

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event  
reported): September 24, 2002

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

Delaware

1-2691

13-1502798

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(State of Incorporation)

(Commission File Number)

(IRS Employer  
Identification No.)

4333 Amon Carter Blvd. Fort Worth, Texas 76155  
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(Address of principal executive offices) (Zip Code)

(817) 963-1234  
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(Registrant's telephone number)

ITEM 7. EXHIBITS. The following documents are filed with reference to the Registration Statement on Form S-3 (Registration No. 333-84292) of American Airlines, Inc. ("American"):

- 1 Underwriting Agreement, dated as of September 17, 2002, between American and Salomon Smith Barney Inc. and J.P. Morgan Securities Inc.
- 4(a)(1) Pass Through Trust Agreement, dated as of March 21, 2002, between American and State Street Bank and Trust Company of Connecticut, National Association, as Trustee (the "Pass Through Trustee")
- 4(a)(2) Trust Supplement No. 2002-1G, dated as of September 24, 2002, between American and the Pass Through Trustee
- 4(a)(3) Form of American Airlines Pass Through Certificate, Series 2002-1G (included in Exhibit 4(a)(2))
- 4(b)(1) Intercreditor Agreement, dated as of September 24, 2002, among the Pass Through Trustee, WestLB AG, New York Branch, as Class G and Class C Primary Liquidity Provider (the "Primary Liquidity Provider"), Credit Suisse First Boston International, as Class G Above-Cap Liquidity Provider (the "Above-Cap Liquidity Provider"), State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent (the "Subordination Agent") and MBIA Insurance Corporation, as Policy Provider (the "Policy Provider")
- 4(c)(1) Revolving Credit Agreement (2002-1G), dated as of September 24, 2002, between the Subordination Agent and the Primary Liquidity Provider
- 4(d)(1) ISDA Master Agreement, dated as of September 24, 2002, between the Above-Cap Liquidity Provider and the Subordination Agent
- 4(d)(2) Schedule to the Master Agreement, dated as of September 24, 2002, between the Above-Cap Liquidity Provider and the Subordination Agent
- 4(d)(3) Class G Above-Cap Liquidity Facility Confirmation, dated September 24, 2002, from the Above-Cap Liquidity Provider to the Subordination Agent
- 4(e)(1) MBIA Insurance Corporation Financial Guaranty Insurance Policy, dated September 24, 2002, Policy No. 37875, issued to the Subordination Agent by the Policy Provider
- 4(e)(2) Insurance and Indemnity Agreement, dated as of September 24, 2002, by and among the Policy Provider, American, the Subordination Agent and the Pass Through Trustee

- 4(e)(3) Indemnification Agreement, dated as of September 24, 2002, by and among American, the Policy Provider, Salomon Smith Barney Inc., J.P. Morgan Securities Inc., Credit Suisse First Boston Corporation, Merrill Lynch Pierce Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated and WestLB AG, London Branch
- 4(f)(1) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, State Street Bank and Trust Company of Connecticut, National Association, as Loan Trustee (the "Loan Trustee") and State Street Bank and Trust Company of Connecticut National Association, in its individual capacity as set forth therein, relating to one Boeing 757-223 aircraft bearing United States registration number N604AA ("N604AA")
- 4(f)(2) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N604AA
- 4(f)(3) Form of Series 2002-1 Equipment Notes, relating to N604AA (included in Exhibit 4(f)(2))
- 23(a) Consent, dated September 13, 2002, of Aircraft Information Services, Inc.
- 23(b) Consent, dated September 13, 2002, of Aviation Solutions, Inc.
- 23(c) Consent, dated September 13, 2002, of Morton Beyer & Agnew
- 23(d) Consent, dated September 16, 2002, of PricewaterhouseCoopers LLP, independent accountants for MBIA Inc. and subsidiaries and MBIA Insurance Corporation and subsidiaries
- 99(a) Schedule I

