduced rate of Covered Taxes.

If a payment made to the Liquidity Provider or Borrower hereunder would be subject to U.S. federal withholding Tax imposed by FATCA if the Borrower or Liquidity Provider, as applicable, were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the U.S. Internal Revenue Code, as applicable), it shall deliver to the Borrower or the Liquidity Provider, as applicable, at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or Liquidity Provider, as applicable, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the U.S. Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or Liquidity Provider, as applicable, as may be necessary for the Borrower or Liquidity Provider, as applicable, to comply with its obligations under FATCA and to determine that the Liquidity Provider or Borrower has complied with the Liquidity Provider's or Borrower's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this paragraph, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(b) All payments (including, without limitation, Advances) made by the Liquidity Provider under this Agreement shall be made free and clear of, and without reduction for or on account of, any Taxes. If any Taxes are required to be withheld or deducted from any amounts payable to the Borrower under this Agreement, the Liquidity Provider shall (i) within the time prescribed therefor by applicable law pay to the appropriate governmental or taxing authority the full amount of any such Taxes (and any additional Taxes in respect of the additional amounts payable under clause (ii) hereof) and make such reports or returns in connection therewith at the time or times and in the manner prescribed by applicable law, and (ii) pay to the Borrower an additional amount which (after deduction of all such Taxes) will be sufficient to yield to the Borrower the full amount which would have been received by it had no such withholding or deduction been made. Within 30 days after the date of each payment hereunder, the Liquidity Provider shall furnish to the Borrower the original or a certified copy of (or other documentary evidence of) the payment of the Taxes applicable to such payment.

On or before the Closing Date, the Borrower shall provide the Liquidity Provider with its fully executed Internal Revenue Service Form W-9, showing a complete exemption from U.S. federal withholding tax and backup withholding. If any other exemption from, or reduction in the rate of, any Taxes required to be borne by the Liquidity Provider under this Section 3.03(b) is reasonably available to the Borrower without providing any information regarding the holders or beneficial owners of the Certificates, the Borrower shall deliver the Liquidity Provider such form or forms and such other evidence of the eligibility of the Borrower for such exemption or reductions (but without any requirement to provide any information regarding the holders or beneficial owners of the Certificates) as the Liquidity Provider may reasonably identify to the Borrower as being required as a condition to exemption from, or reduction in the rate of, such Taxes.

Section 3.04 Payments. Subject to Sections 2.07 and 2.09, the Borrower shall make or cause to be made each payment to the Liquidity Provider under this Agreement so as to cause the same to be received by the Liquidity Provider not later than 12:00 p.m. (New York City time) on the day when due. The Borrower shall make all such payments in Dollars, to the Liquidity Provider in immediately available funds, by wire transfer to the account set forth below or such other U.S. bank account as the Liquidity Provider may from time to time direct the Subordination Agent:

Correspondent Bank:	Citibank N.A., New York
SWIFT:	###
Account number:	###
Beneficiary:	National Australia Bank Ltd.
SWIFT:	###
Reference:	American Airlines 2017-1 Liquidity Facility

Section 3.05 Computations. All computations of interest based on the Base Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the LIBOR Rate shall be made on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable.

Section 3.06 Payment on Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day and no additional interest shall be due as a result (and if so made, shall be deemed to have been made when due). If any payment in respect of interest on an Advance is so deferred to the next succeeding Business Day, such deferral shall not delay the commencement of the next Interest Period for such Advance (if such Advance is a LIBOR Advance) or reduce the number of days for which interest will be payable on such Advance on the next Interest Payment Date for such Advance.

Section 3.07 Interest. (a) Subject to Sections 2.07 and 2.09, the Borrower shall pay, or shall cause to be paid, without duplication, interest on (i) the unpaid principal amount of each Advance from and including the date of such Advance (or, in the case of an Applied Provider Advance or Applied Special Termination Advance, from and including the date on which the amount thereof was withdrawn from the Class A Cash Collateral Account to pay interest on the Class A Certificates) to but excluding the date such principal amount shall be paid in full (or, in the case of an Applied Provider Advance or Applied Special Termination Advance, the date on which the Class A Cash Collateral Account is fully replenished in respect of such Advance) and (ii), to the extent permitted by law, any other amount due hereunder (whether fees, commissions, expenses or other amounts or installments of interest on Advances or any such other amount) that is not paid when due (whether at stated maturity, by acceleration or otherwise) from and including the due date thereof to but excluding the date such amount is paid in full, in each such case, at the interest rate per annum for each day that such amount remains overdue and unpaid equal to the Applicable Liquidity Rate for such Advance or such other amount, as the case may

be, as in effect for such day, but in no event in any case referred to in clause (i) or (ii) above at a rate per annum greater than the maximum rate permitted by applicable law; provided, however, that, if at any time the otherwise applicable interest rate as set forth in this Section 3.07 shall exceed the maximum rate permitted by applicable law, then to the maximum extent permitted by applicable law any subsequent reduction in such interest rate will not reduce the rate of interest payable pursuant to this Section 3.07 below the maximum rate permitted by applicable law until the total amount of interest accrued equals the absolute amount of interest that would have accrued (without additional interest thereon) if such otherwise applicable interest rate as set forth in this Section 3.07 had at all relevant times been in effect.

(b) Each Advance will be either a Base Rate Advance or a LIBOR Advance as provided in this Section 3.07. Each such Advance will be a Base Rate Advance for the period from the date of its borrowing to (but excluding) the third Business Day following the Liquidity Provider's receipt of the Notice of Borrowing for such Advance. Thereafter, such Advance shall be a LIBOR Advance; provided that a Provider Advance shall always be a LIBOR Advance.

(c) Each LIBOR Advance shall bear interest during each Interest Period at a rate per annum equal to the LIBOR Rate for such Interest Period plus the Applicable Margin for such LIBOR Advance, payable in arrears on the last day of such Interest Period and, in the event of the payment of principal of such LIBOR Advance on a day other than such last day, on the date of such payment (to the extent of interest accrued on the amount of principal repaid).

(d) Each Base Rate Advance shall bear interest at a rate per annum equal to the Base Rate plus the Applicable Margin for such Base Rate Advance, payable in arrears on each Regular Distribution Date and, in the event of the payment of principal of such Base Rate Advance on a day other than a Regular Distribution Date, on the date of such payment (to the extent of interest accrued on the amount of principal repaid).

(e) Intentionally omitted.

(f) Each amount not paid when due hereunder (whether fees, commissions, expenses or other amounts or installments of interest on Advances but excluding Advances) shall bear interest, to the extent permitted by applicable law, at a rate per annum equal to the Base Rate plus 2.0% per annum until paid.

(g) If at any time, the Liquidity Provider shall have determined (which determination shall be conclusive and binding upon the Borrower, absent manifest error) that, by reason of circumstances affecting the relevant interbank lending market generally, the LIBOR Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to the Liquidity Provider (as conclusively certified by the Liquidity Provider, absent manifest error) of making or maintaining Advances, the Liquidity Provider shall give facsimile or telephonic notice thereof (a "***Rate Determination Notice***") to the Borrower. If such notice is given, then the outstanding principal amount of the LIBOR Advances shall be converted to Base Rate Advances effective from the date of the Rate Determination Notice; provided that the Applicable Liquidity Rate in respect of such Base Rate Advances shall be increased by one percent (1.00%). The Liquidity Provider shall withdraw a Rate Determination Notice given hereunder when the Liquidity Provider determines that the circumstances giving

rise to such Rate Determination Notice no longer apply to the Liquidity Provider, and the Base Rate Advances shall be converted to LIBOR Advances effective as of the first day of the next succeeding Interest Period after the date of such withdrawal. Each change in the Base Rate shall become effective immediately. The rates of interest specified in this Section 3.07 with respect to any Advance or other amount shall be referred to as the "***Applicable Liquidity Rate***".

Section 3.08 Replacement of Borrower. Subject to Section 5.02, from time to time and subject to the successor Borrower's meeting the eligibility requirements set forth in Section 6.09 of the Intercreditor Agreement applicable to the Subordination Agent, upon the effective date and time specified in a written and completed Notice of Replacement Subordination Agent in substantially the form of **Annex VIII** (a "***Notice of Replacement Subordination Agent***") delivered to the Liquidity Provider by the then Borrower, the successor Borrower designated therein shall become the Borrower for all purposes hereunder.

Section 3.09 Funding Loss Indemnification. The Borrower shall pay to the Liquidity Provider, upon the request of the Liquidity Provider, such amount or amounts as shall be sufficient (in the reasonable opinion of the Liquidity Provider) to compensate it for any loss, cost or expense incurred by reason of the liquidation or redeployment of deposits or other funds acquired by the Liquidity Provider to fund or maintain any LIBOR Advance (but excluding loss of the Applicable Margin or anticipated profits) incurred as a result of:

(1) Any repayment of a LIBOR Advance on a date other than the last day of the Interest Period for such Advance; or

(2) Any failure by the Borrower to borrow a LIBOR Advance on the date for borrowing specified in the relevant notice under Section 2.02.

Section 3.10 Illegality. Notwithstanding any other provision in this Agreement, if any change in any law, rule or regulation applicable to or binding on the Liquidity Provider, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Liquidity Provider with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Liquidity Provider to maintain or fund its LIBOR Advances, then upon notice to the Borrower and American by the Liquidity Provider, the outstanding principal amount of the LIBOR Advances shall be converted to Base Rate Advances (a) immediately upon demand of the Liquidity Provider, if such change or compliance with such request, in the reasonable judgment of the Liquidity Provider, requires immediate conversion; or (b) at the expiration of the last Interest Period to expire before the effective date of any such change or request. The Liquidity Provider will notify the Borrower and American as promptly as practicable of any event that will or to its knowledge is reasonably likely to lead to the conversion of LIBOR Advances to Base Rate Advances under this Section 3.10; provided that a failure by the Liquidity Provider to notify the Borrower or American of an event that is reasonably likely to lead to such a conversion prior to the time that it is determined that such event will lead to such a conversion shall not prejudice the rights of the Liquidity Provider under this Section 3.10. The Liquidity Provider agrees to investigate all commercially reasonable alternatives for avoiding the need for such conversion including, without limitation, designating a different Lending Office, if such

designation or other action would avoid the need to convert such LIBOR Advances to Base Rate Advances; provided that the foregoing shall not obligate the Liquidity Provider to take any action that would, in its reasonable judgment, cause the Liquidity Provider to incur any material loss or cost, unless the Borrower or American agrees to reimburse or indemnify the Liquidity Provider therefor. If no such designation or other action is effected, or, if effected, fails to avoid the need for conversion of the LIBOR Advances to Base Rate Advances, American may arrange for a Replacement Liquidity Facility in accordance with Section 3.05(e) of the Intercreditor Agreement.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01 Conditions Precedent to Effectiveness of Section 2.01. Section 2.01 of this Agreement shall become effective on and as of the first date (the "***Effective Date***") on which the following conditions precedent have been satisfied (or waived by the appropriate party or parties):

(a) The Liquidity Provider shall have received on or before the date hereof each of the following, and in the case of each document delivered pursuant to paragraphs (i), (ii) and (iii), each in form and substance satisfactory to the Liquidity Provider:

(i) This Agreement and the Fee Letter duly executed on behalf of the Borrower and, in the case of the Fee Letter, American;

(ii) The Intercreditor Agreement duly executed on behalf of each of the parties thereto (other than the Liquidity Provider);

(iii) Fully executed copies of each of the Operative Agreements executed and delivered on or before the date hereof (other than this Agreement, the Fee Letter and the Intercreditor Agreement);

(iv) A copy of the Prospectus Supplement and specimen copies of the Class A Certificates;

(v) An executed copy of each document, instrument and certificate delivered on or before the date hereof pursuant to the Class A Trust Agreement, the Intercreditor Agreement and the other Operative Agreements;

(vi) An agreement from American, pursuant to which (x) American agrees to provide copies of quarterly financial statements and audited annual financial statements to the Liquidity Provider (which American may provide in an electronic format by electronic mail or making such available over the internet) and (y) American agrees to allow the Liquidity Provider to discuss the transactions contemplated by the Operative Agreements with officers and employees of American; and

(vii) Such documentation as the Liquidity Provider may reasonably request five (5) or more Business Days prior to the date hereof in order to satisfy its "know your customer" policies.

(b) On and as of the Effective Date no event shall have occurred and be continuing, or would result from the entering into of this Agreement or the making of any Advance, which constitutes a Liquidity Event of Default.

(c) The Liquidity Provider shall have received payment in full of the fees and other sums required to be paid to or for the account of the Liquidity Provider on or prior to the Effective Date pursuant to the Fee Letter.

(d) All conditions precedent to the issuance of the Certificates under the Trust Agreements shall have been satisfied or waived, all conditions precedent to the effectiveness of the other Liquidity Facilities, if any, shall have been satisfied or waived, and all conditions precedent to the purchase of the Class A Certificates by the Underwriters under the Underwriting Agreement shall have been satisfied (unless any of such conditions precedent under the Underwriting Agreement shall have been waived by the Underwriters).

(e) The Borrower and American shall have received (i) the Acknowledgment and Agreement duly executed on behalf of each of the parties thereto and (ii) a certificate, dated the Effective Date signed by a duly authorized representative of the Liquidity Provider, certifying that all conditions precedent specified in this Section 4.01 have been satisfied or waived by the Liquidity Provider.

Section 4.02 Conditions Precedent to Borrowing. The obligation of the Liquidity Provider to make an Advance on the occasion of each Borrowing shall be subject to the conditions precedent that the Effective Date shall have occurred and, prior to the time of such Borrowing, the Borrower shall have delivered a Notice of Borrowing which conforms to the terms and conditions of this Agreement.

Section 4.03 Representations and Warranties. The representations and warranties of the Borrower as Subordination Agent in Sections 5.01(a), (b), (c), (d) and (i) of the Participation Agreements shall be deemed to be incorporated into this Agreement as if set out in full herein and as if such representations and warranties were made by the Borrower to the Liquidity Provider.

ARTICLE V

COVENANTS

Section 5.01 Affirmative Covenants of the Borrower. So long as any Advance shall remain unpaid or the Liquidity Provider shall have any Maximum Available Commitment hereunder or the Borrower shall have any obligation to pay any amount to the Liquidity Provider hereunder, the Borrower will, unless the Liquidity Provider shall otherwise consent in writing:

(a) Performance of Agreements. Subject to Sections 2.07 and 2.09, punctually pay or cause to be paid all amounts payable by it under this Agreement and the Intercreditor Agreement and observe and perform in all material respects the conditions, covenants and requirements applicable to it contained in this Agreement and the Intercreditor Agreement;

(b) Reporting Requirements. Furnish to the Liquidity Provider with reasonable promptness, such other information and data with respect to the transactions contemplated by the Operative Agreements as from time to time may be reasonably requested by the Liquidity Provider; and permit the Liquidity Provider, upon reasonable notice, to inspect the Borrower's books and records with respect to such transactions and to meet with officers and employees of the Borrower to discuss such transactions. The Borrower shall also provide to the Liquidity Provider, without the need for any request thereof, copies of all documents and reports provided to the Certificateholders under the Operative Agreements; and

(c) Certain Operative Agreements. Furnish to the Liquidity Provider, with reasonable promptness, copies of such Operative Agreements entered into after the date hereof as from time to time may be reasonably requested by the Liquidity Provider.

Section 5.02 Negative Covenants of the Borrower. Subject to the first and fourth paragraphs of Section 7.01(a) of the Intercreditor Agreement and Section 7.01(b) of the Intercreditor Agreement, so long as any Advance shall remain unpaid or the Liquidity Provider shall have any Maximum Available Commitment hereunder or the Borrower shall have any obligation to pay any amount to the Liquidity Provider hereunder, the Borrower will not appoint or permit or suffer to be appointed any successor Borrower without the prior written consent of the Liquidity Provider, which consent shall not be unreasonably withheld or delayed.

ARTICLE VI

LIQUIDITY EVENTS OF DEFAULT AND SPECIAL TERMINATION

Section 6.01 Liquidity Events of Default. (a) If any Liquidity Event of Default has occurred and is continuing and there is a Performing Note Deficiency, the Liquidity Provider may, in its discretion, deliver to the Borrower a Termination Notice, the effect of which shall be to cause (i) this Agreement to expire at the close of business on the fifth Business Day after the date on which such Termination Notice is received by the Borrower, (ii) the Borrower to promptly request, and the Liquidity Provider to promptly make, a Final Advance in accordance with Section 2.02(c) hereof and Section 3.05(i) of the Intercreditor Agreement, (iii) all other outstanding Advances to be automatically converted into Final Advances for purposes of determining the Applicable Liquidity Rate for interest payable thereon and (iv) subject to Sections 2.07 and 2.09, all Advances, any accrued interest thereon and any other amounts outstanding hereunder to become immediately due and payable to the Liquidity Provider.

(b) If the aggregate Pool Balance of the Class A Certificates is greater than the aggregate outstanding principal amount of the Series A Equipment Notes (other than any Series A Equipment Notes previously sold by the Borrower or with respect to which the Aircraft related to such Series A Equipment Notes has been disposed of by the Loan Trustee) at any time during the 18-month period ending on February 15, 2029, the Liquidity Provider may, in its discretion, deliver to the Borrower a Special Termination Notice, the effect of which shall be to cause (i) the obligation of the Liquidity Provider to make Advances hereunder to terminate on the fifth

Business Day after the date on which such Special Termination Notice is received by the Borrower and American, (ii) the Borrower to promptly request, and the Liquidity Provider to promptly make, a Special Termination Advance in accordance with Section 2.02(d) hereof and Section 3.05(k) of the Intercreditor Agreement, and (iii) subject to Sections 2.07 and 2.09, all Advances (including, without limitation, any Provider Advance and Applied Provider Advance), to be automatically treated as Special Termination Drawings (as defined in the Intercreditor Agreement).

ARTICLE VII

MISCELLANEOUS

Section 7.01 No Oral Modifications or Continuing Waivers. No terms or provisions of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the Borrower and the Liquidity Provider and any other Person whose consent is required pursuant to this Agreement; provided that no such change or other action shall affect the payment obligations of American or the rights of American without American’s prior written consent; and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

Section 7.02 Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices, requests, demands, authorizations, directions, consents, waivers or documents required or permitted under the terms and provisions of this Agreement shall be in English and in writing, and given by United States registered or certified mail, courier service or facsimile, and any such notice shall be effective when delivered (or, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that such transmission was received) addressed as follows:

If to the Borrower, to:

Wilmington Trust Company
1100 North Market Street
Wilmington, Delaware 19890
Attention: ###
Ref.: American Airlines 2017-1A EETC
Telephone: ###
Facsimile: ###

If to the Liquidity Provider, to:

National Australia Bank Limited
Level 29, 500 Bourke St
VIC 3000
Australia
Attention: ###
Telephone: ###
Fax: ###
Email: ###

with a copy to:

National Australia Bank Limited
245 Park Avenue
New York, NY 10167
Attention: Director, Asset Finance & Leasing
Telephone: ###
Fax: ###

Any party, by notice to the other party hereto, may designate additional or different addresses for subsequent notices or communications. Whenever the words "notice" or "notify" or similar words are used herein, they mean the provision of formal notice as set forth in this Section 7.02.

Section 7.03 No Waiver; Remedies. No failure on the part of the Liquidity Provider to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 7.04 Further Assurances. The Borrower agrees to do such further acts and things and to execute and deliver to the Liquidity Provider such additional assignments, agreements, powers and instruments as the Liquidity Provider may reasonably require or deem advisable to carry into effect the purposes of this Agreement and the other Operative Agreements or to better assure and confirm unto the Liquidity Provider its rights, powers and remedies hereunder and under the other Operative Agreements.

Section 7.05 Indemnification; Survival of Certain Provisions. The Liquidity Provider shall be indemnified hereunder to the extent and in the manner described in Section 4.02 of the Participation Agreements. In addition, the Borrower agrees to indemnify, protect, defend and hold harmless each Liquidity Indemnitee from and against all Expenses of any kind or nature whatsoever (other than any Expenses of the nature described in Sections 3.01, 3.03, 3.09 or 7.07 or in the Fee Letter (regardless of whether indemnified against pursuant to said Sections or in such Fee Letter)), that may be imposed on or incurred by such Liquidity Indemnitee, in any way relating to, resulting from, or arising out of or in connection with, any action, suit or proceeding by any third party against such Liquidity Indemnitee and relating to this Agreement, the Fee Letter, the Intercreditor Agreement or any Participation Agreement; provided, however, that the Borrower shall not be required to indemnify, protect, defend and hold harmless any Liquidity Indemnitee in respect of any Expense of such Liquidity Indemnitee to the extent such Expense is (i) attributable to the gross negligence or willful misconduct of such Liquidity Indemnitee or any other Liquidity Indemnitee, (ii) an ordinary and usual operating overhead expense, (iii) attributable to the failure by such Liquidity Indemnitee or any other Liquidity Indemnitee to perform or observe any agreement, covenant or condition on its part to be performed or observed in this Agreement, the Intercreditor Agreement, the Fee Letter or any other Operative Agreement to which it is a party or (iv) otherwise excluded from the indemnification provisions contained in

Section 4.02 of the Participation Agreements. The provisions of Sections 3.01, 3.03, 3.09, 7.05 and 7.07 and the indemnities contained in Section 4.02 of the Participation Agreements shall survive the termination of this Agreement.

Section 7.06 Liability of the Liquidity Provider. (a) Neither the Liquidity Provider nor any of its officers, employees or directors shall be liable or responsible for: (i) the use which may be made of the Advances or any acts or omissions of the Borrower or any beneficiary or transferee in connection therewith; (ii) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; or (iii) the making of Advances by the Liquidity Provider against delivery of a Notice of Borrowing and other documents which do not comply with the terms hereof; provided, however, that the Borrower shall have a claim against the Liquidity Provider, and the Liquidity Provider shall be liable to the Borrower, to the extent of any damages suffered by the Borrower that were the result of (A) the Liquidity Provider's willful misconduct or gross negligence in determining whether documents presented hereunder comply with the terms hereof or (B) any breach by the Liquidity Provider of any of the terms of this Agreement or the Intercreditor Agreement, including, but not limited to, the Liquidity Provider's failure to make lawful payment hereunder after the delivery to it by the Borrower of a Notice of Borrowing complying with the terms and conditions hereof. In no event, however, shall the Liquidity Provider be liable on any theory of liability for any special, indirect, consequential or punitive damages (including, without limitation, loss of profits, business or anticipated savings).

(b) Neither the Liquidity Provider nor any of its officers, employees or directors or affiliates shall be liable or responsible in any respect for (i) any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with this Agreement or any Notice of Borrowing delivered hereunder or (ii) any action, inaction or omission which may be taken by it in good faith, absent willful misconduct or gross negligence (in which event the extent of the Liquidity Provider's potential liability to the Borrower shall be limited as set forth in the immediately preceding paragraph), in connection with this Agreement or any Notice of Borrowing.

Section 7.07 Certain Costs and Expenses. The Borrower agrees promptly to pay, or cause to be paid, (a) the reasonable fees, expenses and disbursements of Pillsbury Winthrop Shaw Pittman LLP, special counsel for the Liquidity Provider, in connection with the preparation, negotiation, execution, delivery, filing and recording of the Operative Agreements, any waiver or consent thereunder or any amendment thereof, (b) if a Liquidity Event of Default occurs, all out-of-pocket expenses incurred by the Liquidity Provider, including reasonable fees and disbursements of counsel, in connection with such Liquidity Event of Default and any collection, bankruptcy, insolvency and other enforcement proceedings in connection therewith and (c) on demand, all reasonable costs and expenses (including reasonable counsel fees and expenses) of the Liquidity Provider in connection with the modification or amendment of, or supplement to, this Agreement or any other Operative Agreement or such other documents which may be delivered in connection herewith or therewith (whether or not the same shall become effective) or any waiver or consent thereunder (whether or not the same shall be effective), unless such costs or expenses arise as a result of the negligence of the Liquidity Provider or any breach by the Liquidity Provider of its obligations under any Operative Agreement. In addition, the Borrower shall pay any and all recording, stamp and other similar taxes and fees payable or

determined to be payable in the United States in connection with the execution, delivery, filing and recording of this Agreement, any other Operative Agreement and such other documents, and agrees to save the Liquidity Provider harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes or fees.

Section 7.08 Binding Effect; Participations. (a) This Agreement shall be binding upon and inure to the benefit of the Borrower and the Liquidity Provider and their respective successors and permitted assigns, except that neither the Liquidity Provider (except as otherwise provided in this Section 7.08) nor (except as contemplated by Section 3.08) the Borrower shall have the right to assign, pledge or otherwise transfer its rights or obligations hereunder or any interest herein, subject to the Liquidity Provider's right to grant Participations pursuant to Section 7.08(b).

(b) The Liquidity Provider agrees that it will not grant any participation (including, without limitation, a "risk participation") (any such participation, a "***Participation***") in or to all or a portion of its rights and obligations hereunder or under the other Operative Agreements, unless all of the following conditions are satisfied (and, if all such conditions are satisfied with respect to any Participation, the Liquidity Provider may grant such Participation): (i) such Participation is made in accordance with all applicable laws, including, without limitation, the Securities Act of 1933, as amended, the Trust Indenture Act of 1939, as amended, and any other applicable laws relating to the transfer of similar interests, (ii) such Participation shall not be made under circumstances that require registration under the Securities Act of 1933, as amended, or qualification of any indenture under the Trust Indenture Act of 1939, as amended and (iii) such Participation shall not be made to any Person that is a commercial air carrier, American or any affiliate of American. Notwithstanding any such Participation, the Liquidity Provider agrees that (1) the Liquidity Provider's obligations under the Operative Agreements shall remain unchanged, and such participant shall have no rights or benefits as against American or the Borrower or under any Operative Agreement, (2) the Liquidity Provider shall remain solely responsible to the other parties to the Operative Agreements for the performance of such obligations, (3) the Liquidity Provider shall remain the maker of any Advances, and the other parties to the Operative Agreements shall continue to deal solely and directly with the Liquidity Provider in connection with the Advances and the Liquidity Provider's rights and obligations under the Operative Agreements, (4) the Liquidity Provider shall be solely responsible for any withholding Taxes or any filing or reporting requirements relating to such Participation and shall hold the Borrower and American and their respective successors, permitted assigns, affiliates, agents and servants harmless against the same and (5) neither American nor the Borrower shall be required to pay to the Liquidity Provider any amount under Section 3.01 or Section 3.03 greater than it would have been required to pay had there not been any grant of a Participation by the Liquidity Provider. The Liquidity Provider may, in connection with any Participation or proposed Participation pursuant to this Section 7.08(b), disclose to the participant or proposed participant any information relating to the Operative Agreements or to the parties thereto furnished to the Liquidity Provider thereunder or in connection therewith and permitted to be disclosed by the Liquidity Provider; provided, however, that prior to any such disclosure, the participant or proposed participant shall agree in writing for the express benefit of the Borrower and American to preserve the confidentiality of any confidential information included therein (subject to customary exceptions). The Borrower acknowledges and agrees that the Liquidity Provider's source of funds may derive in part from its participants. Accordingly, in determining

amounts due by the Borrower to the Liquidity Provider pursuant to Section 3.01 and Section 3.03 of this Agreement, references in this Agreement to determinations, reserve, liquidity and capital adequacy requirements, increased costs, reduced receipts, additional amounts due pursuant to Section 3.03 and the like as they pertain to the Liquidity Provider shall be deemed also to include those of each of its participants that are commercial banking institutions and of whose participation the Borrower has been notified, in each case up to the maximum amount that would have been incurred by or attributable to the Liquidity Provider directly had there not been any grant of a Participation by the Liquidity Provider, and references to the Liquidity Provider therein and in related definitions shall be treated as references to such participants where applicable; provided that in any event, neither American nor the Borrower shall be required to pay any amount under Section 3.01 or Section 3.03 greater than it would have been required to pay had there not been any grant of a Participation by the Liquidity Provider. If the Liquidity Provider sells a Participation, it shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in this Agreement.

(c) The Liquidity Provider agrees that, as a condition of any Participation, the participant shall (i) represent to the Liquidity Provider (for the benefit of the Liquidity Provider and the Borrower) that under applicable law and treaties, no taxes will be required to be withheld with respect to any income derived by such participant from the transactions contemplated by the Operative Agreements, (ii) furnish to the Liquidity Provider and the Borrower two properly completed executed originals of United States Internal Revenue Service Form W-8ECI, Form W-8BEN-E or Form W-9, as appropriate, or other applicable form, certificate or document prescribed by the Internal Revenue Service certifying, in each case, such participant's entitlement to a complete exemption from United States federal withholding tax and backup withholding for all income derived by it from the transactions contemplated by the Operative Agreements, (iii) agree (for the benefit of the Liquidity Provider and the Borrower) to provide each of the Liquidity Provider and the Borrower a new Form W-8ECI, Form W-8BEN-E or Form W-9, as appropriate, or other applicable form, certificate or document (A) on or before the date that any such form, certificate or document expires or becomes obsolete or (B) after the occurrence of any event requiring a change in the most recent form, certificate or document previously delivered by it and prior to the immediately following due date of any payment to be made to the participant pursuant to the Operative Agreements, certifying that such participant is entitled to a complete exemption from or reduction in United States federal withholding tax and backup withholding for all income derived by it from the transactions contemplated by the Operative Agreements or that it is no longer so entitled and (iv) agree (for the benefit of the Liquidity Provider and the Borrower) to provide such other forms or documents as may be reasonably requested by the Borrower or required by applicable law to establish that all income derived by it from the transactions contemplated by the Operative Agreements is exempt from or entitled to a reduced rate of Covered Taxes. The Liquidity Provider shall provide to the Borrower such information as the Borrower may reasonably request about the Liquidity Provider or a participant to satisfy any reporting or other Tax obligations of the Borrower with respect to this Agreement; provided that the Liquidity Provider shall not be required to provide any such information (other than the names of participants, percentage of participation and copies of such participants' withholding tax forms) which is not within its possession or which is confidential.

(d) Notwithstanding the other provisions of this Section 7.08, the Liquidity Provider may assign and pledge all or any portion of the Advances owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank; provided that any payment in respect of such assigned Advances made by the Borrower to the Liquidity Provider in accordance with the terms of this Agreement shall satisfy the Borrower's obligations hereunder in respect of such assigned Advance to the extent of such payment. No such assignment shall release the Liquidity Provider from its obligations hereunder.

Section 7.09 Severability. To the extent permitted by applicable law, any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 7.10 Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

Section 7.11 Submission to Jurisdiction; Waiver of Jury Trial; Waiver of Immunity. (a) Each of the parties hereto, to the extent it may do so under applicable law, for purposes hereof hereby (i) irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto or thereto, or their successors or permitted assigns, (ii) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts, (iii) agrees that service of process in any such suit, action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to each party hereto at its address set forth in Section 7.02 hereof, or at such other address of which the Liquidity Provider shall have been notified pursuant thereto and (iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law.

(b) THE BORROWER AND THE LIQUIDITY PROVIDER EACH HEREBY AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT AND THE RELATIONSHIP THAT IS BEING ESTABLISHED, including, without limitation, contract claims, tort claims, breach of duty claims and all other common law and statutory claims. The Borrower and the Liquidity Provider each warrant and represent that it has reviewed this waiver with its legal counsel, and that it knowingly and voluntarily waives its

jury trial rights following consultation with such legal counsel. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THIS WAIVER IS IRREVOCABLE, AND CANNOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

(c) To the extent that the Liquidity Provider or any of its properties has or may hereafter acquire any right of immunity, whether characterized as sovereign immunity or otherwise, and whether under the United States Foreign Sovereign Immunities Act of 1976 (or any successor legislation) or otherwise, from any legal proceedings, whether in the United States or elsewhere, to enforce or collect upon this Agreement, including, without limitation, immunity from suit or service of process, immunity from jurisdiction or judgment of any court or tribunal or execution of a judgment, or immunity of any of its property from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, the Liquidity Provider hereby irrevocably and expressly waives any such immunity, and agrees not to assert any such right or claim in any such proceeding, whether in the United States or elsewhere.

Section 7.12 Counterparts. This Agreement may be executed in any number of counterparts (and each party shall not be required to execute the same counterpart). Each counterpart of this Agreement including a signature page or pages executed by each of the parties hereto shall be an original counterpart of this Agreement, but all of such counterparts together shall constitute one instrument.

Section 7.13 Entirety. This Agreement and the Intercreditor Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior understandings and agreements of such parties.

Section 7.14 Headings. The headings of the various Articles and Sections herein and in the Table of Contents hereto are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 7.15 Liquidity Provider’s Obligation to Make Advances. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE OBLIGATIONS OF THE LIQUIDITY PROVIDER TO MAKE ADVANCES HEREUNDER, AND THE BORROWER’S RIGHTS TO DELIVER NOTICES OF BORROWING REQUESTING THE MAKING OF ADVANCES HEREUNDER, SHALL BE ABSOLUTE, UNCONDITIONAL AND IRREVOCABLE, AND SHALL BE PAID OR PERFORMED, IN EACH CASE STRICTLY IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT.

Section 7.16 Patriot Act. The Liquidity Provider hereby notifies the Borrower that pursuant to the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (“USA PATRIOT Act”) it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Liquidity Provider to identify the Borrower in accordance with such Act.

Section 7.17 No Fiduciary Relationship. The Borrower agrees that in connection with all aspects of the transactions contemplated hereby and any communications in connection therewith, the Borrower and the persons for which it acts as agent, on the one hand, and the Liquidity Provider, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Liquidity Provider, and no such duty will be deemed to have arisen in connection with any such transactions or communications.

Section 7.18 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in this Agreement or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under this Agreement, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any write-down or conversion powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction, in full or in part, of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first set forth above.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as agent and trustee for the Class A Trust, as Borrower

By: /s/ Adam R. Vogelsong
Name: Adam R. Vogelsong
Title: Vice President

NATIONAL AUSTRALIA BANK LIMITED,
as Liquidity Provider

By: /s/ Daniel Carr
Name: Daniel Carr
Title: Director

Signature Page

FORM OF INTEREST ADVANCE NOTICE OF BORROWING

INTEREST ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "***Borrower***"), hereby certifies to NATIONAL AUSTRALIA BANK LIMITED (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2017-1A), dated as of March 31, 2017, between the Borrower and the Liquidity Provider (the "***Liquidity Agreement***"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of an Interest Advance by the Liquidity Provider to be used for the payment of the interest on the Class A Certificates which is payable on ______, ____ (the "***Distribution Date***") in accordance with the terms and provisions of the Class A Trust Agreement and the Class A Certificates, which Advance is requested to be made on ______, ____. The Interest Advance should be remitted to [*insert wire and account details*].

(3) The amount of the Interest Advance requested hereby (i) is $____, to be applied in respect of the payment of the interest which is due and payable on the Class A Certificates on the Distribution Date, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class A Certificates, or principal of, or interest or premium on the Class AA Certificates, the Class B Certificates or the Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class A Certificates, the Class A Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I), (iv) does not exceed the Maximum Available Commitment on the date hereof, and (v) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will apply the same in accordance with the terms of Section 3.05(b) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, the making of the Interest Advance as requested by this Notice of Borrowing shall automatically reduce, subject to reinstatement in accordance with the terms of the Liquidity Agreement, the Maximum Available Commitment by an amount equal to the amount of the Interest Advance requested to be made hereby as set forth in clause (i) of paragraph (3) of this Notice of Borrowing and such reduction shall automatically result in corresponding reductions in the amounts available to be borrowed pursuant to a subsequent Advance.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the __ day of ______, ____.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as Borrower

By: ___________________________________
Name:
Title:

SCHEDULE I TO INTEREST ADVANCE NOTICE OF BORROWING

[*Insert Copy of Computations in accordance with Interest Advance Notice of Borrowing*]

FORM OF NON-EXTENSION ADVANCE NOTICE OF BORROWING

NON-EXTENSION ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "***Borrower***"), hereby certifies to NATIONAL AUSTRALIA BANK LIMITED (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2017-1A), dated as of March 31, 2017, between the Borrower and the Liquidity Provider (the "***Liquidity Agreement***"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Non-Extension Advance by the Liquidity Provider to be used for the funding of the Class A Cash Collateral Account in accordance with Section 3.05(d) of the Intercreditor Agreement, which Advance is requested to be made on ______, ____. The Non-Extension Advance should be remitted to [*insert wire and account details*].

(3) The amount of the Non-Extension Advance requested hereby (i) is $____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class A Cash Collateral Account in accordance with Sections 3.05(d) and 3.05(f) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of the principal of, or premium on, the Class A Certificates, or principal of, or interest or premium on, the Class AA Certificates, the Class B Certificates or the Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class A Certificates, the Liquidity Agreement, the Class A Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing under the Liquidity Agreement.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class A Cash Collateral Account and apply the same in accordance with the terms of Sections 3.05(d) and 3.05(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Non-Extension Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Liquidity Provider to make further Advances under the Liquidity Agreement and (B) following the making by the Liquidity Provider of the Non-Extension Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the __ day of ______, ____.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as Borrower

By: ____________________________________

Name:

Title:

SCHEDULE I TO NON-EXTENSION ADVANCE NOTICE OF BORROWING

[*Insert Copy of computations in accordance with Non-Extension Advance Notice of Borrowing*]

FORM OF DOWNGRADE ADVANCE NOTICE OF BORROWING

DOWNGRADE ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "***Borrower***"), hereby certifies to NATIONAL AUSTRALIA BANK LIMITED (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2017-1A), dated as of March 31, 2017, between the Borrower and the Liquidity Provider (the "***Liquidity Agreement***"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Downgrade Advance by the Liquidity Provider to be used for the funding of the Class A Cash Collateral Account in accordance with Section 3.05(c)(iii) of the Intercreditor Agreement by reason of the Liquidity Facility provided under the Liquidity Agreement becoming a Downgraded Facility which has not been replaced by a Replacement Liquidity Facility, which Advance is requested to be made on ______, ____. The Downgrade Advance should be remitted to [*insert wire and account details*].

(3) The amount of the Downgrade Advance requested hereby (i) is $____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class A Cash Collateral Account in accordance with Sections 3.05(c) and 3.05(f) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of the principal of, or premium on, the Class A Certificates, or principal of, or interest or premium on, the Class AA Certificates, the Class B Certificates or the Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class A Certificates, the Class A Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing under the Liquidity Agreement.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class A Cash Collateral Account and apply the same in accordance with the terms of Sections 3.05(c) and 3.05(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Downgrade Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Liquidity Provider to make further Advances under the Liquidity Agreement and (B) following the making by the Liquidity Provider of the Downgrade Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the __ day of ______, ____.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as Borrower

By: ________________________________
Name:
Title:

SCHEDULE I TO DOWNGRADE ADVANCE NOTICE OF BORROWING

[*Insert Copy of computations in accordance with Downgrade Advance Notice of Borrowing*]

FORM OF FINAL ADVANCE NOTICE OF BORROWING

FINAL ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "***Borrower***"), hereby certifies to NATIONAL AUSTRALIA BANK LIMITED (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2017-1A), dated as of March 31, 2017, between the Borrower and the Liquidity Provider (the "***Liquidity Agreement***"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Final Advance by the Liquidity Provider to be used for the funding of the Class A Cash Collateral Account in accordance with Section 3.05(i) of the Intercreditor Agreement by reason of the receipt by the Borrower of a Termination Notice from the Liquidity Provider with respect to the Liquidity Agreement, which Advance is requested to be made on ______, ____. The Final Advance should be remitted to [*insert wire and account details*].

(3) The amount of the Final Advance requested hereby (i) is $____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class A Cash Collateral Account in accordance with Sections 3.05(f) and 3.05(i) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class A Certificates, or principal of, or interest or premium on, the Class AA Certificates, the Class B Certificates or the Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class A Certificates, the Class A Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class A Cash Collateral Account and apply the same in accordance with the terms of Sections 3.05(f) and 3.05(i) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Final Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Liquidity Provider to make further Advances under

the Liquidity Agreement and (B) following the making by the Liquidity Provider of the Final Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the __ day of ______, __.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as Borrower

By: ______________________________
Name:
Title:

SCHEDULE I TO FINAL ADVANCE NOTICE OF BORROWING

[*Insert Copy of Computations in accordance with Final Advance Notice of Borrowing*]

FORM OF SPECIAL TERMINATION
ADVANCE NOTICE OF BORROWING

SPECIAL TERMINATION ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "***Borrower***"), hereby certifies to NATIONAL AUSTRALIA BANK LIMITED (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2017-1A), dated as of March 31, 2017, between the Borrower and the Liquidity Provider (the "***Liquidity Agreement***"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Special Termination Advance by the Liquidity Provider to be used for the funding of the Class A Cash Collateral Account in accordance with Section 3.05(k) of the Intercreditor Agreement by reason of the receipt by the Borrower of a Special Termination Notice from the Liquidity Provider with respect to the Liquidity Agreement, which Advance is requested to be made on .

(3) The amount of the Special Termination Advance requested hereby (i) is $, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class A Cash Collateral Account in accordance with Section 3.05(k) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class A Certificates, or principal of, or interest or premium on, the Class AA Certificates, the Class B Certificates or the Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class A Certificates, the Class A Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower shall deposit such amount in the Class A Cash Collateral Account and apply the same in accordance with the terms of Section 3.05(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Special Termination Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Liquidity Provider to make further

Advances under the Liquidity Agreement; and (B) following the making by the Liquidity Provider of the Special Termination Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the __ day of ____, ____.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as Borrower

By: ______________________________

Name:
Title:

SCHEDULE I TO SPECIAL TERMINATION ADVANCE NOTICE OF BORROWING

[*Insert Copy of Computations in accordance with Special Termination Advance Notice of Borrowing*]

ANNEX VI to
REVOLVING CREDIT AGREEMENT

FORM OF NOTICE OF TERMINATION

NOTICE OF TERMINATION

[Date]

Wilmington Trust Company,
as Subordination Agent,
as Borrower
Rodney Square North
1100 North Market Square
Wilmington, DE 19890-001
Attention: Corporate Trust Division

Re: Revolving Credit Agreement, dated as of March 31, 2017, between Wilmington Trust Company, not in its individual capacity but solely as Subordination Agent, as agent and trustee for the American Airlines Pass Through Trust 2017-1A, as Borrower, and National Australia Bank Limited (the "***Liquidity Agreement***")

Ladies and Gentlemen:

You are hereby notified that pursuant to Section 6.01(a) of the Liquidity Agreement, by reason of the occurrence and continuance of a Liquidity Event of Default and the existence of a Performing Note Deficiency (each as defined in the Liquidity Agreement), we are giving this notice to you in order to cause (i) our obligations to make Advances (as defined in the Liquidity Agreement) under such Liquidity Agreement to terminate at the close of business on the fifth Business Day after the date on which you receive this notice and (ii) you to request a Final Advance under the Liquidity Agreement pursuant to Section 2.02(c) of the Liquidity Agreement and Section 3.05(i) of the Intercreditor Agreement (as defined in the Liquidity Agreement) as a consequence of your receipt of this notice.

THIS NOTICE IS THE "NOTICE OF TERMINATION" PROVIDED FOR UNDER THE LIQUIDITY AGREEMENT. OUR OBLIGATIONS TO MAKE ADVANCES UNDER THE LIQUIDITY AGREEMENT WILL TERMINATE AT THE CLOSE OF BUSINESS ON THE FIFTH BUSINESS DAY AFTER THE DATE ON WHICH YOU RECEIVE THIS NOTICE.

Very truly yours,

NATIONAL AUSTRALIA BANK LIMITED,
as Liquidity Provider

By: ____

Name:
Title:

cc: Wilmington Trust Company, as Class A Trustee American Airlines, Inc.

FORM OF NOTICE OF SPECIAL TERMINATION

NOTICE OF SPECIAL TERMINATION

[Date]

WILMINGTON TRUST COMPANY,
as Subordination Agent,
as Borrower
Rodney Square North
1100 North Market Square
Wilmington, DE 19890-001

Attention: Corporate Trust Division

Re: Revolving Credit Agreement, dated as of March 31, 2017, between Wilmington Trust Company, not in its individual capacity but solely as Subordination Agent, as agent and trustee for the American Airlines Pass Through Trust 2017-1A, as Borrower, and National Australia Bank Limited (the "***Liquidity Agreement***")

Ladies and Gentlemen:

You are hereby notified that pursuant to Section 6.01(b) of the Liquidity Agreement, by reason of the aggregate Pool Balance of the Class A Certificates exceeding the aggregate outstanding principal amount of the Series A Equipment Notes (other than any Series A Equipment Notes previously sold or with respect to which the Aircraft related to such Series A Equipment Notes has been disposed of) during the 18-month period prior to February 15, 2029, we are giving this notice to you in order to cause (i) our obligations to make Advances (as defined in the Liquidity Agreement) under such Liquidity Agreement to terminate on the fifth Business Day after the date on which you receive this notice and (ii) you to request a Special Termination Advance under the Liquidity Agreement pursuant to Section 2.02(d) of the Liquidity Agreement and Section 3.05(k) of the Intercreditor Agreement (as defined in the Liquidity Agreement) as a consequence of your receipt of this notice.

THIS NOTICE IS THE "NOTICE OF SPECIAL TERMINATION" PROVIDED FOR UNDER THE LIQUIDITY AGREEMENT. OUR OBLIGATIONS TO MAKE ADVANCES UNDER THE LIQUIDITY AGREEMENT WILL TERMINATE AT THE CLOSE OF BUSINESS ON THE FIFTH BUSINESS DAY AFTER THE DATE ON WHICH YOU RECEIVE THIS NOTICE.

Very truly yours,

NATIONAL AUSTRALIA BANK LIMITED,
as Liquidity Provider

By: ______________________________

Name:
Title:

cc: Wilmington Trust Company, as Class A Trustee American Airlines, Inc.

FORM OF NOTICE OF REPLACEMENT SUBORDINATION AGENT

NOTICE OF REPLACEMENT SUBORDINATION AGENT

[Date]

Attention:

Re: Revolving Credit Agreement, dated as of March 31, 2017, between Wilmington Trust Company, not in its individual capacity but solely as Subordination Agent, as agent and trustee for the American Airlines Pass Through Trust 2017-1A, as Borrower, and National Australia Bank Limited (the "***Liquidity Agreement***")

Ladies and Gentlemen:

For value received, the undersigned beneficiary hereby irrevocably transfers to:

[*Name of Transferee*]

[*Address of Transferee*]

all rights and obligations of the undersigned as Borrower under the Liquidity Agreement referred to above. The transferee has succeeded the undersigned as Subordination Agent under the Intercreditor Agreement referred to in the first paragraph of the Liquidity Agreement, pursuant to the terms of Section 7.01 of the Intercreditor Agreement.

By this transfer, all rights of the undersigned as Borrower under the Liquidity Agreement are transferred to the transferee and the transferee shall hereafter have the sole rights and obligations as Borrower thereunder. The undersigned shall pay any costs and expenses of such transfer, including, but not limited to, transfer taxes or governmental charges.

This transfer shall be effective as of [*specify time and date*].

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as Borrower

By: ______________________________

Name:
Title:

Exhibit 4.23

Execution Version

REVOLVING CREDIT AGREEMENT
(2017-1B)

Dated as of March 31, 2017

between

WILMINGTON TRUST COMPANY,
as Subordination Agent,
as agent and trustee for the trustee of
American Airlines Pass Through Trust 2017-1B,

as Borrower

and

NATIONAL AUSTRALIA BANK LIMITED,

as Liquidity Provider

American Airlines Pass Through Trust 2017-1B
American Airlines
Pass Through Certificates,
Series 2017-1B

Revolving Credit Agreement (Class B)
(American Airlines 2017-1 Aircraft EETC)

Table of Contents

		Page
	ARTICLE I	
	DEFINITIONS	
Section 1.01	Definitions	1
	ARTICLE II	
	AMOUNT AND TERMS OF THE COMMITMENT	
Section 2.01	The Advances	8
Section 2.02	Making of Advances	8
Section 2.03	Fees	11
Section 2.04	Reduction or Termination of the Maximum Commitment	11
Section 2.05	Repayments of Interest Advances, the Special Termination Advance or the Final Advance	11
Section 2.06	Repayments of Provider Advances	12
Section 2.07	Payments to the Liquidity Provider Under the Intercreditor Agreement	13
Section 2.08	Book Entries	13
Section 2.09	Payments from Available Funds Only	14
Section 2.10	Extension of the Expiry Date; Non-Extension Advance	14
	ARTICLE III	
	OBLIGATIONS OF THE BORROWER	
Section 3.01	Increased Costs	14
Section 3.02	Intentionally omitted	16
Section 3.03	Withholding Taxes	16
Section 3.04	Payments	18
Section 3.05	Computations	18
Section 3.06	Payment on Non-Business Days	18
Section 3.07	Interest	18
Section 3.08	Replacement of Borrower	20
Section 3.09	Funding Loss Indemnification	20
Section 3.10	Illegality	20

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01	Conditions Precedent to Effectiveness of Section 2.01	21
Section 4.02	Conditions Precedent to Borrowing	22
Section 4.03	Representations and Warranties	22

ARTICLE V

COVENANTS

Section 5.01	Affirmative Covenants of the Borrower	22
Section 5.02	Negative Covenants of the Borrower	23

ARTICLE VI

LIQUIDITY EVENTS OF DEFAULT AND SPECIAL TERMINATION

Section 6.01	Liquidity Events of Default	23

ARTICLE VII

MISCELLANEOUS

Section 7.01	No Oral Modifications or Continuing Waivers	24
Section 7.02	Notices	24
Section 7.03	No Waiver; Remedies	25
Section 7.04	Further Assurances	25
Section 7.05	Indemnification; Survival of Certain Provisions	25
Section 7.06	Liability of the Liquidity Provider	26
Section 7.07	Certain Costs and Expenses	26
Section 7.08	Binding Effect; Participations	27
Section 7.09	Severability	29
Section 7.10	Governing Law	29
Section 7.11	Submission to Jurisdiction; Waiver of Jury Trial; Waiver of Immunity	29
Section 7.12	Counterparts	30
Section 7.13	Entirety	30
Section 7.14	Headings	30
Section 7.15	Liquidity Provider’s Obligation to Make Advances	30

Section 7.16	Patriot Act	30
Section 7.17	No Fiduciary Relationship	31
Section 7.18	Acknowledgement and Consent to Bail-In of EEA Financial Institutions	31

Annex I - Form of Interest Advance Notice of Borrowing
Annex II - Form of Non-Extension Advance Notice of Borrowing
Annex III - Form of Downgrade Advance Notice of Borrowing
Annex IV - Form of Final Advance Notice of Borrowing
Annex V - Form of Special Termination Advance Notice of Borrowing
Annex VI - Form of Notice of Termination
Annex VII - Form of Notice of Special Termination
Annex VIII - Form of Notice of Replacement Subordination Agent

REVOLVING CREDIT AGREEMENT
(2017-1B)

This REVOLVING CREDIT AGREEMENT (2017-1B), dated as of March 31, 2017, is made by and between WILMINGTON TRUST COMPANY, a Delaware trust company, not in its individual capacity but solely as Subordination Agent (such term and other capitalized terms used herein without definition being defined as provided in Article I) under the Intercreditor Agreement (as defined below), as agent and trustee for the Class B Trustee (in such capacity, together with its successors in such capacity, the "***Borrower***"), and NATIONAL AUSTRALIA BANK LIMITED, a company incorporated in the Commonwealth of Australia, (the "***Liquidity Provider***").

W I T N E S S E T H:

WHEREAS, pursuant to the Class B Trust Agreement, the Class B Trust has issued the Class B Certificates; and

WHEREAS, the Borrower, in order to support the timely payment of a portion of the interest on the Class B Certificates in accordance with their terms, has requested the Liquidity Provider to enter into this Agreement, providing in part for the Borrower to request in specified circumstances that Advances be made hereunder;

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and of other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. (a) The definitions stated herein apply equally to both the singular and the plural forms of the terms defined.