Pursuant to Instruction 2 to Item 601 of Regulation S-K, Exhibit 99(a) filed herewith contains a list of other documents applicable to the Boeing aircraft that relate to the offering of American's Pass Through Certificates, Series 2002-1, which documents are substantially identical to those applicable to the Boeing 757-223 aircraft bearing United States registration number N604AA and which are filed herewith as Exhibits 4(f)(1), 4(f)(2) and 4(f)(3). Exhibit 99(a) sets forth the details by which such other documents differ from the corresponding documents filed in respect of the aircraft bearing United States registration number N604AA.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

American Airlines, Inc.

/s/ Charles D. MarLett

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Charles D. MarLett  
Corporate Secretary

Dated: November 25, 2002

EXHIBIT INDEX

Exhibit Number	Description of Document
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- 99(a) Schedule I

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AMERICAN AIRLINES, INC.  
Pass Through Certificates, Series 2002-1  
UNDERWRITING AGREEMENT  
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Dated: As of September 17, 2002

AMERICAN AIRLINES, INC.

Pass Through Certificates, Series 2002-1

UNDERWRITING AGREEMENT

September 17, 2002

To the Underwriters named in Schedule I

Ladies and Gentlemen:

American Airlines, Inc., a Delaware corporation (the "Company"), proposes that State Street Bank and Trust Company of Connecticut, National Association ("State Street"), acting not in its individual capacity but solely as pass through trustee (the "Trustee") under the Pass Through Trust Agreement dated as of March 21, 2002 (the "Basic Agreement"), as supplemented for pass through certificates (the "Offered Certificates") to be purchased hereunder by a Trust Supplement (the "Offered Trust Supplement"), between the Company and the Trustee (the Basic Agreement, as supplemented by the Offered Trust Supplement, the Class C Trust Supplement or the Class D Trust Supplement, as the case may be, being referred to herein as a "Designated Agreement"), issue and sell to the underwriters named in Schedule I hereto its Pass Through Certificates in the aggregate amount and with the interest rate and final expected distribution date set forth on Schedule A hereto (the "Offered Certificates") on the terms and conditions stated herein and in Schedule II.

The Offered Certificates will represent interests in American Airlines, Inc., Pass Through Trust Series 2002-1G (the "Offered Pass Through Trust") established pursuant to the Designated Agreement to fund the purchase of equipment notes (the "Equipment Notes") to be issued by the Company in connection with the financing of nineteen Aircraft. The Equipment Notes will be issued under nineteen separate Indenture and Security Agreements between State Street, as Loan Trustee (the "Loan Trustee"), and the Company (each, including any Supplements thereto, an "Indenture" and, collectively, the "Indentures").

The Company will also cause State Street, as pass through trustee under American Airlines, Inc. Pass Through Trust, Series 2002-1C (the "Class C Trust") and American Airlines, Inc. Pass Through Trust, Series 2002-1D (the "Class D Trust" and, together with the Class C Trust and the Offered Pass Through Trust, the "Trusts"), to issue and privately place pass through certificates (the "Class C and Class D Certificates", and, together with the Offered Certificates, the "Certificates"). The Class C and Class D Certificates will be issued pursuant to the Basic Agreement, as supplemented by a Trust Supplement for the Class C Trust (the "Class C Trust Supplement") and a Trust Supplement for the Class D Trust (the "Class D Trust Supplement" and, together with the Class C Trust Supplement and the Offered Trust Supplement, the "Trust Supplements"). Concurrently with the issuance and sale of the Offered Certificates pursuant hereto, all the Class C and Class D Certificates will be privately placed with two newly organized Delaware statutory trusts (each an "Initial Holder"), each established pursuant to a separate trust agreement to be entered into between the Company and/or an Affiliate (as defined herein) and Wilmington Trust Company, as Owner Trustee, as of the



Closing Time or prior thereto (the "Statutory Trust Agreements"). All of the beneficial interest in each such Delaware statutory trust will be initially owned by the Company and/or an Affiliate.