(b) All references in this Agreement to designated "Articles", "Sections", "Annexes" and other subdivisions are to the designated Article, Section, Annex or other subdivision of this Agreement, unless otherwise specifically stated.

(c) The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, Annex or other subdivision.

(d) Unless the context otherwise requires, whenever the words "including", "include" or "includes" are used herein, it shall be deemed to be followed by the phrase "without limitation".

(e) All references in this Agreement to a Person shall include successors and permitted assigns of such Person.

(f) For the purposes of this Agreement, unless the context otherwise requires, the following capitalized terms shall have the following meanings:

"***Acknowledgment and Agreement***" means the Acknowledgment and Agreement (2017-1), dated the date hereof, among Citibank, N.A., as initial Liquidity Provider, the Liquidity Provider, American and the Subordination Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"***Advance***" means an Interest Advance, a Final Advance, a Provider Advance, an Unapplied Provider Advance, an Applied Provider Advance, a Special Termination Advance, an Applied Special Termination Advance or an Unpaid Advance, as the case may be.

"***Agreement***" means this Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"***Applicable Liquidity Rate***" has the meaning specified in Section 3.07(g).

"***Applicable Margin***" means (a) with respect to any Interest Advance, Final Advance, Applied Provider Advance or Applied Special Termination Advance, 3.75% per annum, (b) with respect to any Unapplied Provider Advance, the rate per annum specified in the Fee Letter or (c) with respect to any Special Termination Advance, the rate per annum specified in the Fee Letter.

"***Applied Downgrade Advance***" has the meaning specified in Section 2.06(a).

"***Applied Non-Extension Advance***" has the meaning specified in Section 2.06(a).

"***Applied Provider Advance***" has the meaning specified in Section 2.06(a).

"***Applied Special Termination Advance***" has the meaning specified in Section 2.05.

"***Bail-in Action***" means the application of any write-down or conversion powers by an EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"***Base Rate***" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for each day in the period for which the Base Rate is to be determined (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the Liquidity Provider from three Federal funds brokers of recognized standing selected by it (and reasonably satisfactory to American) plus one quarter of one percent (0.25%).

"***Base Rate Advance***" means an Advance that bears interest at a rate based upon the Base Rate.

"***Borrower***" has the meaning specified in the introductory paragraph to this Agreement.

"***Borrowing***" means the making of Advances requested by delivery of a Notice of Borrowing.

"***Business Day***" means any day other than a Saturday, a Sunday or a day on which commercial banks are required or authorized to close in New York, New York, Fort Worth, Texas, Wilmington, Delaware, or, so long as any Class B Certificate is outstanding, the city and state in which the Class B Trustee, the Borrower or any related Loan Trustee maintains its Corporate Trust Office or receives or disburses funds, and, if the applicable Business Day relates to any Advance or other amount bearing interest based on the LIBOR Rate, on which dealings are carried on in the London interbank market.

"***Covered Taxes***" means any Taxes imposed on or are required by law to be deducted or withheld from any amounts payable to the Liquidity Provider under this Agreement other than (i) any Tax on, based on or measured by net income, franchises or conduct of business, (ii) any Tax imposed, levied, withheld or assessed as a result of any connection between the Liquidity Provider and the jurisdiction of the taxing authority, other than a connection arising solely from the Liquidity Provider's having executed, delivered, performed its obligations or received a payment under, or enforced, any Operative Agreement, (iii) any Tax attributable to the inaccuracy in or breach by the Liquidity Provider of any of its representations, warranties or covenants contained in any Operative Agreement to which it is a party or the inaccuracy of any form, certificate or document furnished pursuant thereto, (iv) any U.S. federal withholding Taxes (including backup withholding), except to the extent such withholding Taxes are the result of a change in law after such Liquidity Provider became a Liquidity Provider hereunder, (v) any withholding Taxes imposed or increased as a result of the Liquidity Provider failing to deliver to the Borrower any form, certificate or document (which form, certificate or document, in the good faith judgment of the Liquidity Provider, it is legally entitled to provide) which is reasonably requested by the Borrower to establish that payments under this Agreement are exempt from (or entitled to a reduced rate of) withholding Tax, (vi) Taxes that would not have been imposed but for any change in the Lending Office without the prior written consent of American (such consent not to be unreasonably withheld), or (vii) any Tax imposed under FATCA.

"***Downgrade Advance***" means an Advance made pursuant to Section 2.02(b)(ii).

"***Downgrade Event***" means any downgrading of, or any suspension or withdrawal of any applicable rating of, the Liquidity Provider by any Rating Agency such that after such downgrading, suspension or withdrawal the Liquidity Provider does not have either the minimum Long-Term Rating or the minimum Short-Term Rating, if applicable, specified for such Rating Agency in the definition of "Threshold Rating". The occurrence of a Downgrade Event shall be determined separately for each Rating Agency. For the avoidance of doubt, a Downgrade Event shall not occur with respect to a Rating Agency so long as the Liquidity Provider has either of the applicable Threshold Ratings specified for such Rating Agency.

"***EEA Financial Institution***" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“***EEA Member Country***” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“***EEA Resolution Authority***” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“***Effective Date***” has the meaning specified in Section 4.01. The delivery of the certificate of the Liquidity Provider contemplated by Section 4.01(e) shall be conclusive evidence that the Effective Date has occurred.

“***Excluded Taxes***” means (a) Taxes imposed on the overall net income of the Liquidity Provider, (b) Taxes imposed on the “effectively connected income” of its Lending Office, (c) Covered Taxes that are indemnified pursuant to Section 3.03 hereof, and (d) Taxes described in clauses (i) through (vii) in the definition of “***Covered Taxes***”.

“***Expenses***” means liabilities, losses, damages, costs and expenses (including, without limitation, reasonable fees and disbursements of legal counsel), provided that Expenses shall not include any Taxes other than sales, use and V.A.T. taxes imposed on fees and expenses payable pursuant to Section 7.07.

“***Expiry Date***” means the earlier of (a) the anniversary date of the Closing Date immediately following the date on which the Liquidity Provider has provided a Non-Extension Notice to the Borrower pursuant to Section 2.10 and (b) the 15th day after the Final Legal Distribution Date for the Class B Certificates.

“**FATCA**” means Sections 1471, 1472, 1473 and 1474 of the U.S. Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), current or future United States Treasury Regulations promulgated thereunder and published guidance with respect thereto, any agreements entered into pursuant to Section 1471(b)(1) of the U.S. Internal Revenue Code and any applicable intergovernmental agreements with respect thereto, including any laws, regulations, guidance or practices governing any such intergovernmental agreement.

“***Final Advance***” means an Advance made pursuant to Section 2.02(c).

“***Increased Cost***” has the meaning specified in Section 3.01.

“***Intercreditor Agreement***” means the Intercreditor Agreement, dated January 13, 2017, among the Trustees, the Liquidity Provider, the liquidity provider under each Liquidity Facility (other than this Agreement), if any, and the Subordination Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

“***Interest Advance***” means an Advance made pursuant to Section 2.02(a) and any Applied Downgrade Advance converted to an Interest Advance in accordance with Section 2.06(d).

“***Interest Period***” means, with respect to any LIBOR Advance, each of the following periods:

(i) the period beginning on the third Business Day following either (A) the Liquidity Provider’s receipt of the Notice of Borrowing for such LIBOR Advance or (B) the date of the withdrawal of funds from the Class B Cash Collateral Account for the purpose of paying interest on the Class B Certificates as contemplated by Section 2.06(a) hereof and, in each case, ending on the next numerically corresponding day in the first calendar month after the first day of the applicable Interest Period; and

(ii) each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the numerically corresponding day in the first calendar month after the first day of the applicable Interest Period;

provided, however, that if (x) the Final Advance shall have been made pursuant to Section 2.02(c) or (y) other outstanding Advances shall have been converted into the Final Advance pursuant to Section 6.01(a), then the Interest Periods shall be successive periods of one month beginning on (A) the third Business Day following the Liquidity Provider’s receipt of the Notice of Borrowing for such Final Advance (in the case of clause (x) above) or (B) the Regular Distribution Date following such conversion (in the case of clause (y) above).

“***Interpolated Rate***” means, at any time, the rate per annum (rounded to the same number of decimal places as the LIBOR Rate) determined by the Liquidity Provider (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBOR Rate for the longest period for which the LIBOR Rate is available that is shorter than the relevant Interest Period; and (b) the LIBOR Rate for the shortest period (for which that LIBOR Rate is available) that exceeds the relevant Interest Period, in each case, at such time.

“***Lending Office***” means the lending office of the Liquidity Provider, which is presently located in Melbourne, Australia, or such other lending office as the Liquidity Provider from time to time shall notify the Borrower as its lending office hereunder; provided that the Liquidity Provider shall not change its Lending Office without the prior written consent of American (such consent not to be unreasonably withheld).

“***LIBOR Advance***” means an Advance bearing interest at a rate based upon the LIBOR Rate.

“***LIBOR Rate***” shall mean, with respect to each day during each Interest Period pertaining to an Advance, the rate per annum determined by the Liquidity Provider at approximately 11:00 a.m. (London time) on the date that is two (2) Business Days prior to the commencement of each Interest Period by reference to the applicable page for LIBOR deposits in dollars for a period of one (1) month (currently Bloomberg Page BBAM01, or any successor or replacement thereof); provided if the LIBOR Rate shall not be available at such time for such

Interest Period then the LIBOR Rate for such Interest Period shall be the Interpolated Rate; provided further to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, such Advance will earn interest on a "cost of funds" basis as set forth in Section 2.06. Notwithstanding the foregoing, if any such rate (or average of any such rate) would otherwise be below zero, the LIBOR Rate will be deemed to be zero.

"***Liquidity Event of Default***" means the occurrence of either (a) the Acceleration of all of the Equipment Notes or (b) an American Bankruptcy Event.

"***Liquidity Indemnitee***" means the Liquidity Provider, its directors, officers, employees and agents, and its successors and permitted assigns.

"***Liquidity Provider***" has the meaning specified in the introductory paragraph to this Agreement.

"***Maximum Available Commitment***" means, subject to the proviso contained in the third sentence of Section 2.02(a), at any time of determination, (a) the Maximum Commitment at such time less (b) the aggregate amount of each Interest Advance outstanding at such time; provided that, subject to Section 2.06(d), following a Provider Advance, a Special Termination Advance or a Final Advance, the Maximum Available Commitment shall be zero.

"***Maximum Commitment***" means initially $15,555,162 as the same may be reduced from time to time in accordance with Section 2.04(a).

"***Non-Extension Advance***" means an Advance made pursuant to Section 2.02(b)(i).

"***Non-Extension Notice***" has the meaning specified in Section 2.10.

"***Notice Date***" has the meaning specified in Section 2.10.

"***Notice of Borrowing***" has the meaning specified in Section 2.02(e).

"***Notice of Replacement Subordination Agent***" has the meaning specified in Section 3.08.

"***Participation***" has the meaning specified in Section 7.08(b).

"***Performing Note Deficiency***" means any time that less than 65% of the then aggregate outstanding principal amount of all Equipment Notes are Performing Equipment Notes.

"***Prospectus Supplement***" means the final Prospectus Supplement, dated January 5, 2017, relating to the Class B Certificates, as such Prospectus Supplement may be amended or supplemented.

"***Provider Advance***" means a Downgrade Advance or a Non-Extension Advance.

"***Rate Determination Notice***" has the meaning specified in Section 3.07(g).

"***Regulatory Change***" means (x) the enactment, adoption or promulgation, after the date of this Agreement, of any law or regulation by a United States federal or state government or by

any government having jurisdiction over the Liquidity Provider, or any change, after the date of this Agreement, in any such law or regulation, or in the interpretation thereof by any governmental authority, central bank or comparable agency of the United States or any government having jurisdiction over the Liquidity Provider charged with responsibility for the administration or application thereof, that shall impose, modify or deem applicable, or (y) the compliance by the Liquidity Provider with any applicable direction or requirement (whether or not having the force of law) of any central bank or competent governmental or other authority, after the date of this Agreement, with respect to: (a) any reserve, special deposit or similar requirement against extensions of credit or other assets of, or deposits with or other liabilities of, the Liquidity Provider including, or by reason of, the Advances, or (b) any capital adequacy requirement requiring the maintenance by the Liquidity Provider of additional capital in respect of any Advances or the Liquidity Provider's obligation to make any such Advances, or (c) any requirement to maintain liquidity or liquid assets in respect of the Liquidity Provider's obligation to make any such Advances, or (d) any Taxes (other than Excluded Taxes) on (i) payments or with respect to amounts payable hereunder to the Liquidity Provider, (ii) its Advances, commitments or other obligations hereunder or (iii) its deposits, reserves or other liabilities attributable to clause (i) and/or (ii).

"***Replenishment Amount***" has the meaning specified in Section 2.06(b).

"***Required Amount***" means, for any day, the sum of the aggregate amount of interest, calculated at the rate per annum equal to the Stated Interest Rate for the Class B Certificates on the basis of a 360-day year comprised of twelve 30-day months, that would be payable on the Class B Certificates on each of the three successive semiannual Regular Distribution Dates immediately following such day or, if such day is a Regular Distribution Date, on such day and the succeeding two semiannual Regular Distribution Dates, in each case calculated on the basis of the Pool Balance of the Class B Certificates on such day and without regard to expected future distributions of principal on the Class B Certificates.

"***Special Termination Advance***" means an Advance made pursuant to Section 2.02(d), other than any portion of such Advance that becomes an Applied Special Termination Advance.

"***Special Termination Notice***" means the Notice of Special Termination substantially in the form of **Annex VII** to this Agreement.

"***Termination Date***" means the earliest to occur of the following: (i) the Expiry Date; (ii) the date on which the Borrower delivers to the Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that all of the Class B Certificates have been paid in full (or provision has been made for such payment in accordance with the Intercreditor Agreement and the Class B Trust Agreement) or are otherwise no longer entitled to the benefits of this Agreement; (iii) the date on which the Borrower delivers to the Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that a Replacement Liquidity Facility has been substituted for this Agreement in full pursuant to Section 3.05(e) of the Intercreditor Agreement; (iv) the fifth Business Day following the receipt by the Borrower of a Termination Notice or a Special Termination Notice from the Liquidity Provider pursuant to Section 6.01(a) or 6.01(b), as applicable; and (v) the date on which no Advance is or may (including by reason of reinstatement as herein provided) become available for a Borrowing hereunder.

"***Termination Notice***" means the Notice of Termination substantially in the form of **Annex VI** to this Agreement.

"***Unapplied Downgrade Advance***" means any Downgrade Advance other than an Applied Downgrade Advance.

"***Unapplied Non-Extension Advance***" means any Non-Extension Advance other than an Applied Non-Extension Advance.

"***Unapplied Provider Advance***" means any Provider Advance other than an Applied Provider Advance.

"***Unpaid Advance***" has the meaning specified in Section 2.05.

For the purposes of this Agreement, the following terms shall have the respective meanings specified in the Intercreditor Agreement:

"Acceleration", "Additional Certificates", "American", "American Bankruptcy Event", "Certificate", "Certificate Purchase Agreement", " Class AA Certificates", "Class A Certificates", "Class B Cash Collateral Account", "Class B Certificate Purchase Agreement", "Class B Certificateholders", "Class B Certificates", "Class B Initial Purchaser", "Class B Trust", "Class B Trust Agreement", "Class B Trustee", "Closing Date", "Collection Account", "Corporate Trust Office", "Distribution Date", "Dollars", "Downgraded Facility", "Equipment Notes", "Fee Letter", "Final Legal Distribution Date", "Indenture", "Interest Payment Date", "Investment Earnings", "Liquidity Facility", "Loan Trustee", "Long-Term Rating", "Non-Extended Facility", "Operative Agreements", "Participation Agreements", "Performing Equipment Note", "Person", "Pool Balance", "Rating Agencies", "Regular Distribution Date", "Replacement Liquidity Facility", "Responsible Officer", "Series B Equipment Notes", "Scheduled Payment", "Short-Term Rating", "Special Payment", "Stated Interest Rate", "Subordination Agent", "Taxes", "Threshold Rating", "Trust Agreement", "Trustee" and "United States".

ARTICLE II

AMOUNT AND TERMS OF THE COMMITMENT

Section 2.01 The Advances. The Liquidity Provider hereby irrevocably agrees, on the terms and conditions hereinafter set forth, to make Advances to the Borrower from time to time on any Business Day during the period from the Effective Date until 10:00 a.m. (New York City time) on the Expiry Date (unless the obligations of the Liquidity Provider shall be earlier terminated in accordance with the terms of Section 2.04(b)) in an aggregate amount at any time outstanding not to exceed the Maximum Commitment.

Section 2.02 Making of Advances. (a) Subject to Section 2.06(d), each Interest Advance shall be made by the Liquidity Provider upon delivery to the Liquidity Provider of a

written and completed Notice of Borrowing in substantially the form of **Annex I**, signed by a Responsible Officer of the Borrower, such Interest Advance to be in an amount not exceeding the Maximum Available Commitment at such time and used solely for the payment when due of interest with respect to the Class B Certificates at the Stated Interest Rate therefor in accordance with Section 3.05(a) and 3.05(b) of the Intercreditor Agreement. Each Interest Advance made hereunder shall automatically reduce the Maximum Available Commitment and the amount available to be borrowed hereunder by subsequent Advances by the amount of such Interest Advance (subject to reinstatement as provided in the next sentence). Upon repayment to the Liquidity Provider in full or in part of the amount of any Interest Advance made pursuant to this Section 2.02(a), together with accrued interest thereon (as provided herein), the Maximum Available Commitment shall be reinstated by an amount equal to the amount of such Interest Advance so repaid, but not to exceed the Maximum Commitment; provided, however, that, subject to Section 2.06(d), the Maximum Available Commitment shall not be so reinstated at any time if (x) both a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing or (y) a Final Advance, a Downgrade Advance, a Non-Extension Advance or a Special Termination Advance shall have occurred.

(b) (i) A Non-Extension Advance shall be made by the Liquidity Provider if this Agreement is not extended in accordance with Section 3.05(d) of the Intercreditor Agreement unless a Replacement Liquidity Facility to replace this Agreement shall have been delivered to the Borrower in accordance with said Section 3.05(d), upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex II**, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class B Cash Collateral Account in accordance with Sections 3.05(d) and 3.05(f) of the Intercreditor Agreement.

(ii) A Downgrade Advance shall be made by the Liquidity Provider if this Liquidity Facility becomes a Downgraded Facility following the occurrence of a Downgrade Event (as provided for in Section 3.05(c) of the Intercreditor Agreement), unless (i) a Replacement Liquidity Facility to replace this Agreement shall have been previously delivered to the Borrower within thirty-five (35) days after the Downgrade Event (or, if earlier, the Expiry Date) or (ii) the relevant Rating Agency shall have provided confirmation within thirty (35) days (or, if earlier, the expiration date of such Downgraded Facility) after the Downgrade Event that such Downgrade Event will not result in a downgrading, withdrawal or suspension by such Rating Agency of the rating then in effect for the related Class of Certificates, in each case of clause (i) and (ii), in accordance with said Section 3.05(c), by delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex III**, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class B Cash Collateral Account in accordance with Sections 3.05(c) and 3.05(f) of the Intercreditor Agreement.

(c) A Final Advance shall be made by the Liquidity Provider following the receipt by the Borrower of a Termination Notice from the Liquidity Provider pursuant to Section 6.01(a) upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex IV**, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class B Cash Collateral Account (in accordance with Sections 3.05(f) and 3.05(i) of the Intercreditor Agreement).

(d) A Special Termination Advance shall be made in a single Borrowing upon the receipt by the Borrower of a Special Termination Notice from the Liquidity Provider pursuant to Section 6.01(b), by delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of **Annex V**, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class B Cash Collateral Account (in accordance with Section 3.05(f) and Section 3.05(k) of the Intercreditor Agreement).

(e) Each Borrowing shall be made by notice in writing (a "***Notice of Borrowing***") in substantially the form required by Section 2.02(a), 2.02(b), 2.02(c) or 2.02(d), as the case may be, given by the Borrower to the Liquidity Provider. If a Notice of Borrowing is delivered by the Borrower in respect of any Borrowing no later than 10:00 a.m. (New York City time) on a Business Day, upon satisfaction of the conditions precedent set forth in Section 4.02 with respect to such requested Borrowing, the Liquidity Provider shall make available to the Borrower, in accordance with its payment instructions, the amount of such Borrowing in Dollars and immediately available funds, before 4:00 p.m. (New York City time) on such Business Day or before 10:00 a.m. (New York City time) on such later Business Day specified in such Notice of Borrowing. If a Notice of Borrowing is delivered by the Borrower in respect of any Borrowing after 10:00 a.m. (New York City time) on a Business Day, upon satisfaction of the conditions precedent set forth in Section 4.02 with respect to such requested Borrowing, the Liquidity Provider shall make available to the Borrower, in accordance with its payment instructions, the amount of such Borrowing in Dollars and immediately available funds, before 1:00 p.m. (New York City time) on the first Business Day next following the day of receipt of such Notice of Borrowing or on such later Business Day specified by the Borrower in such Notice of Borrowing. Payments of proceeds of a Borrowing shall be made by wire transfer of immediately available funds to the Borrower in accordance with such wire transfer instructions as the Borrower shall furnish from time to time to the Liquidity Provider for such purpose. Each Notice of Borrowing shall be irrevocable and binding on the Borrower. Each Notice of Borrowing shall be effective upon delivery of a copy thereof to the Liquidity Provider at the address and in the manner specified in Section 7.02 hereof.

(f) Upon the making of any Advance requested pursuant to a Notice of Borrowing in accordance with the Borrower's payment instructions, the Liquidity Provider shall be fully discharged of its obligation hereunder with respect to such Notice of Borrowing, and the Liquidity Provider shall not thereafter be obligated to make any further Advances hereunder in respect of such Notice of Borrowing to the Borrower or to any other Person (including the Class B Trustee or any Class B Certificateholder). If the Liquidity Provider makes an Advance requested pursuant to a Notice of Borrowing before 10:00 a.m. (New York City time) on the second Business Day after the date of payment specified in Section 2.02(e), the Liquidity Provider shall have fully discharged its obligations hereunder with respect to such Advance and an event of default shall not have occurred hereunder. Following the making of any Advance pursuant to Section 2.02(b), 2.02(c) or 2.02(d) to fund the Class B Cash Collateral Account, the Liquidity Provider shall have no interest in or rights to the Class B Cash Collateral Account, such Advance or any other amounts from time to time on deposit in the Class B Cash Collateral

Account; provided that the foregoing shall not affect or impair the obligations of the Subordination Agent to make the distributions contemplated by Section 3.05(e) or 3.05(f) of the Intercreditor Agreement, and provided, further, that the foregoing shall not affect or impair the rights of the Liquidity Provider to provide written instructions with respect to the investment and reinvestment of amounts in the Class B Cash Collateral Account to the extent provided in Section 2.02(b) of the Intercreditor Agreement. By paying to the Borrower proceeds of Advances requested by the Borrower in accordance with the provisions of this Agreement, the Liquidity Provider makes no representation as to, and assumes no responsibility for, the correctness or sufficiency for any purpose of the amount of the Advances so made and requested.

Section 2.03 Fees. The Borrower agrees to pay to the Liquidity Provider the fees set forth in the Fee Letter.

Section 2.04 Reduction or Termination of the Maximum Commitment. (a) Automatic Reduction. Promptly following each date on which the Required Amount is reduced as a result of a reduction in the Pool Balance of the Class B Certificates or otherwise, the Maximum Commitment shall automatically be reduced to an amount equal to such reduced Required Amount (as calculated by the Borrower). The Borrower shall give notice of any such automatic reduction of the Maximum Commitment to the Liquidity Provider and American within two Business Days thereof. The failure by the Borrower to furnish any such notice shall not affect any such automatic reduction of the Maximum Commitment.

(b) Termination. Upon the making of any Provider Advance, Special Termination Advance or Final Advance hereunder or the occurrence of the Termination Date, the obligation of the Liquidity Provider to make further Advances hereunder shall automatically and irrevocably terminate, and the Borrower shall not be entitled to request any further Borrowing hereunder, except in the case of a Downgrade Advance, as provided in Section 2.06(d).

Section 2.05 Repayments of Interest Advances, the Special Termination Advance or the Final Advance. Subject to Sections 2.06, 2.07 and 2.09 hereof, the Borrower hereby agrees, without notice of an Advance or demand for repayment from the Liquidity Provider (which notice and demand are hereby waived by the Borrower), to pay, or to cause to be paid, to the Liquidity Provider (a) on each date on which the Liquidity Provider shall make an Interest Advance, the Special Termination Advance or the Final Advance, an amount equal to the amount of such Advance (any such Advance, until repaid, is referred to herein as an "***Unpaid Advance***") (if multiple Interest Advances are outstanding any such repayment to be applied in the order in which such Interest Advances have been made, starting with the earliest), plus (b) interest on the amount of each such Unpaid Advance in the amounts and on the dates determined as provided in Section 3.07; provided that if (i) the Liquidity Provider shall make a Provider Advance at any time after making one or more Interest Advances which shall not have been repaid in accordance with this Section 2.05 or (ii) this Liquidity Facility shall become a Downgraded Facility or Non-Extended Facility at any time when unreimbursed Interest Advances have reduced the Maximum Available Commitment to zero, then such Interest Advances shall cease to constitute Unpaid Advances and shall be deemed to have been changed into an Applied Downgrade Advance or an Applied Non-Extension Advance, as the case may be, for all purposes of this Agreement (including, without limitation, for the purpose of determining when such Interest Advance is required to be repaid to the Liquidity Provider in accordance with Section 2.06 and for the

purposes of Section 2.06(b)); provided, further, that amounts in respect of a Special Termination Advance withdrawn from the Class B Cash Collateral Account for the purpose of paying interest on the Class B Certificates in accordance with Section 3.05(f) of the Intercreditor Agreement (the portion of the outstanding Special Termination Advance equal to the amount of any such withdrawal, but not in excess of the outstanding Special Termination Advance, being an "***Applied Special Termination Advance***") shall thereafter (subject to Section 2.06(b)) be treated as an Interest Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon; provided, further, that if, following the making of a Special Termination Advance, the Liquidity Provider delivers a Termination Notice to the Borrower pursuant to Section 6.01(a), such Special Termination Advance (including any portion thereof that is an Applied Special Termination Advance) shall thereafter be treated as a Final Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon; and, provided, further, that if, after making a Provider Advance, the Liquidity Provider delivers a Special Termination Notice to the Borrower pursuant to Section 6.01(b), any Unapplied Provider Advance shall be converted to and treated as a Special Termination Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon and the obligation for repayment thereof under the Intercreditor Agreement. The Borrower and the Liquidity Provider agree that the repayment in full of each Interest Advance, Special Termination Advance and Final Advance on the date such Advance is made is intended to be a contemporaneous exchange for new value given to the Borrower by the Liquidity Provider. For the avoidance of doubt, interest payable on an Interest Advance, Special Termination Advance or the Final Advance shall not be regarded as overdue unless such interest is not paid when due under Section 3.07.

Section 2.06 Repayments of Provider Advances. (a) Amounts advanced hereunder in respect of a Provider Advance shall be deposited in the Class B Cash Collateral Account and invested and withdrawn from the Class B Cash Collateral Account as set forth in Sections 3.05(c), 3.05(d), 3.05(e) and 3.05(f) of the Intercreditor Agreement. Subject to Sections 2.07 and 2.09, the Borrower agrees to pay to the Liquidity Provider, on each Regular Distribution Date, commencing on the first Regular Distribution Date after the making of a Provider Advance, interest on the principal amount of any such Provider Advance, in the amounts determined as provided in Section 3.07; provided, however, that amounts in respect of a Provider Advance withdrawn from the Class B Cash Collateral Account for the purpose of paying interest on the Class B Certificates in accordance with Section 3.05(f) of the Intercreditor Agreement (the amount of any such withdrawal being (y), in the case of a Downgrade Advance, an "***Applied Downgrade Advance***" and (z) in the case of a Non-Extension Advance, an "***Applied Non-Extension Advance***" and together with an Applied Downgrade Advance, an "***Applied Provider Advance***") shall thereafter (subject to Section 2.06(b)) be treated as an Interest Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon; provided, further, however, that if, following the making of a Provider Advance, the Liquidity Provider delivers a Termination Notice to the Borrower pursuant to Section 6.01(a), such Provider Advance shall thereafter be treated as a Final Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon. Subject to Sections 2.07 and 2.09, immediately upon the withdrawal of any amounts from the Class B Cash Collateral Account on account of a reduction in the Required Amount, the Borrower shall repay to the Liquidity Provider a portion of the Provider Advances in a principal amount equal to such reduction, plus interest on the principal amount so repaid as provided in Section 3.07.

(b) At any time when an Applied Provider Advance or Applied Special Termination Advance (or any portion thereof) is outstanding, upon the deposit in the Class B Cash Collateral Account of any amount pursuant to clause "fourth" of Section 3.02 of the Intercreditor Agreement (any such amount being a "***Replenishment Amount***") for the purpose of replenishing or increasing the balance thereof up to the Required Amount at such time, (i) the aggregate outstanding principal amount of all Applied Provider Advances and Applied Special Termination Advances (and of Provider Advances and Special Termination Advances treated as Interest Advances for purposes of determining the Applicable Liquidity Rate for interest payable thereon) shall be automatically reduced by the amount of such Replenishment Amount, and (ii) the aggregate outstanding principal amount of all Unapplied Provider Advances shall be automatically increased by the amount of such Replenishment Amount.

(c) Upon the provision of a Replacement Liquidity Facility in replacement of this Agreement in accordance with Section 3.05(e) of the Intercreditor Agreement, as provided in Section 3.05(f) of the Intercreditor Agreement, amounts remaining on deposit in the Class B Cash Collateral Account after giving effect to any Applied Provider Advance on the date of such replacement shall be reimbursed to the Liquidity Provider, but only to the extent such amounts are necessary to repay in full to the Liquidity Provider all amounts owing to it hereunder.

(d) If at any time after making a Downgrade Advance, the Liquidity Provider satisfies the Threshold Rating and delivers a written notice to that effect to the Borrower and American, as of the second Business Day following receipt of such notice, (i) any Unapplied Downgrade Advance shall be withdrawn from the Class B Cash Collateral Account and reimbursed to the Liquidity Provider and (ii) any Applied Downgrade Advance shall be converted to an Interest Advance, the Maximum Commitment shall be reinstated by an amount equal to the amount of such Unapplied Downgrade Advance so reimbursed, but not to exceed the Maximum Commitment and the obligation of the Liquidity Provider to make Advances shall be reinstated in an equal amount, and the proviso in the definition of Maximum Available Commitment shall no longer apply to such Downgrade Advance.

Section 2.07 Payments to the Liquidity Provider Under the Intercreditor Agreement. In order to provide for payment or repayment to the Liquidity Provider of any amounts hereunder, the Intercreditor Agreement provides that amounts available and referred to in Articles II and III of the Intercreditor Agreement, to the extent payable to the Liquidity Provider pursuant to the terms of the Intercreditor Agreement (including, without limitation, Section 3.05(f) of the Intercreditor Agreement), shall be paid to the Liquidity Provider in accordance with the terms thereof (but, for the avoidance of doubt, without duplication of or increase in any amounts payable hereunder). Amounts so paid to the Liquidity Provider shall be applied by the Liquidity Provider in the order of priority required by the applicable provisions of Articles II and III of the Intercreditor Agreement (or, if not provided for in the Intercreditor Agreement, then in such manner as the Liquidity Provider shall deem appropriate) and shall discharge in full the corresponding obligations of the Borrower hereunder.

Section 2.08 Book Entries. The Liquidity Provider shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower resulting from Advances made from time to time and the amounts of principal and interest payable hereunder and paid from time to time in respect thereof; provided, however, that the failure by the Liquidity Provider to maintain such account or accounts shall not affect the obligations of the Borrower in respect of Advances.

Section 2.09 Payments from Available Funds Only. All payments to be made by the Borrower under this Agreement shall be made only from the amounts that constitute Scheduled Payments, Special Payments and other payments under the Operative Agreements, including payment under Section 4.02 of the Participation Agreements and payments under Section 2.14 of the Indentures, and only to the extent that the Borrower shall have sufficient income or proceeds therefrom to enable the Borrower to make payments in accordance with the terms hereof after giving effect to the priority of payments provisions set forth in the Intercreditor Agreement. The Liquidity Provider agrees that it will look solely to such amounts to the extent available for distribution to it as provided in the Intercreditor Agreement and this Agreement and that the Borrower, in its individual capacity, is not personally liable to it for any amounts payable or liability under this Agreement except as expressly provided in this Agreement, the Intercreditor Agreement or any Participation Agreement. Amounts on deposit in the Class B Cash Collateral Account shall be available to the Borrower to make payments under this Agreement only to the extent and for the purposes expressly contemplated in Section 3.05(f) of the Intercreditor Agreement.

Section 2.10 Extension of the Expiry Date; Non-Extension Advance. If the Liquidity Provider notifies the Borrower in writing before the 25th day prior to an anniversary date of the Closing Date that is prior to the 15th day after the Final Legal Distribution Date for the Class B Certificates (such notification, a "***Non-Extension Notice***"; the date of such notification, the "***Notice Date***") that its obligation to make Advances hereunder shall not be extended beyond the immediately following anniversary date of the Closing Date (and if the Liquidity Provider shall not have been replaced in accordance with Section 3.05(e) of the Intercreditor Agreement), the Borrower shall be entitled on and after the Notice Date (but prior to such anniversary date) to request a Non-Extension Advance in accordance with Section 2.02(b)(i) hereof and Section 3.05(d) of the Intercreditor Agreement.

ARTICLE III

OBLIGATIONS OF THE BORROWER

Section 3.01 Increased Costs. Without duplication of any rights created by Section 3.03, if as a result of any Regulatory Change there shall be any increase by an amount reasonably deemed by the Liquidity Provider to be material in the actual cost to the Liquidity Provider of making, funding or maintaining any Advances or its obligation to make any such Advances or there shall be any reduction by an amount reasonably deemed by the Liquidity Provider to be material in the amount receivable by the Liquidity Provider under this Agreement or the Intercreditor Agreement in respect thereof, and in case of either such an increase or reduction, such event does not arise from the gross negligence or willful misconduct of the Liquidity Provider, from its breach of any of its representations, warranties, covenants or agreements contained herein or in the Intercreditor Agreement or from its failure to comply with any such Regulatory Change (any such increase or reduction being referred to herein as an "***Increased Cost***"), then, subject to Sections 2.07 and 2.09, the Borrower shall from time to time pay to the Liquidity Provider an amount equal to such Increased Cost within 10 Business Days after

delivery to the Borrower and American of a certificate of an officer of the Liquidity Provider describing in reasonable detail the event by reason of which it claims such Increased Cost and the basis for the determination of the amount of such Increased Cost; provided that the Borrower shall be obligated to pay amounts only with respect to any Increased Costs accruing from the date 120 days prior to the date of delivery of such certificate. Such certificate, in the absence of manifest error, shall be considered prima facie evidence of the amount of the Increased Costs for purposes of this Agreement; provided that any determinations and allocations by the Liquidity Provider of the effect of any Regulatory Change on the costs of maintaining the Advances or the obligation to make Advances are made on a reasonable basis. For the avoidance of doubt, the Liquidity Provider shall not be entitled to assert any claim under this Section 3.01 in respect of or attributable to Excluded Taxes. The Liquidity Provider will notify the Borrower and American as promptly as practicable of any event occurring after the date of this Agreement that will entitle the Liquidity Provider to compensation under this Section 3.01. The Liquidity Provider agrees to investigate all commercially reasonable alternatives for reducing any Increased Costs and to use all commercially reasonable efforts to avoid or minimize, to the greatest extent possible, any claim in respect of Increased Costs, including, without limitation, by designating a different Lending Office, if such designation or other action would avoid the need for, or reduce the amount of, any such claim; provided that the foregoing shall not obligate the Liquidity Provider to take any action that would, in its reasonable judgment, cause the Liquidity Provider to take any action that is not materially consistent with its internal policies or is otherwise materially disadvantageous to the Liquidity Provider or that would cause the Liquidity Provider to incur any material loss or cost, unless the Borrower or American agrees to reimburse or indemnify the Liquidity Provider therefor. If no such designation or other action is effected, or, if effected, such notice fails to avoid the need for any claim in respect of Increased Costs, American may arrange for a Replacement Liquidity Facility in accordance with Section 3.05(e) of the Intercreditor Agreement.

Notwithstanding the foregoing provisions, in no event shall the Borrower be required to make payments under this Section 3.01: (a) in respect of any Regulatory Change proposed by any applicable governmental authority (including any branch of a legislature), central bank or comparable agency of the United States or the Liquidity Provider's jurisdiction of organization or in which its Lending Office is located and pending as of the date of this Agreement (it being agreed that the Regulatory Changes contemplated by (i) all requests, rules, guidelines or directives promulgated or issued by the Basel Committee on Banking Supervision (or any successor or similar authority) including, but not limited to the Consultative Documents entitled "Strengthening the resilience of the banking sector" and "International framework for liquidity risk measurement, standards and monitoring," each dated December 2009 or the United States regulatory authorities, in each case pursuant to Basel III and (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, shall not be considered to have been proposed or pending as of the date of this Agreement); (b) if a claim hereunder in respect of an Increased Cost arises through circumstances peculiar to the Liquidity Provider and that do not affect similarly organized commercial banking institutions in the same jurisdiction generally that are in compliance with the law, rule, regulation or interpretation giving rise to the Regulatory Change relating to such Increased Cost; (c) if the Liquidity Provider shall fail to comply with its obligations under this Section 3.01 or (d) if the Liquidity Provider is not also seeking payment for similar increased costs in other similarly situated transactions related to the airline industry.

Section 3.02 Intentionally omitted.

Section 3.03 Withholding Taxes. (a) All payments made by the Borrower under this Agreement shall be made without deduction or withholding for or on account of any Taxes, unless such deduction or withholding is required by law. If any Taxes are so required to be withheld or deducted from any amounts payable to the Liquidity Provider under this Agreement, then, subject to Sections 2.07 and 2.09, the Borrower shall (i) deduct or withhold and shall pay to the relevant authorities the full amount so required to be deducted or withheld , (ii) without duplication of any rights created by Section 3.01, if such Taxes are Covered Taxes, pay to the Liquidity Provider such additional amounts as shall be necessary to ensure that the net amount actually received by the Liquidity Provider (after deduction or withholding of all Covered Taxes) shall be equal to the full amount that would have been received by the Liquidity Provider had no withholding or deduction of Covered Taxes been required and (iii) within 30 days after the date of a payment to the relevant authorities furnish to the Liquidity Provider the original or a certified copy of (or other reasonable evidence of) the payment of the Taxes applicable to such payment. The Borrower agrees to indemnify the Liquidity Provider, within 10 Business Days of demand therefor the full amount of Covered Taxes paid or payable by the Liquidity Provider in respect of payments by the Borrower under this Agreement and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. If the Borrower provides a written request (which shall be considered prior written consent under subsection (vi) of the definition of Covered Taxes), the Liquidity Provider agrees to use commercially reasonable efforts (consistent with applicable legal and regulatory restrictions) to change the jurisdiction of its Lending Office if making such change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of the Liquidity Provider, be otherwise materially disadvantageous to the Liquidity Provider. If the Liquidity Provider receives a refund of, or realizes a net Tax benefit not otherwise available to it as a result of, any Taxes for which additional amounts were paid by the Borrower pursuant to this Section 3.03, the Liquidity Provider shall pay to the Borrower (for deposit into the Collection Account) the amount of such refund (and any interest thereon), net of any related out-of-pocket expenses, or net benefit. The Borrower, upon the request of the Liquidity Provider, shall repay to the Liquidity Provider the amount paid over pursuant to this paragraph (a) (plus any penalties, interest or other charges imposed by the relevant governmental or taxing authority) in the event that the Liquidity Provider is required to repay such refund to such governmental or taxing authority. Notwithstanding anything to the contrary in this paragraph (a), in no event will the Liquidity Provider be required to pay any amount to the Borrower pursuant to this paragraph (a) the payment of which would place the Liquidity Provider in a less favorable net after-Tax position than the Liquidity Provider would have been in if the Tax subject to indemnification and giving rise to such refund or net Tax benefit had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph (a) shall not be construed to require the Liquidity Provider to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Borrower or any other Person.

The Liquidity Provider will (i) provide (on its behalf and on behalf of any participant holding a Participation pursuant to Section 7.08) to the Borrower (x) on or prior to the Effective Date two valid completed and executed originals of Internal Revenue Service Form W-9, W-8BEN-E or W-8ECI (whichever is applicable), including thereon a valid U.S. taxpayer

identification number (or, with respect to any such participant, such other form or documentation as may be applicable) covering all amounts receivable by it in connection with the transactions contemplated by the Operative Agreements and (y) thereafter from time to time such additional forms or documentation as may be necessary to establish an available exemption from withholding of United States Tax on payments hereunder so that such forms or documentation are effective for all periods during which it is the Liquidity Provider and (ii) provide timely notice to the Borrower if any such form or documentation is or becomes inaccurate. The Liquidity Provider shall deliver to the Borrower such other forms or documents as may be reasonably requested by the Borrower or required by applicable law to establish that payments hereunder are exempt from or entitled to a reduced rate of Covered Taxes.

If a payment made to the Liquidity Provider or Borrower hereunder would be subject to U.S. federal withholding Tax imposed by FATCA if the Borrower or Liquidity Provider, as applicable, were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the U.S. Internal Revenue Code, as applicable), it shall deliver to the Borrower or the Liquidity Provider, as applicable, at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or Liquidity Provider, as applicable, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the U.S. Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or Liquidity Provider, as applicable, as may be necessary for the Borrower or Liquidity Provider, as applicable, to comply with its obligations under FATCA and to determine that the Liquidity Provider or Borrower has complied with the Liquidity Provider's or Borrower's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this paragraph, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(b) All payments (including, without limitation, Advances) made by the Liquidity Provider under this Agreement shall be made free and clear of, and without reduction for or on account of, any Taxes. If any Taxes are required to be withheld or deducted from any amounts payable to the Borrower under this Agreement, the Liquidity Provider shall (i) within the time prescribed therefor by applicable law pay to the appropriate governmental or taxing authority the full amount of any such Taxes (and any additional Taxes in respect of the additional amounts payable under clause (ii) hereof) and make such reports or returns in connection therewith at the time or times and in the manner prescribed by applicable law, and (ii) pay to the Borrower an additional amount which (after deduction of all such Taxes) will be sufficient to yield to the Borrower the full amount which would have been received by it had no such withholding or deduction been made. Within 30 days after the date of each payment hereunder, the Liquidity Provider shall furnish to the Borrower the original or a certified copy of (or other documentary evidence of) the payment of the Taxes applicable to such payment.

On or before the Closing Date, the Borrower shall provide the Liquidity Provider with its fully executed Internal Revenue Service Form W-9, showing a complete exemption from U.S. federal withholding tax and backup withholding. If any other exemption from, or reduction in the rate of, any Taxes required to be borne by the Liquidity Provider under this Section 3.03(b) is reasonably available to the Borrower without providing any information regarding the holders or beneficial owners of the Certificates, the Borrower shall deliver the Liquidity Provider such form or forms and such other evidence of the eligibility of the Borrower for such exemption or

reductions (but without any requirement to provide any information regarding the holders or beneficial owners of the Certificates) as the Liquidity Provider may reasonably identify to the Borrower as being required as a condition to exemption from, or reduction in the rate of, such Taxes.

Section 3.04 Payments. Subject to Sections 2.07 and 2.09, the Borrower shall make or cause to be made each payment to the Liquidity Provider under this Agreement so as to cause the same to be received by the Liquidity Provider not later than 12:00 p.m. (New York City time) on the day when due. The Borrower shall make all such payments in Dollars, to the Liquidity Provider in immediately available funds, by wire transfer to the account set forth below or such other U.S. bank account as the Liquidity Provider may from time to time direct the Subordination Agent:

Correspondent Bank:	Citibank N.A., New York
SWIFT:	###
Account number:	###
Beneficiary:	National Australia Bank Ltd.
SWIFT:	###
Reference:	American Airlines 2017-1 Liquidity Facility

Section 3.05 Computations. All computations of interest based on the Base Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the LIBOR Rate shall be made on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable.

Section 3.06 Payment on Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day and no additional interest shall be due as a result (and if so made, shall be deemed to have been made when due). If any payment in respect of interest on an Advance is so deferred to the next succeeding Business Day, such deferral shall not delay the commencement of the next Interest Period for such Advance (if such Advance is a LIBOR Advance) or reduce the number of days for which interest will be payable on such Advance on the next Interest Payment Date for such Advance.

Section 3.07 Interest. (a) Subject to Sections 2.07 and 2.09, the Borrower shall pay, or shall cause to be paid, without duplication, interest on (i) the unpaid principal amount of each Advance from and including the date of such Advance (or, in the case of an Applied Provider Advance or Applied Special Termination Advance, from and including the date on which the amount thereof was withdrawn from the Class B Cash Collateral Account to pay interest on the Class B Certificates) to but excluding the date such principal amount shall be paid in full (or, in the case of an Applied Provider Advance or Applied Special Termination Advance, the date on which the Class B Cash Collateral Account is fully replenished in respect of such Advance) and (ii), to the extent permitted by law, any other amount due hereunder (whether fees, commissions, expenses or other amounts or installments of interest on Advances or any such other amount) that is not paid when due (whether at stated maturity, by acceleration or otherwise) from and including the due date thereof to but excluding the date such amount is paid in full, in each such

case, at the interest rate per annum for each day that such amount remains overdue and unpaid equal to the Applicable Liquidity Rate for such Advance or such other amount, as the case may be, as in effect for such day, but in no event in any case referred to in clause (i) or (ii) above at a rate per annum greater than the maximum rate permitted by applicable law; provided, however, that, if at any time the otherwise applicable interest rate as set forth in this Section 3.07 shall exceed the maximum rate permitted by applicable law, then to the maximum extent permitted by applicable law any subsequent reduction in such interest rate will not reduce the rate of interest payable pursuant to this Section 3.07 below the maximum rate permitted by applicable law until the total amount of interest accrued equals the absolute amount of interest that would have accrued (without additional interest thereon) if such otherwise applicable interest rate as set forth in this Section 3.07 had at all relevant times been in effect.

(b) Each Advance will be either a Base Rate Advance or a LIBOR Advance as provided in this Section 3.07. Each such Advance will be a Base Rate Advance for the period from the date of its borrowing to (but excluding) the third Business Day following the Liquidity Provider's receipt of the Notice of Borrowing for such Advance. Thereafter, such Advance shall be a LIBOR Advance; provided that a Provider Advance shall always be a LIBOR Advance.

(c) Each LIBOR Advance shall bear interest during each Interest Period at a rate per annum equal to the LIBOR Rate for such Interest Period plus the Applicable Margin for such LIBOR Advance, payable in arrears on the last day of such Interest Period and, in the event of the payment of principal of such LIBOR Advance on a day other than such last day, on the date of such payment (to the extent of interest accrued on the amount of principal repaid).

(d) Each Base Rate Advance shall bear interest at a rate per annum equal to the Base Rate plus the Applicable Margin for such Base Rate Advance, payable in arrears on each Regular Distribution Date and, in the event of the payment of principal of such Base Rate Advance on a day other than a Regular Distribution Date, on the date of such payment (to the extent of interest accrued on the amount of principal repaid).

(e) Intentionally omitted.

(f) Each amount not paid when due hereunder (whether fees, commissions, expenses or other amounts or installments of interest on Advances but excluding Advances) shall bear interest, to the extent permitted by applicable law, at a rate per annum equal to the Base Rate plus 2.0% per annum until paid.

(g) If at any time, the Liquidity Provider shall have determined (which determination shall be conclusive and binding upon the Borrower, absent manifest error) that, by reason of circumstances affecting the relevant interbank lending market generally, the LIBOR Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to the Liquidity Provider (as conclusively certified by the Liquidity Provider, absent manifest error) of making or maintaining Advances, the Liquidity Provider shall give facsimile or telephonic notice thereof (a "***Rate Determination Notice***") to the Borrower. If such notice is given, then the outstanding principal amount of the LIBOR Advances shall be converted to Base Rate Advances effective from the date of the Rate Determination Notice; provided that the Applicable Liquidity Rate in respect of such Base Rate Advances shall be

increased by one percent (1.00%). The Liquidity Provider shall withdraw a Rate Determination Notice given hereunder when the Liquidity Provider determines that the circumstances giving rise to such Rate Determination Notice no longer apply to the Liquidity Provider, and the Base Rate Advances shall be converted to LIBOR Advances effective as of the first day of the next succeeding Interest Period after the date of such withdrawal. Each change in the Base Rate shall become effective immediately. The rates of interest specified in this Section 3.07 with respect to any Advance or other amount shall be referred to as the "***Applicable Liquidity Rate***".

Section 3.08 Replacement of Borrower. Subject to Section 5.02, from time to time and subject to the successor Borrower's meeting the eligibility requirements set forth in Section 6.09 of the Intercreditor Agreement applicable to the Subordination Agent, upon the effective date and time specified in a written and completed Notice of Replacement Subordination Agent in substantially the form of **Annex VIII** (a "***Notice of Replacement Subordination Agent***") delivered to the Liquidity Provider by the then Borrower, the successor Borrower designated therein shall become the Borrower for all purposes hereunder.

Section 3.09 Funding Loss Indemnification. The Borrower shall pay to the Liquidity Provider, upon the request of the Liquidity Provider, such amount or amounts as shall be sufficient (in the reasonable opinion of the Liquidity Provider) to compensate it for any loss, cost or expense incurred by reason of the liquidation or redeployment of deposits or other funds acquired by the Liquidity Provider to fund or maintain any LIBOR Advance (but excluding loss of the Applicable Margin or anticipated profits) incurred as a result of:

(1) Any repayment of a LIBOR Advance on a date other than the last day of the Interest Period for such Advance; or

(2) Any failure by the Borrower to borrow a LIBOR Advance on the date for borrowing specified in the relevant notice under Section 2.02.

Section 3.10 Illegality. Notwithstanding any other provision in this Agreement, if any change in any law, rule or regulation applicable to or binding on the Liquidity Provider, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Liquidity Provider with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Liquidity Provider to maintain or fund its LIBOR Advances, then upon notice to the Borrower and American by the Liquidity Provider, the outstanding principal amount of the LIBOR Advances shall be converted to Base Rate Advances (a) immediately upon demand of the Liquidity Provider, if such change or compliance with such request, in the reasonable judgment of the Liquidity Provider, requires immediate conversion; or (b) at the expiration of the last Interest Period to expire before the effective date of any such change or request. The Liquidity Provider will notify the Borrower and American as promptly as practicable of any event that will or to its knowledge is reasonably likely to lead to the conversion of LIBOR Advances to Base Rate Advances under this Section 3.10; provided that a failure by the Liquidity Provider to notify the Borrower or American of an event that is reasonably likely to lead to such a conversion prior to the time that it is determined that such event will lead to such a conversion shall not prejudice the rights of the Liquidity Provider under this Section 3.10. The Liquidity

Provider agrees to investigate all commercially reasonable alternatives for avoiding the need for such conversion including, without limitation, designating a different Lending Office, if such designation or other action would avoid the need to convert such LIBOR Advances to Base Rate Advances; provided that the foregoing shall not obligate the Liquidity Provider to take any action that would, in its reasonable judgment, cause the Liquidity Provider to incur any material loss or cost, unless the Borrower or American agrees to reimburse or indemnify the Liquidity Provider therefor. If no such designation or other action is effected, or, if effected, fails to avoid the need for conversion of the LIBOR Advances to Base Rate Advances, American may arrange for a Replacement Liquidity Facility in accordance with Section 3.05(e) of the Intercreditor Agreement.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01 Conditions Precedent to Effectiveness of Section 2.01. Section 2.01 of this Agreement shall become effective on and as of the first date (the "***Effective Date***") on which the following conditions precedent have been satisfied (or waived by the appropriate party or parties):

(a) The Liquidity Provider shall have received on or before the date hereof each of the following, and in the case of each document delivered pursuant to paragraphs (i), (ii) and (iii), each in form and substance satisfactory to the Liquidity Provider:

(i) This Agreement and the Fee Letter duly executed on behalf of the Borrower and, in the case of the Fee Letter, American;

(ii) The Intercreditor Agreement duly executed on behalf of each of the parties thereto (other than the Liquidity Provider);

(iii) Fully executed copies of each of the Operative Agreements executed and delivered on or before the date hereof (other than this Agreement, the Fee Letter and the Intercreditor Agreement);

(iv) A copy of the Prospectus Supplement and specimen copies of the Class B Certificates;

(v) An executed copy of each document, instrument and certificate delivered on or before the date hereof pursuant to the Class B Trust Agreement, the Intercreditor Agreement and the other Operative Agreements;

(vi) An agreement from American, pursuant to which (x) American agrees to provide copies of quarterly financial statements and audited annual financial statements to the Liquidity Provider (which American may provide in an electronic format by electronic mail or making such available over the internet) and (y) American agrees to allow the Liquidity Provider to discuss the transactions contemplated by the Operative Agreements with officers and employees of American; and

(vii) Such documentation as the Liquidity Provider may reasonably request five (5) or more Business Days prior to the Closing Date in order to satisfy its "know your customer" policies.