Certain amounts of interest payable on the Offered Certificates issued by the Offered Trust will be entitled to the benefits of a primary liquidity facility. In addition, certain amounts of interest payable on the Offered Certificates will be entitled to the benefit of an above-cap liquidity facility. WestLB AG, New York Branch (the "Primary Liquidity Provider") will enter into a revolving credit agreement with respect to the Offered Pass Through Trust (the "Primary Liquidity Facility"), to be dated as of the Closing Time for the benefit of the holders of the Offered Certificates. Credit Suisse First Boston International (the "Above-Cap Liquidity Provider") will enter into an interest rate cap agreement (the "Above-Cap Liquidity Facility" and, together with the Primary Liquidity Facility, the "Liquidity Facilities"), to be dated as of the Closing Time for the benefit of the holders of the Offered Certificates. The Primary Liquidity Provider, the Above-Cap Liquidity Provider, MBIA Insurance Corporation, as provider of the Policy referred to below (in such capacity, the "Policy Provider"), and the holders of the Offered Certificates will be entitled to the benefits of an Intercreditor Agreement to be dated as of the Closing Time (the "Intercreditor Agreement") among the Trustee, State Street, as subordination agent and trustee thereunder (the "Subordination Agent"), the Primary Liquidity Provider, the Above-Cap Liquidity Provider and the Policy Provider.

Payments of interest on the Offered Certificates will be supported by a financial guaranty insurance policy (the "Policy") issued by the Policy Provider to the extent the Primary Liquidity Facility and Above-Cap Liquidity Facility for such Offered Certificates and any funds contained in the cash collateral account funded from any such Liquidity Facility are no longer available for that purpose. The Policy will also support the payment of the final distribution on the Offered Certificates and will take effect in certain other circumstances described in the Intercreditor Agreement and the Policy. The Policy will be issued pursuant to an insurance and indemnity agreement, dated as of the Closing Time (the "Policy Provider Agreement"), among the Policy Provider, the Company and the Subordination Agent. Under the Policy Provider Agreement, the Subordination Agent will reimburse the Policy Provider for amounts paid pursuant to claims made under the Policy.

As used herein, unless the context otherwise requires, the term "Underwriters" shall mean firms named as Underwriters in Schedule I and the term "you" shall mean Salomon Smith Barney Inc. ("SSB") and J.P. Morgan Securities Inc.

Capitalized terms not otherwise defined in this Agreement shall have the meanings specified therefore in the Designated Agreement or the Intercreditor Agreement; provided that, as used in this Agreement, the term "Operative Documents" shall mean the Intercreditor Agreement, the Primary Liquidity Facility, the Above-Cap Liquidity Facility, the Designated Agreement, the Policy, the Policy Provider Agreement, the Indemnification Agreement dated the date hereof (the "Indemnification Agreement") among the Company, the Policy Provider and the Underwriters, the Class C Trust Supplement, the Class D Trust Supplement, the Participation Agreement, the Indentures, the Reference Agency Agreement and the Statutory Trust Agreements.