(b) On and as of the Effective Date no event shall have occurred and be continuing, or would result from the entering into of this Agreement or the making of any Advance, which constitutes a Liquidity Event of Default.

(c) The Liquidity Provider shall have received payment in full of the fees and other sums required to be paid to or for the account of the Liquidity Provider on or prior to the Effective Date pursuant to the Fee Letter.

(d) All conditions precedent to the issuance of the Certificates under the Class B Trust Agreement shall have been satisfied or waived, all conditions precedent to the effectiveness of the other Liquidity Facilities, if any, shall have been satisfied or waived, and all conditions precedent to the purchase of the Class B Certificates by the Class B Initial Purchaser under the Class B Certificate Purchase Agreement shall have been satisfied (unless any of such conditions precedent under the Class B Certificate Purchase Agreement shall have been waived by the Class B Initial Purchaser).

(e) The Borrower and American shall have received (i) the Acknowledgment and Agreement duly executed on behalf of each of the parties thereto and (ii) a certificate, dated the Effective Date signed by a duly authorized representative of the Liquidity Provider, certifying that all conditions precedent specified in this Section 4.01 have been satisfied or waived by the Liquidity Provider.

Section 4.02 Conditions Precedent to Borrowing. The obligation of the Liquidity Provider to make an Advance on the occasion of each Borrowing shall be subject to the conditions precedent that the Effective Date shall have occurred and, prior to the time of such Borrowing, the Borrower shall have delivered a Notice of Borrowing which conforms to the terms and conditions of this Agreement.

Section 4.03 Representations and Warranties. The representations and warranties of the Borrower as Subordination Agent in Sections 5.01(a), (b), (c), (d) and (i) of the Participation Agreements shall be deemed to be incorporated into this Agreement as if set out in full herein and as if such representations and warranties were made by the Borrower to the Liquidity Provider.

ARTICLE V

COVENANTS

Section 5.01 Affirmative Covenants of the Borrower. So long as any Advance shall remain unpaid or the Liquidity Provider shall have any Maximum Available Commitment hereunder or the Borrower shall have any obligation to pay any amount to the Liquidity Provider hereunder, the Borrower will, unless the Liquidity Provider shall otherwise consent in writing:

(a) Performance of Agreements. Subject to Sections 2.07 and 2.09, punctually pay or cause to be paid all amounts payable by it under this Agreement and the Intercreditor Agreement and observe and perform in all material respects the conditions, covenants and requirements applicable to it contained in this Agreement and the Intercreditor Agreement;

(b) Reporting Requirements. Furnish to the Liquidity Provider with reasonable promptness, such other information and data with respect to the transactions contemplated by the Operative Agreements as from time to time may be reasonably requested by the Liquidity Provider; and permit the Liquidity Provider, upon reasonable notice, to inspect the Borrower's books and records with respect to such transactions and to meet with officers and employees of the Borrower to discuss such transactions. The Borrower shall also provide to the Liquidity Provider, without the need for any request thereof, copies of all documents and reports provided to the Certificateholders under the Operative Agreements; and

(c) Certain Operative Agreements. Furnish to the Liquidity Provider, with reasonable promptness, copies of such Operative Agreements entered into after the date hereof as from time to time may be reasonably requested by the Liquidity Provider.

Section 5.02 Negative Covenants of the Borrower. Subject to the first and fourth paragraphs of Section 7.01(a) of the Intercreditor Agreement and Section 7.01(b) of the Intercreditor Agreement, so long as any Advance shall remain unpaid or the Liquidity Provider shall have any Maximum Available Commitment hereunder or the Borrower shall have any obligation to pay any amount to the Liquidity Provider hereunder, the Borrower will not appoint or permit or suffer to be appointed any successor Borrower without the prior written consent of the Liquidity Provider, which consent shall not be unreasonably withheld or delayed.

ARTICLE VI

LIQUIDITY EVENTS OF DEFAULT AND SPECIAL TERMINATION

Section 6.01 Liquidity Events of Default. (a) If any Liquidity Event of Default has occurred and is continuing and there is a Performing Note Deficiency, the Liquidity Provider may, in its discretion, deliver to the Borrower a Termination Notice, the effect of which shall be to cause (i) this Agreement to expire at the close of business on the fifth Business Day after the date on which such Termination Notice is received by the Borrower, (ii) the Borrower to promptly request, and the Liquidity Provider to promptly make, a Final Advance in accordance with Section 2.02(c) hereof and Section 3.05(i) of the Intercreditor Agreement, (iii) all other outstanding Advances to be automatically converted into Final Advances for purposes of determining the Applicable Liquidity Rate for interest payable thereon and (iv) subject to Sections 2.07 and 2.09, all Advances, any accrued interest thereon and any other amounts outstanding hereunder to become immediately due and payable to the Liquidity Provider.

(b) If the aggregate Pool Balance of the Class B Certificates is greater than the aggregate outstanding principal amount of the Series B Equipment Notes (other than any Series B Equipment Notes previously sold by the Borrower or with respect to which the Aircraft related to such Series B Equipment Notes has been disposed of by the Loan Trustee) at any time during the 18-month period ending on February 15, 2025, the Liquidity Provider may, in its discretion,

deliver to the Borrower a Special Termination Notice, the effect of which shall be to cause (i) the obligation of the Liquidity Provider to make Advances hereunder to terminate on the fifth Business Day after the date on which such Special Termination Notice is received by the Borrower and American, (ii) the Borrower to promptly request, and the Liquidity Provider to promptly make, a Special Termination Advance in accordance with Section 2.02(d) hereof and Section 3.05(k) of the Intercreditor Agreement, and (iii) subject to Sections 2.07 and 2.09, all Advances (including, without limitation, any Provider Advance and Applied Provider Advance), to be automatically treated as Special Termination Drawings (as defined in the Intercreditor Agreement).

ARTICLE VII

MISCELLANEOUS

Section 7.01 No Oral Modifications or Continuing Waivers. No terms or provisions of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the Borrower and the Liquidity Provider and any other Person whose consent is required pursuant to this Agreement; provided that no such change or other action shall affect the payment obligations of American or the rights of American without American's prior written consent; and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

Section 7.02 Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices, requests, demands, authorizations, directions, consents, waivers or documents required or permitted under the terms and provisions of this Agreement shall be in English and in writing, and given by United States registered or certified mail, courier service or facsimile, and any such notice shall be effective when delivered (or, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that such transmission was received) addressed as follows:

If to the Borrower, to:

Wilmington Trust Company
1100 North Market Street
Wilmington, Delaware 19890
Attention: ###
Ref.: American Airlines 2017-1B EETC
Telephone: ###
Facsimile: ###

If to the Liquidity Provider, to:

National Australia Bank Limited
Level 29, 500 Bourke St
VIC 3000
Australia
Attention: ###

Telephone: ###
Fax: ###
Email: ###

with a copy to:

National Australia Bank Limited
245 Park Avenue
New York, NY 10167
Attention: Director, Asset Finance & Leasing
Telephone: ###
Fax: ###

Any party, by notice to the other party hereto, may designate additional or different addresses for subsequent notices or communications. Whenever the words "notice" or "notify" or similar words are used herein, they mean the provision of formal notice as set forth in this Section 7.02.

Section 7.03 No Waiver; Remedies. No failure on the part of the Liquidity Provider to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 7.04 Further Assurances. The Borrower agrees to do such further acts and things and to execute and deliver to the Liquidity Provider such additional assignments, agreements, powers and instruments as the Liquidity Provider may reasonably require or deem advisable to carry into effect the purposes of this Agreement and the other Operative Agreements or to better assure and confirm unto the Liquidity Provider its rights, powers and remedies hereunder and under the other Operative Agreements.

Section 7.05 Indemnification; Survival of Certain Provisions. The Liquidity Provider shall be indemnified hereunder to the extent and in the manner described in Section 4.02 of the Participation Agreements. In addition, the Borrower agrees to indemnify, protect, defend and hold harmless each Liquidity Indemnitee from and against all Expenses of any kind or nature whatsoever (other than any Expenses of the nature described in Sections 3.01, 3.03, 3.09 or 7.07 or in the Fee Letter (regardless of whether indemnified against pursuant to said Sections or in such Fee Letter)), that may be imposed on or incurred by such Liquidity Indemnitee, in any way relating to, resulting from, or arising out of or in connection with, any action, suit or proceeding by any third party against such Liquidity Indemnitee and relating to this Agreement, the Fee Letter, the Intercreditor Agreement or any Participation Agreement; provided, however, that the Borrower shall not be required to indemnify, protect, defend and hold harmless any Liquidity Indemnitee in respect of any Expense of such Liquidity Indemnitee to the extent such Expense is (i) attributable to the gross negligence or willful misconduct of such Liquidity Indemnitee or any other Liquidity Indemnitee, (ii) an ordinary and usual operating overhead expense, (iii) attributable to the failure by such Liquidity Indemnitee or any other Liquidity Indemnitee to perform or observe any agreement, covenant or condition on its part to be performed or observed

in this Agreement, the Intercreditor Agreement, the Fee Letter or any other Operative Agreement to which it is a party or (iv) otherwise excluded from the indemnification provisions contained in Section 4.02 of the Participation Agreements. The provisions of Sections 3.01, 3.03, 3.09, 7.05 and 7.07 and the indemnities contained in Section 4.02 of the Participation Agreements shall survive the termination of this Agreement.

Section 7.06 Liability of the Liquidity Provider. (a) Neither the Liquidity Provider nor any of its officers, employees or directors shall be liable or responsible for: (i) the use which may be made of the Advances or any acts or omissions of the Borrower or any beneficiary or transferee in connection therewith; (ii) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; or (iii) the making of Advances by the Liquidity Provider against delivery of a Notice of Borrowing and other documents which do not comply with the terms hereof; provided, however, that the Borrower shall have a claim against the Liquidity Provider, and the Liquidity Provider shall be liable to the Borrower, to the extent of any damages suffered by the Borrower that were the result of (A) the Liquidity Provider's willful misconduct or gross negligence in determining whether documents presented hereunder comply with the terms hereof or (B) any breach by the Liquidity Provider of any of the terms of this Agreement or the Intercreditor Agreement, including, but not limited to, the Liquidity Provider's failure to make lawful payment hereunder after the delivery to it by the Borrower of a Notice of Borrowing complying with the terms and conditions hereof. In no event, however, shall the Liquidity Provider be liable on any theory of liability for any special, indirect, consequential or punitive damages (including, without limitation, loss of profits, business or anticipated savings).

(b) Neither the Liquidity Provider nor any of its officers, employees or directors or affiliates shall be liable or responsible in any respect for (i) any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with this Agreement or any Notice of Borrowing delivered hereunder or (ii) any action, inaction or omission which may be taken by it in good faith, absent willful misconduct or gross negligence (in which event the extent of the Liquidity Provider's potential liability to the Borrower shall be limited as set forth in the immediately preceding paragraph), in connection with this Agreement or any Notice of Borrowing.

Section 7.07 Certain Costs and Expenses. The Borrower agrees promptly to pay, or cause to be paid, (a) the reasonable fees, expenses and disbursements of Pillsbury Winthrop Shaw Pittman LLP, special counsel for the Liquidity Provider, in connection with the preparation, negotiation, execution, delivery, filing and recording of the Operative Agreements, any waiver or consent thereunder or any amendment thereof, (b) if a Liquidity Event of Default occurs, all out-of-pocket expenses incurred by the Liquidity Provider, including reasonable fees and disbursements of counsel, in connection with such Liquidity Event of Default and any collection, bankruptcy, insolvency and other enforcement proceedings in connection therewith and (c) on demand, all reasonable costs and expenses (including reasonable counsel fees and expenses) of the Liquidity Provider in connection with the modification or amendment of, or supplement to, this Agreement or any other Operative Agreement or such other documents which may be delivered in connection herewith or therewith (whether or not the same shall become effective) or any waiver or consent thereunder (whether or not the same shall be effective), unless such costs or expenses arise as a result of the negligence of the Liquidity Provider or any breach by

the Liquidity Provider of its obligations under any Operative Agreement. In addition, the Borrower shall pay any and all recording, stamp and other similar taxes and fees payable or determined to be payable in the United States in connection with the execution, delivery, filing and recording of this Agreement, any other Operative Agreement and such other documents, and agrees to save the Liquidity Provider harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes or fees.

Section 7.08 Binding Effect; Participations. (a) This Agreement shall be binding upon and inure to the benefit of the Borrower and the Liquidity Provider and their respective successors and permitted assigns, except that neither the Liquidity Provider (except as otherwise provided in this Section 7.08) nor (except as contemplated by Section 3.08) the Borrower shall have the right to assign, pledge or otherwise transfer its rights or obligations hereunder or any interest herein, subject to the Liquidity Provider's right to grant Participations pursuant to Section 7.08(b).

(b) The Liquidity Provider agrees that it will not grant any participation (including, without limitation, a "risk participation") (any such participation, a "***Participation***") in or to all or a portion of its rights and obligations hereunder or under the other Operative Agreements, unless all of the following conditions are satisfied (and, if all such conditions are satisfied with respect to any Participation, the Liquidity Provider may grant such Participation): (i) such Participation is made in accordance with all applicable laws, including, without limitation, the Securities Act of 1933, as amended, the Trust Indenture Act of 1939, as amended, and any other applicable laws relating to the transfer of similar interests, (ii) such Participation shall not be made under circumstances that require registration under the Securities Act of 1933, as amended, or qualification of any indenture under the Trust Indenture Act of 1939, as amended and (iii) such Participation shall not be made to any Person that is a commercial air carrier, American or any affiliate of American. Notwithstanding any such Participation, the Liquidity Provider agrees that (1) the Liquidity Provider's obligations under the Operative Agreements shall remain unchanged, and such participant shall have no rights or benefits as against American or the Borrower or under any Operative Agreement, (2) the Liquidity Provider shall remain solely responsible to the other parties to the Operative Agreements for the performance of such obligations, (3) the Liquidity Provider shall remain the maker of any Advances, and the other parties to the Operative Agreements shall continue to deal solely and directly with the Liquidity Provider in connection with the Advances and the Liquidity Provider's rights and obligations under the Operative Agreements, (4) the Liquidity Provider shall be solely responsible for any withholding Taxes or any filing or reporting requirements relating to such Participation and shall hold the Borrower and American and their respective successors, permitted assigns, affiliates, agents and servants harmless against the same and (5) neither American nor the Borrower shall be required to pay to the Liquidity Provider any amount under Section 3.01 or Section 3.03 greater than it would have been required to pay had there not been any grant of a Participation by the Liquidity Provider. The Liquidity Provider may, in connection with any Participation or proposed Participation pursuant to this Section 7.08(b), disclose to the participant or proposed participant any information relating to the Operative Agreements or to the parties thereto furnished to the Liquidity Provider thereunder or in connection therewith and permitted to be disclosed by the Liquidity Provider; provided, however, that prior to any such disclosure, the participant or proposed participant shall agree in writing for the express benefit of the Borrower and American to preserve the confidentiality of any confidential information included therein

(subject to customary exceptions). The Borrower acknowledges and agrees that the Liquidity Provider's source of funds may derive in part from its participants. Accordingly, in determining amounts due by the Borrower to the Liquidity Provider pursuant to Section 3.01 and Section 3.03 of this Agreement, references in this Agreement to determinations, reserve, liquidity and capital adequacy requirements, increased costs, reduced receipts, additional amounts due pursuant to Section 3.03 and the like as they pertain to the Liquidity Provider shall be deemed also to include those of each of its participants that are commercial banking institutions and of whose participation the Borrower has been notified, in each case up to the maximum amount that would have been incurred by or attributable to the Liquidity Provider directly had there not been any grant of a Participation by the Liquidity Provider, and references to the Liquidity Provider therein and in related definitions shall be treated as references to such participants where applicable; provided that in any event, neither American nor the Borrower shall be required to pay any amount under Section 3.01 or Section 3.03 greater than it would have been required to pay had there not been any grant of a Participation by the Liquidity Provider. If the Liquidity Provider sells a Participation, it shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in this Agreement.

(c) The Liquidity Provider agrees that, as a condition of any Participation, the participant shall (i) represent to the Liquidity Provider (for the benefit of the Liquidity Provider and the Borrower) that under applicable law and treaties, no taxes will be required to be withheld with respect to any income derived by such participant from the transactions contemplated by the Operative Agreements, (ii) furnish to the Liquidity Provider and the Borrower two properly completed executed originals of United States Internal Revenue Service Form W-8ECI, Form W-8BEN-E or Form W-9, as appropriate, or other applicable form, certificate or document prescribed by the Internal Revenue Service certifying, in each case, such participant's entitlement to a complete exemption from United States federal withholding tax and backup withholding for all income derived by it from the transactions contemplated by the Operative Agreements, (iii) agree (for the benefit of the Liquidity Provider and the Borrower) to provide each of the Liquidity Provider and the Borrower a new Form W-8ECI, Form W-8BEN-E or Form W-9, as appropriate, or other applicable form, certificate or document (A) on or before the date that any such form, certificate or document expires or becomes obsolete or (B) after the occurrence of any event requiring a change in the most recent form, certificate or document previously delivered by it and prior to the immediately following due date of any payment to be made to the participant pursuant to the Operative Agreements, certifying that such participant is entitled to a complete exemption from or reduction in United States federal withholding tax and backup withholding for all income derived by it from the transactions contemplated by the Operative Agreements or that it is no longer so entitled and (iv) agree (for the benefit of the Liquidity Provider and the Borrower) to provide such other forms or documents as may be reasonably requested by the Borrower or required by applicable law to establish that all income derived by it from the transactions contemplated by the Operative Agreements is exempt from or entitled to a reduced rate of Covered Taxes. The Liquidity Provider shall provide to the Borrower such information as the Borrower may reasonably request about the Liquidity Provider or a participant to satisfy any reporting or other Tax obligations of the Borrower with respect to this Agreement; provided that the Liquidity Provider shall not be required to provide any such information (other than the names of participants, percentage of participation and copies of such participants' withholding tax forms) which is not within its possession or which is confidential.

(d) Notwithstanding the other provisions of this Section 7.08, the Liquidity Provider may assign and pledge all or any portion of the Advances owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank; provided that any payment in respect of such assigned Advances made by the Borrower to the Liquidity Provider in accordance with the terms of this Agreement shall satisfy the Borrower's obligations hereunder in respect of such assigned Advance to the extent of such payment. No such assignment shall release the Liquidity Provider from its obligations hereunder.

Section 7.09 Severability. To the extent permitted by applicable law, any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 7.10 Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

Section 7.11 Submission to Jurisdiction; Waiver of Jury Trial; Waiver of Immunity. (a) Each of the parties hereto, to the extent it may do so under applicable law, for purposes hereof hereby (i) irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto or thereto, or their successors or permitted assigns, (ii) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts, (iii) agrees that service of process in any such suit, action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to each party hereto at its address set forth in Section 7.02 hereof, or at such other address of which the Liquidity Provider shall have been notified pursuant thereto and (iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law.

(b) THE BORROWER AND THE LIQUIDITY PROVIDER EACH HEREBY AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT AND THE RELATIONSHIP THAT IS BEING ESTABLISHED, including, without limitation, contract claims, tort claims, breach of duty claims and all other common law and statutory claims. The Borrower and the Liquidity Provider each warrant and represent that it has reviewed this waiver with its legal counsel, and that it knowingly and voluntarily waives its

jury trial rights following consultation with such legal counsel. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THIS WAIVER IS IRREVOCABLE, AND CANNOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

(c) To the extent that the Liquidity Provider or any of its properties has or may hereafter acquire any right of immunity, whether characterized as sovereign immunity or otherwise, and whether under the United States Foreign Sovereign Immunities Act of 1976 (or any successor legislation) or otherwise, from any legal proceedings, whether in the United States or elsewhere, to enforce or collect upon this Agreement, including, without limitation, immunity from suit or service of process, immunity from jurisdiction or judgment of any court or tribunal or execution of a judgment, or immunity of any of its property from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, the Liquidity Provider hereby irrevocably and expressly waives any such immunity, and agrees not to assert any such right or claim in any such proceeding, whether in the United States or elsewhere.

Section 7.12 Counterparts. This Agreement may be executed in any number of counterparts (and each party shall not be required to execute the same counterpart). Each counterpart of this Agreement including a signature page or pages executed by each of the parties hereto shall be an original counterpart of this Agreement, but all of such counterparts together shall constitute one instrument.

Section 7.13 Entirety. This Agreement and the Intercreditor Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior understandings and agreements of such parties.

Section 7.14 Headings. The headings of the various Articles and Sections herein and in the Table of Contents hereto are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 7.15 Liquidity Provider’s Obligation to Make Advances. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE OBLIGATIONS OF THE LIQUIDITY PROVIDER TO MAKE ADVANCES HEREUNDER, AND THE BORROWER’S RIGHTS TO DELIVER NOTICES OF BORROWING REQUESTING THE MAKING OF ADVANCES HEREUNDER, SHALL BE ABSOLUTE, UNCONDITIONAL AND IRREVOCABLE, AND SHALL BE PAID OR PERFORMED, IN EACH CASE STRICTLY IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT.

Section 7.16 Patriot Act. The Liquidity Provider hereby notifies the Borrower that pursuant to the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (“USA PATRIOT Act”) it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Liquidity Provider to identify the Borrower in accordance with such Act.

Section 7.17 No Fiduciary Relationship. The Borrower agrees that in connection with all aspects of the transactions contemplated hereby and any communications in connection therewith, the Borrower and the persons for which it acts as agent, on the one hand, and the Liquidity Provider, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Liquidity Provider, and no such duty will be deemed to have arisen in connection with any such transactions or communications.

Section 7.18 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in this Agreement or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under this Agreement, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any write-down or conversion powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction, in full or in part, of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first set forth above.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as agent and trustee for the Class B Trust, as Borrower

By: /s/ Adam R. Vogelsong
Name: Adam R. Vogelsong
Title: Vice President

NATIONAL AUSTRALIA BANK LIMITED,
as Liquidity Provider

By: /s/ Daniel Carr
Name: Daniel Carr
Title: Director

Signature Page

FORM OF INTEREST ADVANCE NOTICE OF BORROWING

INTEREST ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "***Borrower***"), hereby certifies to NATIONAL AUSTRALIA BANK LIMITED (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2017-1B), dated as of March 31, 2017, between the Borrower and the Liquidity Provider (the "***Liquidity Agreement***"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of an Interest Advance by the Liquidity Provider to be used for the payment of the interest on the Class B Certificates which is payable on ______, ____ (the "***Distribution Date***") in accordance with the terms and provisions of the Class B Trust Agreement and the Class B Certificates, which Advance is requested to be made on ______, ____. The Interest Advance should be remitted to [*insert wire and account details*].

(3) The amount of the Interest Advance requested hereby (i) is $____, to be applied in respect of the payment of the interest which is due and payable on the Class B Certificates on the Distribution Date, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class B Certificates, or principal of, or interest or premium on the Class AA Certificates, the Class A Certificates or the Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class B Certificates, the Class B Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I), (iv) does not exceed the Maximum Available Commitment on the date hereof, and (v) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will apply the same in accordance with the terms of Section 3.05(b) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, the making of the Interest Advance as requested by this Notice of Borrowing shall automatically reduce, subject to reinstatement in accordance with the terms of the Liquidity Agreement, the Maximum Available Commitment by an amount equal to the amount of the Interest Advance requested to be made hereby as set forth in clause (i) of paragraph (3) of this Notice of Borrowing and such reduction shall automatically result in corresponding reductions in the amounts available to be borrowed pursuant to a subsequent Advance.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the __ day of ______, ____.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as Borrower

By: ____

Name:
Title:

SCHEDULE I TO INTEREST ADVANCE NOTICE OF BORROWING

[*Insert Copy of Computations in accordance with Interest Advance Notice of Borrowing*]

FORM OF NON-EXTENSION ADVANCE NOTICE OF BORROWING

NON-EXTENSION ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "***Borrower***"), hereby certifies to NATIONAL AUSTRALIA BANK LIMITED (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2017-1B), dated as of March 31, 2017, between the Borrower and the Liquidity Provider (the "***Liquidity Agreement***"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Non-Extension Advance by the Liquidity Provider to be used for the funding of the Class B Cash Collateral Account in accordance with Section 3.05(d) of the Intercreditor Agreement, which Advance is requested to be made on ______, ____. The Non-Extension Advance should be remitted to [*insert wire and account details*].