The Company has prepared and filed on Form S-3 with the Securities and Exchange Commission (the "Commission") a registration statement (File No. 333-84292) (as amended at the date hereof, including the exhibits thereto and the documents incorporated by reference therein, the "Registration Statement") relating to certain pass through certificates (including the Offered Certificates) and the offering thereof from time to time in accordance with Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"). The Registration Statement includes a basic prospectus referred to below which, as supplemented from time to time, will be used in connection with all offerings of such pass through certificates. As provided in Section 3(a), a prospectus supplement reflecting the terms of the Offered Certificates, the terms of the offering thereof and the other matters set forth therein has been prepared and will be filed together with the basic prospectus referred to below pursuant to Rule 424 under the Securities Act (such prospectus supplement, in the form first filed on or after the date hereof pursuant to Rule 424, is herein referred to as the "Prospectus Supplement"). The basic prospectus included in the Registration Statement and relating to all offerings of pass through certificates under the Registration Statement, as supplemented by the Prospectus Supplement, is herein called the "Prospectus", except that, if such basic prospectus is amended on or prior to the date on which the Prospectus Supplement is first filed pursuant to Rule 424, the term "Prospectus" shall refer to such basic prospectus as so amended and as supplemented by the Prospectus Supplement, in either case including the documents filed by the Company with the Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are incorporated by reference therein. The term "preliminary prospectus" means a preliminary prospectus supplement specifically relating to the Offered Certificates, together with the basic prospectus and including the documents filed by the Company or AMR Corporation with the Commission pursuant to the Exchange Act that are incorporated by reference therein. Any reference herein to the terms "amendment" or "supplement" with respect to the Registration Statement, the Prospectus, or any preliminary prospectus shall be deemed to refer to and include any documents filed with the Commission under the Exchange Act after the date hereof, the date the Prospectus is filed with the Commission, or the date of such preliminary prospectus, as the case may be, and incorporated therein by reference pursuant to Item 12 of Form S-3 under the Securities Act.

1. Representations and Warranties. The Company represents and warrants to, and agrees with, each Underwriter that:

(a) The Company meets the requirements for use of Form S-3 under the Securities Act.

(b) The Registration Statement has been declared effective by the Commission. On the original effective date of the Registration Statement, on the effective date of any post-effective amendment thereto, and on the date of the filing by the Company of any Annual Report on Form 10-K after the original filing of such Registration Statement, such Registration Statement complied in all material respects with the applicable requirements of the Securities Act and the rules and regulations of the Commission thereunder (the "Securities Act Regulations"), and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and the applicable rules and regulations of the Commission thereunder (the "Trust Indenture Act Regulations") and did not include an untrue statement of a material fact or omit to state a material fact required to

be stated therein or necessary to make the statements therein not misleading; the Registration Statement and any amendments thereof, on the date hereof, and the Prospectus, and any amendments thereof and supplements thereto, as of their respective filing or issue dates and at the Closing Time, comply and will comply in all material respects with the requirements of the Securities Act, the Securities Act Regulations, the Trust Indenture Act and the Trust Indenture Act Regulations, and (i) neither the Registration Statement nor any amendments thereof, as of any such respective dates, includes or will include an untrue statement of a material fact or omits or will omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and (ii) neither the Prospectus nor any amendments thereof or supplements thereto, as of any such respective dates, includes or will include an untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; except that this representation and warranty does not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company in connection with the Registration Statement or the Prospectus or any amendment thereof or supplement thereto by or on behalf of any Underwriter through either of you expressly for use in the Registration Statement or the Prospectus, or to statements or omissions in that part of the Registration Statement which constitutes the Statement of Eligibility under the Trust Indenture Act (Form T-1) of the Trustee; provided, however, that the Company makes no representation or warranty as to the Policy Provider Information (as defined in the Indemnification Agreement).

(c) The consolidated financial statements incorporated by reference in the Registration Statement and Prospectus present fairly the consolidated financial position of the Company and its subsidiaries as of the dates indicated and the consolidated results of their operations and cash flows for the periods specified and have been prepared in conformity with generally accepted accounting principles applied on a consistent basis during the periods involved, except as indicated therein, and the supporting schedules incorporated by reference in the Registration Statement present fairly the information required to be stated therein.

(d) The documents incorporated by reference in the Prospectus, at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder.

(e) Since the respective dates as of which information is given in the Registration Statement and the Prospectus, except as otherwise stated therein or contemplated thereby, there has been no material adverse change in the condition, financial or otherwise, results of operations or general affairs of the Company and its subsidiaries taken as a whole.

(f) The Company is a corporation duly incorporated and validly existing in good standing under the laws of the State of Delaware and has the corporate power and authority under such laws to own its properties and conduct its business as described in the Prospectus.

(g) The Company (i) is an "air carrier" within the meaning of 49 U.S.C. Section 40102(a), (ii) holds an air carrier operating certificate issued by the Secretary of Transportation pursuant to Chapter 447 of Title 49 of the United States Code for aircraft capable of carrying 10 or more individuals or 6,000 pounds or more of cargo, (iii) is a "citizen of the United States" as defined in 49 U.S.C. Section 40102 and (iv) is duly qualified to do business as a foreign corporation in good standing in the jurisdictions in the United States of America in which the Company has intrastate routes, a principal office (including the jurisdiction in which its principal place of business is located) or major overhaul facility. All of the issued and outstanding capital stock of the Company has been duly authorized and validly issued, is fully paid and nonassessable and is owned by AMR Corporation directly, free and clear of any liens, encumbrances, equities or claims.

(h) The execution and delivery by the Company of this Agreement, the Equipment Notes and the Operative Documents to which the Company is, or is to be, a party, the consummation by the Company of the transactions herein and therein contemplated, and the compliance by the Company with the terms hereof and thereof do not and will not conflict with, or result in a breach of, any of the terms or provisions of, or constitute a default under, the Certificate of Incorporation or By-Laws, as amended, of the Company or any of its subsidiaries or any material indenture, mortgage, or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which any of their respective properties is bound, or any applicable law, rule, regulation, judgment, order or decree of any government, governmental instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its subsidiaries or any of their respective properties; and no consent, approval, authorization, order or license of, or filing with or notice to, any government, governmental instrumentality, regulatory body or authority or court, domestic or foreign, is required for the valid authorization, issuance and delivery of the Offered Certificates and the Equipment Notes, the valid authorization, execution, delivery and performance by the Company of this Agreement, the Equipment Notes and the Operative Documents to which the Company is, or is to be, a party, or the consummation by the Company of the transactions contemplated by this Agreement, the Equipment Notes and the Operative Documents to which the Company is, or is to be, a party, except (i) such as are required under the Securities Act, the Trust Indenture Act and the securities or Blue Sky laws of the various states, (ii) filings or recordings with the Federal Aviation Administration ("FAA") and under the Uniform Commercial Code as in effect in Delaware, which filings or recordings shall have been made or duly presented for filing on or prior to the Closing Time, and (iii) such as may be required in connection with listing the Offered Certificates on the Luxembourg Stock Exchange.

(i) This Agreement, the Equipment Notes and the Operative Documents to which the Company is, or is to be, a party, have each been duly authorized by the Company, and this Agreement and each Operative Document to which the Company is, or is to be, a party, has been or will be at or prior to the Closing Time, duly executed and delivered by the Company. The Equipment Notes will be duly executed and delivered by the Company at or prior to the Closing Time. The Equipment Notes and the Operative Documents to which the Company is, or is to be, a party, when duly executed and

delivered by the Company, assuming in the case of the Operative Documents that such documents constitute the legal, valid and binding obligation of each other party thereto, constitute or will constitute valid and binding obligations of the Company. The Basic Agreement as executed is substantially in the form filed as an exhibit to the Registration Statement and has been duly qualified under the Trust Indenture Act. The Offered Certificates, the Equipment Notes, and the Operative Documents will conform in all material respects to the descriptions thereof in the Prospectus.

(j) Ernst & Young LLP, who reported on the annual consolidated financial statements of the Company incorporated by reference in the Registration Statement and the Prospectus, are independent accountants as required by the Securities Act and the Securities Act Regulations.