(3) The amount of the Non-Extension Advance requested hereby (i) is $____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class B Cash Collateral Account in accordance with Sections 3.05(d) and 3.05(f) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of the principal of, or premium on, the Class B Certificates, or principal of, or interest or premium on, the Class AA Certificates, the Class A Certificates or the Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class B Certificates, the Liquidity Agreement, the Class B Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing under the Liquidity Agreement.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class B Cash Collateral Account and apply the same in accordance with the terms of Sections 3.05(d) and 3.05(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Non-Extension Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Liquidity Provider to make further Advances under the Liquidity Agreement and (B) following the making by the Liquidity Provider of the Non-Extension Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the __ day of ______, ____.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as Borrower

By: ____

Name:
Title:

SCHEDULE I TO NON-EXTENSION ADVANCE NOTICE OF BORROWING

[*Insert Copy of computations in accordance with Non-Extension Advance Notice of Borrowing*]

FORM OF DOWNGRADE ADVANCE NOTICE OF BORROWING

DOWNGRADE ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "***Borrower***"), hereby certifies to NATIONAL AUSTRALIA BANK LIMITED (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2017-1B), dated as of March 31, 2017, between the Borrower and the Liquidity Provider (the "***Liquidity Agreement***"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Downgrade Advance by the Liquidity Provider to be used for the funding of the Class B Cash Collateral Account in accordance with Section 3.05(c)(iii) of the Intercreditor Agreement by reason of the Liquidity Facility provided under the Liquidity Agreement becoming a Downgraded Facility which has not been replaced by a Replacement Liquidity Facility, which Advance is requested to be made on ______, ____. The Downgrade Advance should be remitted to [*insert wire and account details*].

(3) The amount of the Downgrade Advance requested hereby (i) is $____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class B Cash Collateral Account in accordance with Sections 3.05(c) and 3.05(f) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of the principal of, or premium on, the Class B Certificates, or principal of, or interest or premium on, the Class AA Certificates, the Class A Certificates or the Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class B Certificates, the Class B Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing under the Liquidity Agreement.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class B Cash Collateral Account and apply the same in accordance with the terms of Sections 3.05(c) and 3.05(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Downgrade Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Liquidity Provider to make further Advances under the Liquidity Agreement and (B) following the making by the Liquidity Provider of the Downgrade Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the __ day of ______, ____.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as Borrower

By: ________________________________
Name:
Title:

SCHEDULE I TO DOWNGRADE ADVANCE NOTICE OF BORROWING

[*Insert Copy of computations in accordance with Downgrade Advance Notice of Borrowing*]

FORM OF FINAL ADVANCE NOTICE OF BORROWING

FINAL ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "***Borrower***"), hereby certifies to NATIONAL AUSTRALIA BANK LIMITED (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2017-1B), dated as of March 31, 2017, between the Borrower and the Liquidity Provider (the "***Liquidity Agreement***"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Final Advance by the Liquidity Provider to be used for the funding of the Class B Cash Collateral Account in accordance with Section 3.05(i) of the Intercreditor Agreement by reason of the receipt by the Borrower of a Termination Notice from the Liquidity Provider with respect to the Liquidity Agreement, which Advance is requested to be made on ______, ____. The Final Advance should be remitted to [*insert wire and account details*].

(3) The amount of the Final Advance requested hereby (i) is $____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class B Cash Collateral Account in accordance with Sections 3.05(f) and 3.05(i) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class B Certificates, or principal of, or interest or premium on, the Class AA Certificates, the Class A Certificates or the Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class B Certificates, the Class B Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class B Cash Collateral Account and apply the same in accordance with the terms of Sections 3.05(f) and 3.05(i) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Final Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Liquidity Provider to make further Advances under

the Liquidity Agreement and (B) following the making by the Liquidity Provider of the Final Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the __ day of ______, ____.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as Borrower

By: ______________________________

Name:
Title:

SCHEDULE I TO FINAL ADVANCE NOTICE OF BORROWING

[*Insert Copy of Computations in accordance with Final Advance Notice of Borrowing*]

FORM OF SPECIAL TERMINATION
ADVANCE NOTICE OF BORROWING

SPECIAL TERMINATION ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "***Borrower***"), hereby certifies to NATIONAL AUSTRALIA BANK LIMITED (the "***Liquidity Provider***"), with reference to the Revolving Credit Agreement (2017-1B), dated as of March 31, 2017, between the Borrower and the Liquidity Provider (the "***Liquidity Agreement***"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Special Termination Advance by the Liquidity Provider to be used for the funding of the Class B Cash Collateral Account in accordance with Section 3.05(k) of the Intercreditor Agreement by reason of the receipt by the Borrower of a Special Termination Notice from the Liquidity Provider with respect to the Liquidity Agreement, which Advance is requested to be made on ___________.

(3) The amount of the Special Termination Advance requested hereby (i) is $____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class B Cash Collateral Account in accordance with Section 3.05(k) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class B Certificates, or principal of, or interest or premium on, the Class AA Certificates, the Class A Certificates or the Additional Certificates, if issued, (iii) was computed in accordance with the provisions of the Class B Certificates, the Class B Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower shall deposit such amount in the Class B Cash Collateral Account and apply the same in accordance with the terms of Section 3.05(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Special Termination Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Liquidity Provider to make further

Advances under the Liquidity Agreement; and (B) following the making by the Liquidity Provider of the Special Termination Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the __ day of ______, ____.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as Borrower

By: ______________________________
Name:
Title:

SCHEDULE I TO SPECIAL TERMINATION ADVANCE NOTICE OF BORROWING

[*Insert Copy of Computations in accordance with Special Termination Advance Notice of Borrowing*]

FORM OF NOTICE OF TERMINATION

NOTICE OF TERMINATION

[Date]

Wilmington Trust Company,
as Subordination Agent,
as Borrower
Rodney Square North
1100 North Market Square
Wilmington, DE 19890-001
Attention: Corporate Trust Division

Re: Revolving Credit Agreement, dated as of March 31, 2017, between Wilmington Trust Company, not in its individual capacity but solely as Subordination Agent, as agent and trustee for the American Airlines Pass Through Trust 2017-1B, as Borrower, and National Australia Bank Limited (the "***Liquidity Agreement***")

Ladies and Gentlemen:

You are hereby notified that pursuant to Section 6.01(a) of the Liquidity Agreement, by reason of the occurrence and continuance of a Liquidity Event of Default and the existence of a Performing Note Deficiency (each as defined in the Liquidity Agreement), we are giving this notice to you in order to cause (i) our obligations to make Advances (as defined in the Liquidity Agreement) under such Liquidity Agreement to terminate at the close of business on the fifth Business Day after the date on which you receive this notice and (ii) you to request a Final Advance under the Liquidity Agreement pursuant to Section 2.02(c) of the Liquidity Agreement and Section 3.05(i) of the Intercreditor Agreement (as defined in the Liquidity Agreement) as a consequence of your receipt of this notice.

THIS NOTICE IS THE "NOTICE OF TERMINATION" PROVIDED FOR UNDER THE LIQUIDITY AGREEMENT. OUR OBLIGATIONS TO MAKE ADVANCES UNDER THE LIQUIDITY AGREEMENT WILL TERMINATE AT THE CLOSE OF BUSINESS ON THE FIFTH BUSINESS DAY AFTER THE DATE ON WHICH YOU RECEIVE THIS NOTICE.

Very truly yours,

NATIONAL AUSTRALIA BANK LIMITED,
as Liquidity Provider

By: ______________________________
Name:
Title:

cc: Wilmington Trust Company, as Class B Trustee
American Airlines, Inc.

<u>FORM OF NOTICE OF SPECIAL TERMINATION</u>

NOTICE OF SPECIAL TERMINATION

[Date]

WILMINGTON TRUST COMPANY,
as Subordination Agent,
as Borrower
Rodney Square North
1100 North Market Square
Wilmington, DE 19890-001

Attention: Corporate Trust Division

Re: Revolving Credit Agreement, dated as of March 31, 2017, between Wilmington Trust Company, not in its individual capacity but solely as Subordination Agent, as agent and trustee for the American Airlines Pass Through Trust 2017-1B, as Borrower, and National Australia Bank Limited (the "***Liquidity Agreement***")

Ladies and Gentlemen:

You are hereby notified that pursuant to Section 6.01(b) of the Liquidity Agreement, by reason of the aggregate Pool Balance of the Class B Certificates exceeding the aggregate outstanding principal amount of the Series B Equipment Notes (other than any Series B Equipment Notes previously sold or with respect to which the Aircraft related to such Series B Equipment Notes has been disposed of) during the 18-month period prior to February 15, 2025, we are giving this notice to you in order to cause (i) our obligations to make Advances (as defined in the Liquidity Agreement) under such Liquidity Agreement to terminate on the fifth Business Day after the date on which you receive this notice and (ii) you to request a Special Termination Advance under the Liquidity Agreement pursuant to Section 2.02(d) of the Liquidity Agreement and Section 3.05(k) of the Intercreditor Agreement (as defined in the Liquidity Agreement) as a consequence of your receipt of this notice.

THIS NOTICE IS THE "NOTICE OF SPECIAL TERMINATION" PROVIDED FOR UNDER THE LIQUIDITY AGREEMENT. OUR OBLIGATIONS TO MAKE ADVANCES UNDER THE LIQUIDITY AGREEMENT WILL TERMINATE AT THE CLOSE OF BUSINESS ON THE FIFTH BUSINESS DAY AFTER THE DATE ON WHICH YOU RECEIVE THIS NOTICE.

Very truly yours,

NATIONAL AUSTRALIA BANK LIMITED,
as Liquidity Provider

By: ______________________________
Name:
Title:

cc: Wilmington Trust Company, as Class B Trustee
American Airlines, Inc.

FORM OF NOTICE OF REPLACEMENT SUBORDINATION AGENT

NOTICE OF REPLACEMENT SUBORDINATION AGENT

[Date]

Attention:

Re: Revolving Credit Agreement, dated as of March 31, 2017, between Wilmington Trust Company, not in its individual capacity but solely as Subordination Agent, as agent and trustee for the American Airlines Pass Through Trust 2017-1B, as Borrower, and National Australia Bank Limited (the "***Liquidity Agreement***")

Ladies and Gentlemen:

For value received, the undersigned beneficiary hereby irrevocably transfers to:

[*Name of Transferee*]

[*Address of Transferee*]

all rights and obligations of the undersigned as Borrower under the Liquidity Agreement referred to above. The transferee has succeeded the undersigned as Subordination Agent under the Intercreditor Agreement referred to in the first paragraph of the Liquidity Agreement, pursuant to the terms of Section 7.01 of the Intercreditor Agreement.

By this transfer, all rights of the undersigned as Borrower under the Liquidity Agreement are transferred to the transferee and the transferee shall hereafter have the sole rights and obligations as Borrower thereunder. The undersigned shall pay any costs and expenses of such transfer, including, but not limited to, transfer taxes or governmental charges.

This transfer shall be effective as of [*specify time and date*].

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Subordination Agent, as Borrower

By: ______________________________
Name:
Title:

SUPPLEMENTAL AGREEMENT NO. 7

to

Purchase Agreement No. 03735

between

THE BOEING COMPANY

and

AMERICAN AIRLINES, INC.

Relating to Boeing Model 737 MAX Aircraft

This SUPPLEMENTAL AGREEMENT No. 7 (***SA-7)***, entered into as of March 2, 2017 (***SA-6 Effective Date***), by and between THE BOEING COMPANY, a Delaware corporation with offices in Washington state (***Boeing***) and AMERICAN AIRLINES, INC. a Delaware corporation with offices in Fort Worth, Texas, together with its successors and permitted assigns (***Customer***);

WHEREAS, Boeing and Customer entered into Purchase Agreement No. 03735 dated February 1, 2013 relating to Boeing Model 737 MAX Aircraft, as amended and supplemented (***Purchase Agreement***) and capitalized terms used herein without definitions shall have the meanings specified therefore in such Purchase Agreement;

WHEREAS, Customer and Boeing desire to add Letter Agreement AAL-PA-03735-LA-1700919 entitled "[*CTR]"; and

NOW, THEREFORE, the parties agree that the Purchase Agreement is amended as set forth below and otherwise agree as follows:

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

1 Table of Contents.

The "Table Of Contents" to the Purchase Agreement referencing SA-6 in the footer is deleted in its entirety and is replaced with the new "Table Of Contents" (attached hereto) referencing SA-7 in the footer to reflect changes made to the Purchase Agreement by this SA-7. Such new Table of Contents is hereby incorporated into the Purchase Agreement in replacement of its predecessor.

2 Letter Agreement.

Letter Agreement No. AAL-PA-03735-LA-1700919 entitled "[*CTR]" is hereby incorporated into the Purchase Agreement (***New Letter Agreement***).

3 Miscellaneous.

3.1 The Purchase Agreement is amended as set forth above, by the New Letter Agreement. All other terms and conditions of the Purchase Agreement remain unchanged and are in full force and effect.

Intentionally Left Blank

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

AGREED AND ACCEPTED this

March 2, 2017
Date

THE BOEING COMPANY	**AMERICAN AIRLINES, INC.**
The Boeing Company	American Airlines, Inc.
Signature	Signature
/s/ The Boeing Company	/s/ American Airlines, Inc.
Printed name	Printed name
Attorney-in-Fact	Vice President & Treasurer
Title	Title

TABLE OF CONTENTS

		SA NUMBER
ARTICLES		
Article 1.	Quantity, Model and Description	
Article 2.	Delivery Schedule	
Article 3.	Price	
Article 4.	Payment	
Article 5.	Additional Terms	
Article 6.	Confidentiality	
TABLE		
1R3.	Aircraft Information Table	6
EXHIBITS		
AR1	Aircraft Configuration	6
B.	Aircraft Delivery Requirements and Responsibilities	
C.	Definitions	
SUPPLEMENTAL EXHIBITS		
AE1.	[*CTR]	
BFE1.	BFE Variables	
CS1R1.	Customer Support Variables	4
EE1.	[*CTR]	
SLP1.	[*CTR]	
LETTER AGREEMENTS		
LA-1106648R1	Special Matters	6
LA-1106649	[*CTR]	
LA-1106650R2	[*CTR]	3
LA-1106651	[*CTR]	
LA-1106652	Aircraft Model Substitution	
LA-1106654	AGTA Terms Revisions for MAX	
~~LA-1106655~~	~~Open Matters – 737 MAX~~ Withdrawn	6
LA-1106656R1	[*CTR]	1
LA-1106657R1	[*CTR]	2
LA-1106663 R1	[*CTR]	2
LA-1106664 R1	[*CTR]	2
LA-1106658	[*CTR]	
LA-1106659R1	[*CTR]	1
LA-1106660	Spare Parts Initial Provisioning	

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

TABLE OF CONTENTS, continued

LETTER AGREEMENTS, continued		SA NUMBER
LA-1106661R2	[*CTR]	2
LA-1106667	[*CTR]	
LA-1106668	[*CTR]	
LA-1106669	[*CTR]	
LA-1106670	Confidentiality	
LA-1106671R1	Miscellaneous Commitments	1
LA-1106672	[*CTR]	
LA-1106673R1*	CS1 Special Matters	4
LA-1106677	[*CTR]	
LA-1600073	[*CTR]	4
LA-1600852	[*CTR]	5
LA-1603773	[*CTR]	5
LA-1605402	[*CTR]	6
LA-1700919	**[*CTR]**	**7**

*** - This is an intended gap as there are no Letter Agreements LA-1106674 through LA-1106676 incorporated by the Purchase Agreement.**

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

BOEING

The Boeing Company
P.O. Box 3707
Seattle, WA 98124-2207

AAL-PA-03735-LA-1700919

American Airlines, Inc.
P.O. Box 619616
Dallas-Fort Worth Airport, Texas 75261-9616

Subject: [*CTR]

Reference: Purchase Agreement No. 03735 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and American Airlines, Inc. (**Customer**) relating to Model 737-8 MAX aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) is entered into on the date below and amends and supplements the Purchase Agreement referenced above. All capitalized terms used in but not otherwise defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement.

Customer has [*CTR] that Boeing [*CTR] in the Aircraft certain [*CTR] which is more fully described in the options listed in Attachment A to this Letter Agreement (collectively referred to as [*CTR]) in accordance with the terms and conditions of this Letter Agreement. [*CTR] that is identified in the Detail Specification for the Aircraft is [*CTR] that Boeing is [*CTR] in accordance with Section 2 below, but is otherwise [*CTR] for purposes of the Purchase Agreement.

The [*CTR] during the [*CTR] and manufacture of the Aircraft to [*CTR] at the time of delivery of the Aircraft. To achieve this, Boeing and Customer will [*CTR] in a manner consistent with (i) the terms and conditions [*CTR]; and (ii) [*CTR].

1. Customer Responsibilities.

1.1 [*CTR]. Customer has [*CTR].

1.2 [*CTR]. Customer will provide [*CTR].

1.3 [*CTR]. Customer will [*CTR]. Such [*CTR]:

1.3.1 specify [*CTR];

1.3.2 specify the [*CTR]; and

1.3.3 require [*CTR].

Customer shall [*CTR]

Additionally, Customer may [*CTR].

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

2. Boeing Responsibilities.

2.1 Boeing shall:

2.1.1 perform the [*CTR] described in Attachment B to this Letter Agreement;

2.1.2 assist [*CTR];

2.1.3 approve the [*CTR];

2.1.4 confirm the [*CTR]

2.1.5 place [*CTR];

2.1.6 manage the [*CTR];

2.1.7 pay the [*CTR]

2.1.8 coordinate [*CTR];

2.1.9 provide [*CTR];

2.1.10 ensure that the [*CTR];

2.1.11 [*CTR] in the Aircraft, in accordance with the terms and conditions of the Purchase Agreement (including, without limitation, the [*CTR]) the [*CTR];

2.1.12 ensure that at the time of Aircraft delivery, the [*CTR] referenced in Attachment A to this Letter Agreement;

2.1.13 if necessary, and upon request of Customer, use [*CTR] to assist Customer in causing [*CTR] under the [*CTR] with the objective of delivery of the Aircraft on the delivery date (that is scheduled in accordance with Section 6.1 of the AGTA) with the [*CTR] in the Aircraft and certified by the FAA; and

2.1.14 prior to delivery of the applicable Aircraft, obtain [*CTR] of the Aircraft with [*CTR].

3. Changes.

3.1 Customer and [*CTR] may change the [*CTR] of Boeing. Customer may [*CTR] at any time, and Boeing shall [*CTR] in a timely manner. Any [*CTR] that Boeing gives to a [*CTR] shall be subject to [*CTR] through Boeing's [*CTR] of the Purchase Agreement.

3.2 Boeing and Customer recognize that the [*CTR] nature of the [*CTR] in order to ensure (i) [*CTR] with the Aircraft and all [*CTR], and (ii) [*CTR] of the Aircraft with the [*CTR]. In such event, Boeing will notify Customer and [*CTR]. If, within [*CTR] as may be mutually agreed in writing) after such notification, (i) Customer and Boeing [*CTR] or [*CTR] and (ii) so long as Boeing has [*CTR] with Customer to [*CTR], then any [*CTR] in delivery of the Aircraft will be [*CTR] and [*CTR]. The [*CTR] of any mutually agreed [*CTR] may result in Boeing [*CTR] contained in Attachment A to this Letter Agreement.

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

3.3 Boeing's [*CTR] of the Aircraft as it relates to [*CTR] as described in the options listed in Attachment A to this Letter Agreement, as such Attachment A may be amended from time to time.

4. [*CTR].

4.1 Boeing and Customer agree to follow the sequential steps identified in this Section 5 to [*CTR]:

4.1.1 Boeing shall [*CTR].

4.1.2 Within [*CTR] or other course of action.

4.2 If Boeing and Customer are [*CTR] on an alternate [*CTR] or course of action within such time, the [*CTR] to Boeing in Section 7 of this Letter Agreement shall apply.

5. Proprietary Rights.

Boeing's [*CTR] will not impose upon Boeing any [*CTR] Customer may have in the [*CTR].

6. Exhibits B and C to the AGTA.

[*CTR] for the purposes of Exhibit B to the AGTA, entitled "Customer Support Document", and Exhibit C to the AGTA, entitled "Product Assurance Document".

7. Boeing [*CTR].

7.1 If Customer [*CTR] as provided in this Letter Agreement or if [*CTR] (for any reason [*CTR] under the Boeing Purchase Order terms) to [*CTR] in accordance with the [*CTR], then, in addition to [*CTR], Boeing will

7.1.1 [*CTR] and

7.1.1.1 if the [*CTR] of the Exhibit A to the AGTA entitled "Buyer Furnished Equipment Provisions Document" (**AGTA Exhibit A BFE Provisions Document**), then the provisions of Article 7, [*CTR], of the AGTA [*CTR];

7.1.1.2 if the [*CTR] of the AGTA Exhibit A BFE Provisions Document, then Boeing will [*CTR];

7.1.2 [*CTR]; and/or

7.1.3 [*CTR] by the amount of Boeing's [*CTR], including but not limited to, (i) [*CTR] by Boeing, (ii) any [*CTR] as established by Boeing and agreed to by the [*CTR] and (iii) [*CTR]; and [*CTR] from any applicable [*CTR].

7.2 Boeing will use [*CTR] described in Section 7.1.3. Notwithstanding the last clause of 7.1.3, Boeing has no [*CTR].

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

7.3 If Boeing [*CTR] set forth herein, then any [*CTR] of the Aircraft, to the [*CTR], will be the [*CTR] of Boeing.

8. [*CTR].

8.1 Estimated [*CTR]. Boeing and Customer agree that the [*CTR].

8.2 Aircraft [*CTR]. The Aircraft [*CTR] will be adjusted at the time of Aircraft Delivery to reflect the [*CTR] and any associated [*CTR] by Boeing to [*CTR] that are otherwise [*CTR] by Boeing.

9. [*CTR].

[*CTR] will [*CTR] with Boeing until the Aircraft [*CTR] to Customer. [*CTR] will remain with the entity that is in [*CTR] prior to Aircraft Delivery.

10. Confidential Treatment.

Customer understands and agrees that the information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. This Letter Agreement shall be subject to the terms and conditions of Letter Agreement No. AAL-PA-03735-LA-1106670 entitled “Confidentiality”.

Intentionally Left Blank

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

If the foregoing correctly sets forth your understanding of our agreement with respect to the matters treated above, please indicate your acceptance and approval below.

Very truly yours,

THE BOEING COMPANY

By /s/ The Boeing Company

Its Attorney-In-Fact

ACCEPTED AND AGREED TO this

Date: March 2, 2017

AMERICAN AIRLINES, INC.

By /s/ American Airlines, Inc.

Its Vice President & Treasurer

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Attachment A
[*CTR]

The following [*CTR] describe(s) the items of equipment that under the terms and conditions of this Letter Agreement are considered to be [*CTR]. Each such [*CTR] is fully described in the [*CTR] as described in Exhibit A to the Purchase Agreement. Final configuration will be based on Customer acceptance of any or all [*CTR] listed below.

[*CTR] Number and Title

[*CTR]
[*CTR]

[*CTR]
[*CTR]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Attachment B
[*CTR]

This Attachment B describes the functions that Boeing will perform as [*CTR] to support (i) the [*CTR] and (ii) the [*CTR] on the Aircraft.

1. [*CTR].

Boeing will perform the following functions [*CTR]. Boeing will have [*CTR] which, in Boeing's reasonable opinion, [*CTR]. Boeing will be [*CTR] for:

(i) [*CTR];

(ii) [*CTR];

(iii) [*CTR];

(iv) [*CTR];

(v) [*CTR];

(vi) [*CTR];

(vii) [*CTR]; and

(viii) [*CTR].

2. [*CTR].

Boeing's [*CTR] will include the functions of [*CTR]. As [*CTR], Boeing will perform the following functions:

(i) as required, [*CTR];

(ii) [*CTR] Boeing, Customer and [*CTR]; and

(iii) [*CTR].

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Exhibit 10.2

EXECUTION VERSION

SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT (this "Second Amendment"), dated as of March 14, 2017 among American Airlines, Inc., a Delaware corporation (the "Borrower"), American Airlines Group Inc., a Delaware corporation (the "Parent" or the "Guarantor"), the lenders party hereto with a 2017 Replacement Term Loan Commitment referred to below (the "Replacement Term Lenders"), each other lender party hereto, Deutsche Bank AG New York Branch ("Deutsche Bank"), as administrative agent (the "Administrative Agent") and JPMorgan Chase Bank, N.A. as the designated lender of 2017 Replacement Term Loans referred to below (the "Designated Replacement Term Lender"). Unless otherwise indicated, all capitalized terms used herein and not otherwise defined shall have the respective meanings provided such terms in the Credit Agreement referred to below (as amended by this Second Amendment).

W I T N E S S E T H:

WHEREAS, the Borrower, the Guarantor, the lenders from time to time party thereto, the Administrative Agent and certain other parties thereto are parties to that certain Amended and Restated Credit and Guaranty Agreement, dated as of May 21, 2015 (as amended by that First Amendment to Amended and Restated Credit and Guaranty Agreement, dated October 26, 2015, and as further amended and restated, supplemented or otherwise modified to but not including the Second Amendment Effective Date as defined below, the "Credit Agreement");

WHEREAS, on the date hereof, there are outstanding 2015 Term Loans under the Credit Agreement (the "Existing Term Loans") in an aggregate principal amount of $1,843,415,625;

WHEREAS, pursuant to Section 10.08(e) of the Credit Agreement, the Borrower desires to refinance in full the Existing Term Loans with the proceeds of the 2017 Replacement Term Loans (as defined below) (the "Refinancing"); and

WHEREAS, the Borrower, the Administrative Agent, the Replacement Term Lenders and the other Lenders party hereto wish to amend the Credit Agreement to provide for (i) the Refinancing and (ii) certain other modifications to the Credit Agreement, in each case, on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION ONE - Credit Agreement Amendments. Effective as of the Second Amendment Effective Date (as defined below):

(a) The Credit Agreement is hereby amended as follows:

(i) Section 1.01 of the Credit Agreement is hereby amended by inserting the following definitions in appropriate alphabetical order:

"*2017 Replacement Term Loans*" shall be the Term Loans incurred pursuant to the Second Amendment.