(k) When duly executed, authenticated and delivered by the Trustee in accordance with the terms of the related Designated Agreement and sold and paid for as provided (i) in this Agreement (in the case of the Offered Certificates), and (ii) in the Class C Trust Supplement, Class D Trust Supplement and the related Statutory Trust Agreements (in the case of the Class C and Class D Certificates), the Certificates will be validly issued pursuant to the related Designated Agreement and will constitute valid and binding obligations of the related Trustees enforceable against the Trustees in accordance with their terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally and by general principles of equity; and the holders thereof will be entitled to the benefits of the related Designated Agreement.

(l) The Equipment Notes, when duly executed and delivered by the Company and when duly authenticated by the Loan Trustee in accordance with the terms of the related Indentures, will be duly issued under such Indentures and will constitute valid and binding obligations of the Company; and the holders thereof will be entitled to the benefits of the related Indentures.

(m) At the Closing Time, each Initial Holder will be duly formed and be validly existing in good standing as a statutory trust under the Delaware Statutory Trust Act (the "DBTA") and have the power and authority under the Statutory Trust Agreements and the DBTA to own and hold its property. At the Closing Time, the Company or an Affiliate will directly or indirectly own all of the beneficial interest in each Initial Holder free and clear of any lien, encumbrance, security interest or similar claim or interest.

2. Purchase and Sale. (a) On the basis of the representations and warranties herein contained (except as may be otherwise specified in Schedule II) and subject to the terms and conditions herein and therein set forth, the Company agrees to cause the Trustee to sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Trustee, at a purchase price of 100% of the face amount thereof, the aggregate face amount of Offered Certificates set forth opposite the name of such Underwriter in Schedule A.

(b) Payment of the purchase price for, and delivery of, the Offered Certificates shall be made at the date, time and location or locations specified in Schedule II, or at such other date, time or location or locations as shall be agreed upon by the Company and you, or as shall otherwise be provided in Section 7 (such date and time being herein called the "Closing Time"). Unless otherwise specified in Schedule II, payment shall be made to or upon the order of the Trustee by federal funds wire transfer or other immediately available funds against delivery to the account of SSB at The Depository Trust Company for the respective accounts of the several Underwriters of the Offered Certificates. Such Offered Certificates shall be registered in the name of Cede & Co. or in such other names, and in such authorized denominations as you may request in writing at least two full business days before the Closing Time. Certificates for such Offered Certificates, which may be in temporary form, will be made available for examination and packaging by you at the location or locations at which they are to be delivered at the Closing Time (or such other location as may be specified for that purpose in Schedule II) not later than 10:00 A.M. on the business day prior to the Closing Time.

(c) The Company will pay to SSB at the Closing Time for the accounts of the Underwriters any fee, commission or other compensation which is specified in Schedule II hereto. Such payment will be made by federal funds wire transfer or other immediately available funds.

3. Agreements. The Company covenants with each Underwriter as follows:

(a) Immediately following the execution of this Agreement, the Company will prepare a Prospectus Supplement that complies with the Securities Act and the Securities Act Regulations and which sets forth the face amount of the Offered Certificates and their terms not otherwise specified in the basic prospectus relating to all offerings of pass through certificates under the Registration Statement, the name of each Underwriter participating in the offering and the face amount of the Offered Certificates that each severally has agreed to purchase, the name of each Underwriter, if any, acting as representative of the Underwriters in connection with the offering, the price at which the Offered Certificates are to be purchased by the Underwriters from the Trustee, any initial public offering price, any selling concession and reallowance, and such other information as you and the Company deem appropriate in connection with the offering of the Offered Certificates. The Company will promptly transmit copies of the Prospectus Supplement and the Prospectus to the Commission for filing pursuant to Rule 424 under the Securities Act and will furnish to the Underwriters as many copies of the Prospectus Supplement and the Prospectus as you shall reasonably request.