"*2017 Replacement Term Loan Commitment*" shall mean the Term Loan Commitment of each Replacement Term Lender to make 2017 Replacement Term Loans pursuant to the Second Amendment.

"*2017 Replacement Term Loan Commitment Schedule*" shall mean the schedule of 2017 Replacement Term Loan Commitments of each Replacement Term Lender provided to the Borrower on the Second Amendment Effective Date by the Administrative Agent pursuant to the Second Amendment.

"*Bail-In Action*" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"*Bail-In Legislatio*n" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"*EEA Financial Institution*" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"*EEA Member Country*" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"*EEA Resolution Authority*" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"*EU Bail-In Legislation Schedule*" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"*PAC*" shall mean Panum Aviation Consulting.

"*Replacement Term Lender*" shall mean each Lender having a Term Loan Commitment to provide 2017 Replacement Term Loans or, as the case may be, with an outstanding 2017 Replacement Term Loan.

"*Second Amendment*" shall mean the Second Amendment to this Agreement, dated as of March 14, 2017.

"*Second Amendment Effective Date*" shall have the meaning provided in the Second Amendment.

"*Write-Down and Conversion Powers*" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

(ii) The definition of "*Applicable Margin*" appearing in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"*Applicable Margin*" shall mean the rate per annum determined pursuant to the following:

Class of Loans	Applicable Margin Eurodollar Loans	Applicable Margin ABR Loans
Term Loans outstanding prior to the Second Amendment Effective Date	2.50%	1.50%
2017 Replacement Term Loans	From and after Second Amendment Effective Date: 2.00%	From and after the Second Amendment Effective Date: 1.00%
Revolving Loans	3.00%	2.00%

(iii) The definition of "*Appraisal*" is hereby amended by replacing the first paragraph of such definition in its entirety as follows:

"*Appraisal*" shall mean (i) the Initial Appraisal and (ii) any other appraisal, dated the date of delivery thereof, prepared by (a) with respect to any Route Authorities, Slots and/or Gate Leaseholds, at the Borrower's option, MBA, ICF or PAC (provided that such appraiser must be independent) or any other appraiser appointed by the Borrower and reasonably acceptable to the Administrative Agent, (b) with respect to Spare Parts, at the Borrower's option, MBA, ICF, Sage or PAC (provided that such appraiser must be independent) or any other appraiser appointed by the Borrower and reasonably acceptable to the Administrative Agent, (c) with respect to any aircraft, airframe or engine, at the Borrower's option, any of MBA, ICF, Ascend, BK, AISI, AVITAS or PAC (provided that such appraiser must be independent) or any other

appraiser appointed by the Borrower and reasonably acceptable to the Administrative Agent, (d) with respect to Real Property Assets, CB Richard Ellis (provided that such appraiser must be independent) or any other appraiser by the Borrower and reasonably acceptable to the Administrative Agent and (e) with respect to any other type of property, at the Borrower's option, MBA, ICF, Sage or PAC (provided that such appraiser must be independent) or any other appraiser appointed by the Borrower and reasonably acceptable to the Administrative Agent (in each case of any appraiser specified above in clauses (a), (b), (c), (d) and (e), including its successor). Any Appraisal with respect to:"

(iv) The definition of "*Class*" is hereby amended by deleting "2015 Term Loans" where it appears and replacing such term with "2017 Replacement Term Loans".

(v) The definition of "*Collateral Coverage Ratio*" is hereby amended by adding "of determination" after "any date" and after "such date" each place where such term appears.

(vi) The definition of "*Core Collateral*" appearing in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"*Core Collateral*" shall mean any of the following categories of assets, in each case, for which Appraisals have been delivered to the Administrative Agent pursuant to this Agreement:

(a) all of the Spare Parts owned by the Borrower other than Spare Parts of the Borrower with an aggregate Appraised Value less than or equal to $100 million;

(b) a number of FAA Slots (other than any Temporary Slots) held by the Borrower at DCA that is not less than the sum of (1) the product of (I) 66% and (II) the total number of FAA Slots (other than any Temporary Slots) that are Mainline Slots held by the Borrower at DCA and (2) the product of (I) 66% and (II) the total number of FAA Slots (other than any Temporary Slots) that are Commuter Slots held by the Borrower at DCA, in each case, as of the Second Amendment Effective Date based on an Officer's Certificate of the Borrower delivered to the Administrative Agent on the Second Amendment Effective Date or such later time as the Administrative Agent may agree;

(c) a number of FAA Slots (other than any Temporary Slots) held by the Borrower at LGA that is not less than the product of (I) 66% and (II) the total number of FAA Slots (other than any Temporary Slots) held by the Borrower at LGA as of the Second Amendment Effective Date based on an Officer's Certificate of the Borrower delivered to the Administrative Agent on the Second Amendment Effective Date or such later time as the Administrative Agent may agree;

(d) a number of FAA Slots (other than any Temporary Slots) held by the Borrower at JFK that is not less than to the product of (I) 66% and (II) the total number of FAA Slots (other than any Temporary Slots) held by the Borrower at JFK as of the Second Amendment Effective Date based on an Officer's Certificate of the Borrower delivered to the Administrative Agent on the Second Amendment Effective Date or such later time as the Administrative Agent may agree;

(e) (1) a number of Foreign Slots (other than any Temporary Slots) of the Borrower at airports in Asia that is not less than the product of (I) 90% and (II) the total number of Foreign Slots (other than any Temporary Slots) of the Borrower used in any non-stop scheduled service of the Borrower between airports in the United States and airports in Asia and (2) all of the Route Authorities and Foreign Gate Leaseholds (other than Foreign Gate Leaseholds subject to Transfer Restrictions of the type specified in clause (1)(x) of the proviso to Section 1 of the SGR Security Agreement) of the Borrower used in any non-stop scheduled service of the Borrower between airports in the United States and airports in Asia;

(f) (1) a number of Foreign Slots (other than any Temporary Slots) of the Borrower at airports in South America that is not less than the product of (I) 90% and (II) the total number of Foreign Slots (other than any Temporary Slots) of the Borrower used in any non-stop scheduled service of the Borrower between airports in the United States and airports in South America and (2) all of the Route Authorities and Foreign Gate Leaseholds (other than Foreign Gate Leaseholds subject to Transfer Restrictions of the type specified in clause (1)(x) of the proviso to Section 1 of the SGR Security Agreement) of the Borrower used in any non-stop scheduled service of the Borrower between airports in the United States and airports in South America;

(g) (1) a number of Foreign Slots (other than any Temporary Slots) of the Borrower at airports in Central America and Mexico that is not less than the product of (I) 90% and (II) the total number of Foreign Slots (other than any Temporary Slots) of the Borrower used in any non-stop scheduled service of the Borrower between airports in the United States and airports in Central America and Mexico and (2) all of the Route Authorities and Foreign Gate Leaseholds (other than Foreign Gate Leaseholds subject to Transfer Restrictions of the type specified in clause (1)(x) of the proviso to Section 1 of the SGR Security Agreement) of the Borrower used in any non-stop scheduled service of the Borrower between airports in the United States and airports in Central America and Mexico;

(h) a number of Foreign Slots (other than any Temporary Slots) of the Borrower at LHR that is not less than the product of (I) 66% and (II) (x) during the IATA summer season, the total number of IATA summer season Foreign Slots (other than any Temporary Slots) of the Borrower at LHR that are IATA summer season Foreign Slots used in any non-stop scheduled service of the Borrower between airports in the United States and LHR or (y) during the IATA winter season, the total number of IATA winter season Foreign Slots (other than any Temporary Slots) of the Borrower at LHR that are IATA winter season Foreign Slots used in any non-stop scheduled service of the Borrower between airports in the United States and LHR, in each case as of the Second Amendment Effective Date based on an Officer's Certificate of the Borrower delivered to the Administrative Agent on the Second Amendment Effective Date or such later time as the Administrative Agent may agree; or

(i) any Airbus A320 NEO family aircraft, Airbus 320 family aircraft, Airbus A330 family aircraft, Airbus A350 family aircraft, Boeing 737 NG family aircraft, Boeing 737 MAX family aircraft, Boeing 777 family aircraft, Boeing 787 family aircraft and/or any engines, or any combination of the foregoing assets, in each case, the Appraised Value of which is not less than the product of (i) 20% and (ii) of the product of (x) 1.6 and (y) the Total Obligations as of any date of determination; provided, that all such aircraft or engines are of the type described in Section 1110 of the Bankruptcy Code or any analogous successor provision of the Bankruptcy Code.

(vii) The definition of "*Flyer Miles Obligations*" appearing in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"*Flyer Miles Obligations*" shall mean, at any date of determination, all payment and performance obligations of the Borrower under any card marketing agreement with respect to credit cards co branded by the Borrower and a financial institution which may include obligations in respect of the pre-purchase by third parties of frequent flyer miles and any other similar agreements entered into by Parent or any of its Subsidiaries with any bank from time to time.

(viii) The definition of "*LIBO Rate*" appearing in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety as follows.

"*LIBO Rate*" shall mean, with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate per annum equal to the ICE Benchmark Administration (or any successor organization) LIBOR Rate ("*ICE LIBOR*"), as published by Reuters (or other commercially available source providing quotations of ICE LIBOR as designated by the Administrative Agent from time to time) (the "*Screen*

Rate") at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; provided, that solely in respect of the 2017 Replacement Term Loans, the LIBO Rate shall not be less than 0.00%. In the event that the rate identified in the foregoing sentence is not available at such time for any reason, then such rate shall be equal to the Interpolated Screen Rate.

(ix) The definition of "*Officer's Certificate*" is hereby amended by adding "any Assistant Secretary," after "the Secretary,".

(x) The definition of "*Pari Passu Notes*" is hereby amended by deleting "2015 Term Loans" where it appears and replacing it with "2017 Replacement Term Loans".

(xi) The definition of "*Permitted Disposition*" is hereby amended by deleting "$25,000,000" where it appears in clause (1) and replacing it with "$50,000,000".

(xii) The definition of "*Receivables*" is hereby amended by deleting "subset" where it appears and replacing it with "subject" and adding "or another financing transaction" at the end thereof.

(xiii) The definition of "*Repricing Event*" is hereby amended by deleting "2015 Term Loans" each place it appears and replacing it with "2017 Replacement Term Loans".

(xiv) The definition of "*Term Loan*" is hereby amended by deleting "2015 Term Loans" and replacing it with "2017 Replacement Term Loans".

(xv) The definition of "*Term Loan Commitment*" appearing in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"*Term Loan Commitment*" shall mean the commitment of each Term Lender to make Term Loans hereunder and, in the case of the 2017 Replacement Term Loans, in an aggregate principal amount not to exceed the amount set forth under the heading "2017 Replacement Term Loans" opposite its name in the 2017 Replacement Term Loan Commitment Schedule or in the Assignment and Acceptance pursuant to which such Term Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The aggregate amount of the Term Loan Commitments as of the Second Amendment Effective Date is $1,843,415,625. The Term Loan Commitments as of the Second Amendment Effective Date are for 2017 Replacement Term Loans.

(xvi) The definition of "*Term Loan Maturity Date*" is hereby amended by deleting "2015 Term Loans" where it appears and replacing it with "2017 Replacement Term Loans".

(xvii) The definition of "*US Airways*" is hereby amended by adding "which merged with and into the Borrower with the Borrower as the surviving entity" at the end thereof.

(xviii) Section 2.01(b) is hereby amended and restated in its entirety as follows:

(b) *Term Loan Commitments*. Each Replacement Term Lender has made the 2017 Replacement Term Loans pursuant to the Second Amendment. The 2017 Replacement Term Loans shall constitute Term Loans for all purposes of this Agreement and shall be repaid in accordance with the provisions of this Agreement.

(xix) Section 2.10(b) is hereby amended and restated in its entirety as follows:

(b) The principal amounts of the 2017 Replacement Term Loans shall be repaid in consecutive annual installments (each, an "*Installment*") of 1.00% of the sum of (i) the original aggregate principal amount of the Existing Term Loans as of the Restatement Effective Date *plus* (ii) the original aggregate principal amount of any Incremental Term Loans of the same Class as the 2017 Replacement Term Loans from time to time after the Second Amendment Effective Date, on each anniversary of the Closing Date occurring prior to the Term Loan Maturity Date with respect to such 2017 Replacement Term Loans commencing on June 27, 2017. Notwithstanding the foregoing, (1) such Installments shall be reduced in connection with any mandatory or voluntary prepayments of the 2017 Replacement Term Loans in accordance with Sections 2.12 and 2.13, as applicable and (2) the Term Loans, together with all other amounts owed hereunder with respect thereto, shall, in any event, be paid in full no later than the applicable Term Loan Termination Date.

(xx) Section 2.13(a) is hereby amended by adding the following sentence at the end thereof:

Notwithstanding anything to the contrary above, no notice to the Administrative Agent shall be required in connection with the repayment of the Existing Term Loans (as defined in the Second Amendment) with the proceeds of 2017 Replacement Term Loans incurred on the Second Amendment Effective Date.

(xxi) Section 2.13(d) is hereby amended by (A) deleting "2015 Term Loans" each place it appears and replacing it with "2017 Replacement Term Loans" and (B) deleting "Restatement Effective Date" and replacing it with "Second Amendment Effective Date".

(xxii) Section 2.19 is hereby amended by deleting "dated as of May 6, 2015 by and between the Borrower and the Joint Lead Arrangers and Bookrunners" where it appears and replacing it with "dated as of March 3, 2017 by and between the Borrower and the Agents (as defined therein)".

(xxiii) Section 2.27(c) is hereby amended by deleting "2015 Term Loans" each place it appears and replacing it with "2017 Replacement Term Loans".

(xxiv) Section 3.16 is hereby amended by deleting "and no such reports have been made".

(xxv) A new Section 10.19 is added as follows:

Section 10.19 Acknowledgment and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

(b) (i) Subject to the satisfaction (or waiver) of the conditions set forth in Section Three hereof, the Replacement Term Lenders hereby agree to make 2017 Replacement Term Loans (as defined below) to the Borrower on the Second Amendment Effective Date (as defined below) in the aggregate principal amount of $1,843,415,625, which shall be used solely to refinance in full all outstanding Existing Term Loans.

(ii) As of the Second Amendment Effective Date, immediately prior to the effectiveness of the Second Amendment, the Administrative Agent has prepared and provided a true and correct copy to the Borrower of a schedule (the "2017 Replacement Term Loan Commitments Schedule") which sets forth the allocated commitments received by it (the "2017 Replacement Term Loan Commitments") from the Lenders providing the 2017 Replacement Term Loans. The Administrative Agent has notified each Replacement Term Lender of its allocated 2017 Replacement Term Loan Commitment, and each of the Replacement Term Lenders is listed as a signatory to this Second Amendment. On the Second Amendment Effective Date, all Existing Term Loans shall be refinanced in full as follows:

(w) the outstanding aggregate principal amount of Existing Term Loans of each Lender which does not have a 2017 Replacement Term Loan Commitment (each, a "Non-Converting Term Lender") shall be repaid in full in cash;

(x) to the extent any Lender has a 2017 Replacement Term Loan Commitment that is less than the full outstanding aggregate principal amount of Existing Term Loans of such Lender, such Lender shall be repaid in cash in an amount equal to the difference between the outstanding aggregate principal amount of Existing Term Loans of such Lender and such Lender's 2017 Replacement Term Loan Commitment (the "Non-Converting Term Portion");

(y) the outstanding aggregate principal amount of Existing Term Loans of each Lender which has a 2017 Replacement Term Loan Commitment (each, a "Converting Term Lender," and, together with the Non-Converting Term Lenders, the "Existing Term Lenders") shall automatically be converted into 2017 Replacement Term Loans (a "Converted 2017 Replacement Term Loan") in a principal amount equal to such Converting Term Lender's Existing Term Loans outstanding on the Second Amendment Effective Date immediately prior to such conversion, less an amount equal to any Non-Converting Term Portion; and

(z) (1) each Replacement Term Lender that is not an Existing Term Lender (each, a "New Term Lender") and (2) each Converting Term Lender with a 2017 Replacement Term Loan Commitment in an amount in excess of the aggregate principal amount of Existing Term Loans of such Converting Term Lender (such difference, the "New Term Commitment"), agrees to make to the Borrower a new Term Loan (each, a "New Term Loan" and, collectively, the "New Term Loans" and, together with the Converted 2017 Replacement Term Loans, the "2017 Replacement Term Loans") in a principal amount equal to such Converting Term Lender's New Term Commitment or such New Term Lender's 2017 Replacement Term Loan Commitment, as the case may be, on the Second Amendment Effective Date, which 2017 Replacement Term Loans shall be subject to the terms of the Credit Agreement after giving effect to this Second Amendment.

(iii) On the Second Amendment Effective Date, each Replacement Term Lender hereby agrees to fund its 2017 Replacement Term Loans in an aggregate principal amount equal to such Replacement Term Lender's 2017 Replacement Term Loan Commitment as follows: (x) each Converting Term Lender shall fund its 2017 Replacement Term Loans to the Borrower by converting its then outstanding principal amount of Existing Term Loans into 2017 Replacement Term Loans in an equal principal amount as provided in clause (ii)(y) above, (y) (1) each Converting Term Lender with a New Term Commitment shall fund in cash an amount equal to its New Term Commitment to the Designated Replacement Term Lender and (2) each New Term Lender shall fund in cash an amount equal to its 2017 Replacement Term Loan Commitment to the Designated Replacement Term Lender, and (z) the Designated Replacement Term Lender shall fund in cash to the Borrower an amount equal to the New Term Commitment of each Converting Term Lender and the 2017 Replacement Term Loan Commitment of each New Term Lender.

(iv) All outstanding Borrowings of Existing Term Loans shall continue in effect for the equivalent principal amount of 2017 Replacement Term Loans after the Second Amendment Effective Date and each resulting "borrowing" of 2017 Replacement Term Loans shall be deemed to constitute a new deemed "borrowing" under the Credit Agreement and be subject to the same Interest Period (and the same LIBO Rate) applicable to the Existing Term Loans to which it relates immediately prior to the Second Amendment Effective Date, which Interest Period shall continue in effect (until such Interest Periods expire, at which time subsequent Interest Periods shall be determined in accordance with the provisions of Section 2.05 of the Credit Agreement). New Term Loans shall be initially incurred as Eurodollar Loans and shall be allocated ratably to the outstanding deemed "borrowings" of 2017 Replacement Term Loans on the Second Amendment Effective Date. Each such Borrowing of New Term Loans shall be subject to (x) an Interest Period which commences on the Second Amendment Effective Date and ends on the last day of the Interest Period applicable to the Existing Term Loans and (y) the same LIBO Rate applicable to the 2017 Replacement Term Loans. The 2017 Replacement Term Loans of each Replacement Term Lender shall be allocated ratably to such Interest Periods (based upon the relative principal amounts of Borrowings of Existing Term Loans subject to such Interest Periods immediately prior to the Second Amendment Effective Date), with the effect being that Existing Term Loans which are converted into Converted 2017 Replacement Term Loans hereunder shall continue to be subject to the same Interest Periods and any 2017 Replacement Term Loans that are funded in cash on the Second Amendment Effective Date shall be ratably allocated to the various Interest Periods as described above.

(v) On the Second Amendment Effective Date, the Borrower shall pay in cash (a) all interest accrued on the Existing Term Loans through the Second Amendment Effective Date and (b) to each Non-Converting Term Lender and each Converting Term Lender with a Non-Converting Term Portion, any breakage loss or expenses due under Section 2.15 of the Credit Agreement (it being understood that existing Interest Periods of the Existing Term Loans held by Replacement Term Lenders prior to the Second Amendment Effective Date shall continue on and after the Second Amendment Effective Date and shall accrue interest in accordance with Section 2.07 of the Credit Agreement on and after the Second Amendment Effective Date). Each Converting Term Lender hereby waives any entitlement to any breakage loss or expenses due under Section 2.15 of the Credit Agreement with respect to the repayment of that portion of its Existing Term Loans with the proceeds of Converted 2017 Replacement Term Loans.

(vi) On the Second Amendment Effective Date, all promissory notes, if any, evidencing the Existing Term Loans shall be automatically cancelled, and any Replacement Term Lender may request that its 2017 Replacement Term Loan be evidenced by a promissory pursuant to Section 2.10(f) of the Credit Agreement.

SECTION TWO - Titles and Roles. The parties hereto agree that, as of the Second Amendment Effective Date and in connection with the Second Amendment:

(a) each of JPMCB, Barclays, Citi, CS Securities, DBSI, GSLP, ML, MS, BNP Securities, CA-CIB, ICBC, US Bank (each as defined in the Engagement Letter dated as of March 3, 2017, by and between, *inter alios*, the Borrower and the Lead Arrangers (as defined

below) (the "Engagement Letter")) and any permitted assignees under the Engagement Letter, shall be designated as, and perform the roles associated with, a joint lead arranger and bookrunner (in such capacity, collectively, the "Lead Arrangers");

(b) each of JPMCB, Barclays, Citi, CS Securities, DBSI, GSLP, ML and MS shall be designated as, and perform the roles associated with, a syndication agent (in such capacity, collectively, the "Syndication Agents"); and

(c) each of BNP Securities, CA-CIB, ICBC and US Bank shall be designated as, and perform the roles associated with, a documentation agent (in such capacity, collectively, the "Documentation Agents").

For the avoidance of doubt, the provisions of Section 10.04 of the Credit Agreement shall apply to, and inure to the benefit of, each Lead Arranger, each Syndication Agent and each Documentation Agent in connection with their respective roles hereunder.

SECTION THREE - Conditions to Effectiveness. The provisions of Section One of this Second Amendment shall become effective on the date (the "Second Amendment Effective Date") when each of the following conditions specified below shall have been satisfied:

(a) The Borrower, the Guarantor, the Administrative Agent, the Designated Replacement Term Lender, the Replacement Term Lenders and such other lenders constituting the Required Lenders shall have signed a counterpart hereof (whether the same or different counterparts) and shall have delivered the same to Milbank, Tweed, Hadley & McCloy LLP, 28 Liberty Street, New York, NY 10005, attention: ###;

(b) all reasonable invoiced out-of-pocket expenses incurred by the Lenders and the Administrative Agent pursuant to Section 10.04 of the Credit Agreement or the Engagement Letter (including the reasonable and documented fees, charges and disbursements of counsel) and all accrued and unpaid fees, owing and payable (including any fees agreed to in connection with this Second Amendment) shall have been paid to the extent invoiced at least two (2) Business Days prior to the Second Amendment Effective Date (or such shorter period as may be agreed by the Borrower);

(c) the Administrative Agent shall have received an Officer's Certificate certifying as to the Collateral Coverage Ratio in accordance with Section 4.02(d) of the Credit Agreement;

(d) the Administrative Agent shall have received a customary written opinion of Latham & Watkins LLP, special counsel for the Borrower and the Guarantor addressed to the Administrative Agent and the Replacement Term Lenders party hereto, and dated the Second Amendment Effective Date;

(e) the Administrative Agent shall have received a certificate of the Secretary or Assistant Secretary (or similar Responsible Officer), dated the Second Amendment Effective Date (i) certifying as to the incumbency and specimen signature of each Responsible Officer of the Borrower and the Guarantor executing this Second Amendment or any other document

delivered by it in connection herewith (such certificate to contain a certification of another Responsible Officer of that entity as to the incumbency and signature of the Responsible Officer signing the certificate referred to in this clause (e)), (ii) attaching each constitutional document of each Loan Party or certifying that each constitutional document of each Loan Party previously delivered to the Administrative Agent has not been amended, supplemented, rescinded or otherwise modified and remains in full force and effect as of the date hereof, (iii) attaching resolutions of each Loan Party approving the transactions contemplated by the Second Amendment and (iv) attaching a certificate of good standing for the Borrower and the Guarantor of the state of such entity's incorporation or formation, dated as of a recent date, as to the good standing of that entity (to the extent available in the applicable jurisdiction);

(f) the Administrative Agent shall have received an Officer's Certificate certifying (A) the truth in all material respects of the representations and warranties set forth in the Credit Agreement and the other Loan Documents (other than representations and warranties set forth in Sections 3.05(b), 3.06, 3.09(a) and 3.19 of the Credit Agreement) as though made on the date hereof, or, in the case of any such representation and warranty that relates to a specified date, as though made as of such date provided, that any representation or warranty that is qualified by materiality (it being understood that any representation or warranty that excludes circumstances that would not result in a "Material Adverse Change" or "Material Adverse Effect" shall not be considered (for purposes of this proviso) to be qualified by materiality and provided, further, that for purposes of this Section 3(f), the representations and warranties contained in Sections 3.04(a) and 3.05(a) of the Credit Agreement shall be deemed to refer to the most recent financial statements and Form 10-K furnished pursuant to Section 5.01(a) of the Credit Agreement) shall be true and correct in all respects as of the applicable date, before and after giving effect to this Second Amendment) and (B) as to the absence of any event occurring and continuing, or resulting from this Second Amendment on, the Second Amendment Effective Date, that constitutes a Default or Event of Default; and

(g) the Administrative Agent shall have received a Loan Request delivered in compliance with Section 2.03(b) of the Credit Agreement not later than 1:00 p.m. New York City time one (1) Business Day before the Second Amendment Effective Date or such shorter time as the Administrative Agent may agree.

SECTION FOUR - No Default; Representations and Warranties. In order to induce the Replacement Term Lenders and the Administrative Agent to enter into this Second Amendment, the Borrower represents and warrants to each of the Replacement Term Lenders and the Administrative Agent that, on and as of the date hereof after giving effect to this Second Amendment, (i) no Default or Event of Default has occurred and is continuing or would result from giving effect to this Second Amendment and (ii) the representations and warranties contained in the Credit Agreement and the other Loan Documents (other than representations and warranties set forth in Sections 3.05(b), 3.06, 3.09(a) and 3.19 of the Credit Agreement) are true and correct in all material respects on and as of the date hereof with the same effect as if made on and as of the date hereof or, in the case of any representations and warranties that expressly relate to an earlier date, as though made as of such date (provided, that any representation or warranty that is qualified by materiality (it being understood that any representation or warranty that excludes circumstances that would not result in a "Material Adverse Change" or "Material Adverse Effect" shall not be considered (for purposes of this

proviso) to be qualified by materiality and provided, further, that for purposes of this Section 4, the representations and warranties contained in Sections 3.04(a) and 3.05(a) of the Credit Agreement shall be deemed to refer to the most recent financial statements and Form 10-K furnished pursuant to Section 5.01(a) of the Credit Agreement) shall be true and correct in all respects as of the applicable date, before and after giving effect to this Second Amendment.

SECTION FIVE - Confirmation. The Borrower and the Guarantor hereby confirm that all of their obligations under the Credit Agreement (as amended hereby) are, and shall continue to be, in full force and effect. The parties hereto (i) confirm and agree that the term “Obligations” and “Guaranteed Obligations” as used in the Credit Agreement and the other Loan Documents shall include, without limitation, all obligations of the Borrower with respect to the 2017 Replacement Term Loans (after giving effect to this Second Amendment) and all obligations of the Guarantor with respect to the guarantee of such obligations, respectively, and (ii) reaffirm the grant of Liens on the Collateral to secure the Obligations (including the Obligations under the 2017 Replacement Term Loans incurred pursuant to this Second Amendment) pursuant to the Collateral Documents.

SECTION SIX - Reference to and Effect on the Credit Agreement. On and after the Second Amendment Effective Date, each reference in the Credit Agreement to “this Agreement,” “hereunder,” “hereof” or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended by this Second Amendment. The Credit Agreement and each of the other Loan Documents, as specifically amended by this Second Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. This Second Amendment shall be deemed to be a “Loan Document” for all purposes of the Credit Agreement (as amended hereby) and the other Loan Documents. The execution, delivery and effectiveness of this Second Amendment shall not, except as expressly provided herein, operate as an amendment or waiver of any right, power or remedy of any Lender or any Agent under any of the Loan Documents, nor constitute an amendment or waiver of any provision of any of the Loan Documents.

SECTION SEVEN - Execution in Counterparts. This Second Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Second Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Second Amendment by facsimile or electronic .pdf copy shall be effective as delivery of a manually executed counterpart of this Second Amendment.

SECTION EIGHT - Governing Law. THIS SECOND AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS SECOND AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION NINE - Miscellaneous. (a) The provisions set forth in Sections 10.03, 10.04, 10.05(b)-(d), 10.09, 10.10, 10.11, 10.13, 10.15, 10.16 and 10.17 of the Credit Agreement are hereby incorporated mutatis mutandis herein by reference thereto as fully and to the same extent as if set forth herein.

(b) For purposes of determining withholding Taxes imposed under FATCA, from and after the effective date of this Second Amendment, the Borrower and the Administrative Agent shall treat (and the Lenders party hereto hereby authorize the Administrative Agent to treat) the Term Loan Facility as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

[REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be duly executed and delivered as of the day and year first above written.

AMERICAN AIRLINES, INC., as the Borrower

By: /s/ Thomas T. Weir
Name: Thomas T. Weir
Title: Vice President and Treasurer

AMERICAN AIRLINES GROUP INC., as Parent and Guarantor

By: /s/ Thomas T. Weir
Name: Thomas T. Weir
Title: Vice President and Treasurer

DEUTSCHE BANK AG NEW YORK BRANCH,
as Administrative Agent

By: /s/ Marcus Tarkington
Name: Marcus Tarkington
Title: Director

By: /s/ Peter Cucchiara
Name: Peter Cucchiara
Title: Vice President

[Second Amendment to Credit and Guaranty Agreement]

JPMORGAN CHASE BANK, N.A.,
as the Designated Replacement Term Lender and a Replacement Term Lender

By: /s/ Cristina Caviness
Name: Cristina Caviness
Title: Vice President

Exhibit 10.3

SUPPLEMENTAL AGREEMENT NO. 8

to

Purchase Agreement No. 3219

between

THE BOEING COMPANY

and

AMERICAN AIRLINES, INC.

Relating to Boeing Model 787 Aircraft

THIS SUPPLEMENTAL AGREEMENT No. 8 (***SA-8***) is made between THE BOEING COMPANY, a Delaware corporation with offices in Seattle, Washington (***Boeing***), and AMERICAN AIRLINES, INC, a Delaware corporation with offices in Fort Worth, Texas, together with its successors and permitted assigns (***Customer***);

WHEREAS, Boeing and Customer entered into Purchase Agreement No. 3219 dated October 15, 2008, relating to Boeing Model 787 aircraft, as amended and supplemented (***Purchase Agreement***) and capitalized terms used herein without definitions shall have the meanings specified in such Purchase Agreement;

WHEREAS, Customer and Boeing agree to incorporate clarifying revisions to certain exhibits and letter agreements [*CTR] for the [*CTR] in Supplemental Agreement No. 7; and

WHEREAS, Customer and Boeing agree to address multiple [*CTR] related to 787 aircraft;

NOW, THEREFORE, the parties agree that the Purchase Agreement is amended as set forth below and otherwise agree as follows:

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

1. **Table of Contents.**

The Table of Contents referencing SA-7 in the footer is deleted in its entirety and is replaced with the new Table of Contents (attached hereto) referencing SA-8 in the footer. Such new Table of Contents is hereby incorporated into the Purchase Agreement in replacement of its predecessor.

2. **Letter Agreements.**

2.1 Open Configuration Matters.

Letter Agreement 3219-08R2 entitled "Open Configuration Matters" is withdrawn in its entirety.

2.2 Aircraft Purchase Rights and Substitution Rights.

(a) Revisions of Attachment C. Revisions are made to the attachments of Letter Agreement 6-1162-TRW-0664R1 as follows:

Attachment	**SA-8 Action**
Attachment C(R2) – MADP & QADP Rights Aircraft	REPLACED by Attachment C(R3) – MADP & QADP Rights Aircraft

2.3 [* CTR].

Letter Agreement AAL-PA-3219-1604503 entitled "787 Aircraft [*CTR]" is added to the Purchase Agreement in order to, inter alia, address certain 787 [*CTR]. Letter Agreement AAL-PA-3219-1604503 is hereby made a part of the Purchase Agreement.

3. **Effect on Purchase Agreement.**

Except as expressly set forth herein, all terms and provisions contained in the Purchase Agreement shall remain in full force and effect. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, and agreements, understandings, commitments or representations whatsoever, oral or written, with respect to the subject matter hereof and may be changed only in writing signed by authorized representatives of the parties.

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

AGREED AND ACCEPTED

January 26, 2017
Date

THE BOEING COMPANY	AMERICAN AIRLINES, INC.
/s/ The Boeing Company Signature	/s/ American Airlines, Inc. Signature
The Boeing Company Printed name	American Airlines, Inc. Printed name
Attorney-in-Fact Title	Vice President and Treasurer Title

TABLE OF CONTENTS

ARTICLES		SA NUMBER
1.	Quantity, Model and Description	SA-3
2.	Delivery Schedule	SA-3
3.	Price	SA-3
4.	Payment	SA-3
5.	Miscellaneous	SA-3
6.	Confidential Treatment	
TABLE		
~~1.~~	~~Aircraft Information Table – TRENT~~	SA-2
1(R5)	787-9 Aircraft Information Table – GENX	SA-**7**
2(R1)	787-8 Aircraft Information Table – GENX ([*CTR] (12) 787-8 Aircraft)	SA-5
3(R1)	787-8 Aircraft Information Table – GENX ([*CTR] Eight (8) 787-8 Aircraft, yielding Twenty (20) 787-8 Aircraft)	SA-5
4	WITHDRAWN	SA-6
EXHIBIT		
A(R2).	Aircraft Configuration for [*CTR] Aircraft	SA-7
A2(R3)	Aircraft Configuration for [*CTR] Aircraft	SA-6
B(R1).	Aircraft Delivery Requirements and Responsibilities	SA-3
C(R1).	Defined Terms	SA-3
SUPPLEMENTAL EXHIBITS		
AE1.	[*CTR]	
BFE1(R1).	Buyer Furnished Equipment Variables 787-9	SA-3
BFE2.	Buyer Furnished Equipment Variables 787-8	SA-3
CS1.	787 Customer Support Document	
EE1.	[*CTR]	
~~EE1~~.	[*CTR]	SA-2
EE2.	[*CTR]	SA-4
SLP1.	Service Life Policy Components	

BOEING PROPRIETARY

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

TABLE OF CONTENTS, continued

LETTER AGREEMENTS		SA NUMBER
3219-01	[*CTR]	
3219-02	Special Terms – Seats and In-Flight Entertainment	
3219-04	[*CTR]	
3219-05R1	Spare Parts Commitments	SA-3
3219-06R1	Spare Parts Initial Provisioning	SA-3
~~3219-08R2~~	**~~Open Configuration Matters~~ Withdrawn**	**SA-8**
~~6-1162-AKP-071R1~~	[*CTR] Terminated per AAL-PA-1977-LA-1105595	
~~6-1162-AKP-072R2~~	[*CTR] Terminated per AAL-PA-1977-LA-1105595	
6-1162-AKP-073R1	Accident Claims and Litigation	
~~6-1162-CLO-1031R1~~	[*CTR] WITHDRAWN	SA-2 SA-3
~~6-1162-CLO-1032R1~~	[*CTR] Terminated	SA-3
6-1162-CLO-1039	[*CTR]	
6-1162-CLO-1042	[*CTR]	
6-1162-CLO-1043R1	787 Inspection Process	SA-3
6-1162-CLO-1045R1	[*CTR]	SA-2
~~6-1162-CLO-1046~~	~~SA-eE, COTS Software and End User License Matters~~ WITHDRAWN	SA-3
6-1162-CLO-1047R2	[*CTR]	SA-6
~~6-1162-CLO-1048~~	~~Final Matters~~	SA-2
6-1162-CLO-1049R2	CS1 Matters	SA-6
6-1162-TRW-0664R1	Aircraft Purchase Rights and Substitution Rights	SA-4
	Attachment A(R2) – MADP Exercise Dates	SA-6
	Attachment B(R2) – QADP Exercise Dates	SA-6
	Attachment C(R3) – MADP & QADP Rights Aircraft: Description/Price Data	**SA-8**
	Attachment D – Form of Purchase Agreement Supplement	SA-3
	~~Attachment E – Letter Agreements To Be Included In Purchase Agreement Supplement~~: WITHDRAWN	SA-6

BOEING PROPRIETARY

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

LETTER AGREEMENTS		SA NUMBER
~~6-1162-TRW-0665~~	[*CTR]	SA-3
~~6-1162-TRW-0666~~	[*CTR]	SA-3
6-1162-TRW-0667R2	[*CTR]	SA-6
6-1162-TRW-0668R1	[*CTR]	SA-3
6-1162-TRW-0670R1	Miscellaneous Commitments for Model 787 Aircraft	SA-3
~~6-1162-TRW-0671~~	[*CTR] WITHDRAWN	SA-3
6-1162-TRW-0672R1	[*CTR]	SA-3
6-1162-TRW-0673R1	Confidentiality	SA-3
6-1162-TRW-0674R3	Business Considerations	SA-6
AAL-PA-3219-LA-08836R1	[*CTR]	SA-6
AAL-PA-3219-LA-08837R1	[*CTR]	SA-6
AAL-PA-3219-LA-08838	[*CTR]	SA-3
AAL-LA-1106678	Assignment Matters	SA-3
AAL-PA-3219-LA-1302236R1	[*CTR]	SA-6
AAL-PA-3219-LA-1604503	**787 [*CTR]**	**SA-8**

BOEING PROPRIETARY

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

The Boeing Company
P.O. Box 3707
Seattle, WA 98124-2207

AAL-PA-3219-LA-1604503

American Airlines, Inc.
P.O. Box 619616
Dallas-Fort Worth Airport, Texas 75261-9616

Subject: 787 Aircraft [*CTR]

References: (a) Purchase Agreement No. 3219 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and American Airlines, Inc. (**Customer**) relating to Model 787 aircraft (collectively**,** the **Aircraft**); and

(b) Aircraft General Terms Agreement No. AGTA-AAL (**AGTA**) between Boeing and Customer dated as of October 31, 1997.

This agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement have the same meaning as in the Purchase Agreement or the AGTA, as the context requires.

As of the date of this Letter Agreement, Customer has ordered twenty (20) 787-8 model aircraft and twenty-two (22) 787-9 model aircraft under the Purchase Agreement.

Boeing and Customer agree as follows:

1. [*CTR] by Boeing.

1.1. [*CTR]

Certain Buyer Furnished Equipment required for the [*CTR] on the 787-8 Aircraft delivering to Customer [*CTR] were [*CTR] by Boeing [*CTR] in accordance with Supplemental Exhibit BFE2 ([*CTR]). Boeing hereby [*CTR].

1.2. [*CTR] for 787-8 Aircraft

1.2.1. Under the Purchase Agreement, Customer has [*CTR]:

1.2.1.1. [*CTR]; and

1.2.1.2. [*CTR]

1.2.2. Customer has [*CTR] in the following manner:

1.2.2.1. Boeing will [*CTR]. The [*CTR] by Customer, at its option, in [*CTR] pursuant to the terms and conditions of the Purchase Agreement. The [*CTR] 787-8 Aircraft that Customer has [*CTR];

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

1.2.2.2. At time of delivery of each of the [*CTR] 787-8 aircraft listed on Table 2(R1) and Table 3(R1) that have [*CTR], Boeing will [*CTR]. The [*CTR]. Each [*CTR] at the time of delivery of the applicable Aircraft.

1.2.2.3. Boeing will [*CTR] at time of delivery of each [*CTR] (as defined in Letter Agreement 6-1162-TRW-0664R1, entitled "Aircraft Purchase Rights and Substitution Rights" (**Purchase Rights LA**)) that is both (i) being [*CTR] (as both are defined in the Purchase Rights LA) and (ii) a 787-8 model type Aircraft. The [*CTR]. Each 787-8 [*CTR] at the time of delivery of the applicable Aircraft.

1.3. [*CTR] for 787-9 Aircraft.

1.3.1. Customer has [*CTR] in the following manner:

1.3.1.1. Boeing will [*CTR] for the twenty-two (22) 787-9 Aircraft listed on Table 1 (R4).

1.3.1.2. Boeing will [*CTR] in accordance with letter agreement 6-1162-TRW-0664R1, entitled "Aircraft Purchase Rights and Substitution Rights."

1.3.1.3. Upon Customer's [*CTR] for [*CTR] 787-9 Aircraft, delivered by Boeing to Customer.

2. 787-8 [*CTR] Aircraft.

2.1 The parties agree that the delivery of [*CTR] 787-8 Aircraft [*CTR]. Boeing has [*CTR] for delivery of the 787-8 [*CTR] Aircraft. Customer hereby [*CTR] pursuant to [*CTR] of Letter Agreement 6-1162-TRW-0670R1 entitled "Miscellaneous Commitments for Model 787 Aircraft" (the **Misc. LA**) from the [*CTR].

2.2 In the event that the actual [*CTR] of the 787-8 [*CTR] Aircraft is [*CTR] to Customer in accordance with [*CTR] of the Misc. LA.

2.3 For avoidance of doubt, Customer shall not have the [*CTR] unless and until the aggregate duration of the [*CTR]. For purposes of the Misc LA, such [*CTR].

2.4 For the further avoidance of doubt, this Letter Agreement does not affect the [*CTR] pursuant to this Letter Agreement or pursuant to Letter Agreement 6-1162-TRW-0674R3 entitled "Business Considerations". So long as a 787-8 [*CTR] Aircraft is [*CTR]. If a 787-8 [*CTR] Aircraft is [*CTR] described above.

3. Miscellaneous.

3.1 Boeing and Customer agree and acknowledge that the Optional Features price set forth on Table 1(R5) entitled "787-9 Aircraft Delivery, Description, Price and Advance Payments" [*CTR] by Customer that are listed on the attachment to Exhibit A(R2) entitled "Aircraft Configuration" and [*CTR]. Boeing and Customer further agree that in the event that the options listed on the attachment to Exhibit A(R2) (or its replacement document) are ever amended or revised, for any reason, the [*CTR]. The [*CTR].

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

3.2 Boeing and Customer agree and acknowledge that the Optional Features prices set forth on Table 2(R1) entitled "787-8 Aircraft Delivery, Description, Price and Advance Payments ([*CTR] (12) 787-8 Aircraft)" and set forth on Table 3(R1) entitled "787-8 Aircraft Delivery, Description, Price and Advance Payments ([*CTR] (8) 787-8 Aircraft, yielding Twenty (20) 787-8 Aircraft)" [*CTR]. Boeing and Customer further agree that in the event that the options listed on the attachment to Exhibit A2(R3) (or its replacement document) are ever amended or revised, for any reason, the Optional Features prices on Table 2(R1) (or its replacement document) or Table 3(R1) (or its replacement document) [*CTR]. The [*CTR].

3.3 Boeing and Customer agree and acknowledge that, pursuant to Section 1.2 of this Letter Agreement, the [*CTR].

3.4 Boeing and Customer agree and acknowledge that the parties are [*CTR].

3.5 Boeing and Customer agree and acknowledge that, pursuant to Section 1.3 of this Letter Agreement, the [*CTR].

3.6 Boeing and Customer agree and acknowledge that, although [*CTR].

3.7 This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, agreements, understandings, commitments, or representations whatsoever, whether oral or written, with respect to the subject matter hereof and may be changed only in writing signed by authorized representatives of both parties.

4. Assignment.

Notwithstanding any other provision of the Purchase Agreement except for the AGTA Assignment Provisions (as defined in Section 1 of Letter Agreement AAl-LA-1106678 entitled "Assignment Matter"), the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's becoming the operator of the Aircraft and cannot be assigned, in whole or in part, without the prior written consent of Boeing.

5. Confidential Treatment.

Customer and Boeing understand that the information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. This Letter Agreement Letter shall be subject to the terms and conditions of Letter Agreement 6-1162-TRW-0673R1 entitled "Confidentiality.

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

The rest of this page is left intentionally blank.

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

EXECUTED as of January 26, 2016

THE BOEING COMPANY	AMERICAN AIRLINES, INC.
By: /s/ The Boeing Company	By: /s/ American Airlines, Inc.
Name: The Boeing Company	Name: American Airlines, Inc.
Title: Attorney-In-Fact	Title: VP and Treasurer

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

MADP Attachment C(R3) to Letter Agreement 6-1162-TRW-0664R1 (Model 787)
Information Regarding 787-9 MADP Rights
[*CTR]

Airframe Model/MTOW: 787-9	553000 pounds	**Detail Specification:** [*CTR]			
Engine Model/Thrust: GENX-1B74/75	74100 pounds	**Airframe Price Base Year/Escalation Formula:**	[*CTR]	[*CTR]	
Airframe Price:	[*CTR]	**Engine Price Base Year/Escalation Formula:**	[*CTR]	[*CTR]	
Optional Features:	[*CTR]				
Sub-Total of Airframe and Features:	[*CTR]	**Airframe Escalation Data:**			
Engine Price (Per Aircraft):	[*CTR]	**Base Year Index (ECI):**			[*CTR]
Aircraft Basic Price (Excluding BFE/SPE):	[*CTR]	**Base Year Index (CPI):**			[*CTR]
Buyer Furnished Equipment (BFE) Estimate:	[*CTR]	**Engine Escalation Data:**			
Seller Purchased Equipment (SPE)/In-Flight Ente	[*CTR]	**Base Year Index (ECI):**			[*CTR]
Fixed Price Options:	[*CTR]	**Base Year Index (CPI):**			[*CTR]
Deposit per Aircraft:	[*CTR]				

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Escalation Factor (Engine)	Item No.	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery):			
						[*CTR]	[*CTR]	[*CTR]	Total [*CTR]
[*CTR]-2019	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

MADP Attachment C(R3) to Letter Agreement 6-1162-TRW-0664R1 (Model 787)
Information Regarding 787-9 MADP Rights
[*CTR]

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Escalation Factor (Engine)	Item No.	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery): [*CTR]	[*CTR]	[*CTR]	Total [*CTR]
[*CTR]-2021	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
Total:	29								

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

QADP Attachment C(R3) to Letter Agreement 6-1162-TRW-0664R1 (Model 787)
Information Regarding 787-9 QADP Rights
[2nd Quarter 2016 Escalation Forecast: Subject to Change]

Airframe Model/MTOW:	787-9	553000 pounds	**Detail Specification:**	[*CTR]	
Engine Model/Thrust:	GENX-1B74/75	74100 pounds	**Airframe Price Base Year/Escalation Formula:**	[*CTR]	[*CTR]
Airframe Price:		[*CTR]	**Engine Price Base Year/Escalation Formula:**	[*CTR]	[*CTR]
Optional Features:		[*CTR]			
Sub-Total of Airframe and Features:		[*CTR]	**Airframe Escalation Data:**		
Engine Price (Per Aircraft):		[*CTR]	**Base Year Index (ECI):**		[*CTR]
Aircraft Basic Price (Excluding BFE/SPE):		[*CTR]	**Base Year Index (CPI):**		[*CTR]
Buyer Furnished Equipment (BFE) Estimate:		[*CTR]	**Engine Escalation Data:**		
Seller Purchased Equipment (SPE)/In-Flight Entertainment (IF		[*CTR]	**Base Year Index (ECI):**		[*CTR]
Fixed Price Options		[*CTR]	**Base Year Index (CPI):**		[*CTR]
Deposit per Aircraft:		[*CTR]			

Delivery Date	QADP Designation	Number of Aircraft	Escalation Factor (Airframe)	Escalation Factor (Engine)	Item No.	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery): [*CTR]	[*CTR]	[*CTR]	Total [*CTR]
[*CTR]-2019	[*CTR] 2019	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	[*CTR] 2019	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	[*CTR] 2019	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	[*CTR] 2019	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	[*CTR] 2019	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	[*CTR] 2019	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	[*CTR] 2019	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	[*CTR] 2019	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	[*CTR] 2020	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	[*CTR] 2020	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	[*CTR] 2020	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	[*CTR] 2020	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	[*CTR] 2020	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]

Boeing Proprietary

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

QADP Attachment C(R3) to Letter Agreement 6-1162-TRW-0664R1 (Model 787)
Information Regarding 787-9 QADP Rights
[*CTR]

Delivery Date	QADP Designation	Number of Aircraft	Escalation Factor (Airframe)	Escalation Factor (Engine)	Item No.	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery):			
							[*CTR]	[*CTR]	[*CTR]	Total [*CTR]
[*CTR]-2020	[*CTR] 2020	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	[*CTR] 2020	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	[*CTR] 2020	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021	[*CTR] 2021	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021	[*CTR] 2021	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021	[*CTR] 2021	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021	[*CTR] 2021	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021	[*CTR] 2021	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021	[*CTR] 2021	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	[*CTR] 2022	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	[*CTR] 2022	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	[*CTR] 2022	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	[*CTR] 2022	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	[*CTR] 2022	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	[*CTR] 2022	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	[*CTR] 2022	1	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
Total:		29								

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Exhibit 12.1

American Airlines Group Inc.
Computation of Ratio of Earnings to Fixed Charges
(In millions)

	Three Months Ended March 31, 2017
Income before income taxes	$ 365
Add: Total fixed charges (per below)	515
Less: Interest capitalized	12
Total earnings before income taxes	$ 868
Fixed charges:	
Interest	$ 269
Portion of rental expense representative of the interest factor	246
Total fixed charges	$ 515
Ratio of earnings to fixed charges	1.7

Exhibit 12.2

American Airlines, Inc.
Computation of Ratio of Earnings to Fixed Charges
(In millions)

	Three Months Ended March 31, 2017	
Income before income taxes	$	411
Add: Total fixed charges (per below)		496
Less: Interest capitalized		12
Total earnings before income taxes	$	895
Fixed charges:		
Interest	$	253
Portion of rental expense representative of the interest factor		243
Total fixed charges	$	496
Ratio of earnings to fixed charges		1.8

Exhibit 31.1

CEO CERTIFICATION

I, W. Douglas Parker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Airlines Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2017

/s/ W. Douglas Parker

Name: W. Douglas Parker
Title: Chief Executive Officer

Exhibit 31.2

CFO CERTIFICATION

I, Derek J. Kerr, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Airlines Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2017

/s/ Derek J. Kerr

Name: Derek J. Kerr
Title: Executive Vice President and Chief Financial Officer

Exhibit 31.3

CEO CERTIFICATION

I, W. Douglas Parker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Airlines, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2017

/s/ W. Douglas Parker

Name: W. Douglas Parker
Title: Chief Executive Officer

Exhibit 31.4

CFO CERTIFICATION

I, Derek J. Kerr, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Airlines, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2017

/s/ Derek J. Kerr

Name: Derek J. Kerr

Title: Executive Vice President and Chief Financial Officer

Exhibit 32.1

Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of American Airlines Group Inc. (the “Company”) for the quarterly period ended March 31, 2017 (the “Report”), W. Douglas Parker, as Chief Executive Officer of the Company, and Derek J. Kerr, as Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ W. Douglas Parker

Name: W. Douglas Parker
Title: Chief Executive Officer
Date: April 27, 2017

/s/ Derek J. Kerr

Name: Derek J. Kerr
Title: Executive Vice President and Chief Financial Officer
Date: April 27, 2017

This certification is being furnished to accompany the Report pursuant to 18 U.S.C. § 1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Exhibit 32.2

Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of American Airlines, Inc. (the "Company") for the quarterly period ended March 31, 2017 (the "Report"), W. Douglas Parker, as Chief Executive Officer of the Company, and Derek J. Kerr, as Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ W. Douglas Parker

Name: W. Douglas Parker
Title: Chief Executive Officer
Date: April 27, 2017

/s/ Derek J. Kerr

Name: Derek J. Kerr
Title: Executive Vice President and Chief Financial Officer
Date: April 27, 2017

This certification is being furnished to accompany the Report pursuant to 18 U.S.C. § 1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.