(b) During the period when a prospectus relating to the Offered Certificates is required to be delivered under the Securities Act, the Company will promptly advise you of (i) the effectiveness of any amendment to the Registration Statement, (ii) the transmittal to the Commission for filing of any supplement to the Prospectus or any document that would as a result thereof be incorporated by reference in the Prospectus, (iii) any request by the Commission for any amendment of the Registration Statement or any amendment or supplement to the Prospectus or for any additional information relating thereto or to any document incorporated by reference therein, (iv) the issuance by the Commission of any stop order suspending the effectiveness of the Registration

Statement or the institution or threatening of any proceeding for that purpose, and (v) the receipt by the Company of any notification with respect to the suspension of the qualification of the Offered Certificates for sale in any jurisdiction or the institution or threatening of any proceeding for such purpose. The Company will use its best efforts to prevent the issuance of any such stop order and, if issued, to obtain as soon as possible the withdrawal thereof.

(c) If, at any time when a prospectus relating to the Offered Certificates is required to be delivered under the Securities Act, any event occurs as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it shall be necessary to amend or supplement the Prospectus to comply with the Securities Act or the Securities Act Regulations, the Company promptly will prepare and file with the Commission, subject to paragraph (d) of this Section 3, an amendment or supplement which will correct such statement or omission or an amendment or supplement which will effect such compliance. Neither your consent to, nor the Underwriters' delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 4.

(d) At any time when a prospectus relating to the Offered Certificates is required to be delivered under the Securities Act or the Securities Act Regulations, the Company will give you notice of its intention to file any amendment to the Registration Statement or any amendment or supplement to the Prospectus, whether pursuant to the Exchange Act, the Securities Act or otherwise, will furnish you with copies of any such amendment or supplement or other documents proposed to be filed within a reasonable time in advance of filing, and will not file any such amendment or supplement or other documents in a form to which you shall reasonably object.

(e) The Company has furnished or will furnish to you and your counsel, without charge, conformed copies of the Registration Statement as originally filed and of all amendments thereto, whether filed before or after such Registration Statement originally became effective (including exhibits thereto and the documents incorporated therein by reference) and, so long as delivery of a prospectus by an underwriter or dealer may be required by the Securities Act, as many copies of each preliminary prospectus, the Prospectus and any amendments thereof and supplements thereto as you may reasonably request.

(f) The Company will take such actions as you may request to qualify the Offered Certificates for sale under the laws of such jurisdictions as you may reasonably request and will maintain such qualifications in effect so long as required for the distribution of such Offered Certificates. The Company, however, shall not be obligated to qualify as a foreign corporation or file any general consent to service of process under the laws of any such jurisdiction or subject itself to taxation as doing business in any such jurisdiction.

(g) The Company, during the period when a prospectus relating to the Offered Certificates is required to be delivered under the Securities Act and the Securities Act Regulations, will file promptly all documents required to be filed with the Commission pursuant to Section 13 or 14 of the Exchange Act.

(h) The Company will make generally available to its security holders, in each case as soon as practicable, but not later than 45 days after the close of the period covered thereby (90 days in case the period covered corresponds to a fiscal year of the Company), earnings statements of the Company, which will comply as to form with the provisions of Rule 158 under the Securities Act.

(i) Between the date of this Agreement and the Closing Time, the Company will not, without your prior consent, offer, sell or enter into any agreement to sell any public debt securities registered under the Securities Act (other than the Offered Certificates) or any debt securities which may be sold in a transaction exempt from the registration requirements of the Securities Act in reliance on Rule 144A under the Securities Act and which are marketed through the use of a disclosure document containing substantially the same information as a prospectus for similar debt securities registered under the Securities Act.

(j) The Company (i) will make an application on its behalf and on behalf of the Trusts for the Offered Certificates to be listed on the Luxembourg Stock Exchange (the "LSE") within a reasonable time after the date of the Preliminary Prospectus and (ii) will (x) deliver to the LSE copies of the Prospectus (or another appropriate offering document with respect to the Offered Certificates) and such other documents, information and undertakings as may reasonably be required or advisable for the purpose of obtaining such listing, which the Company shall use commercially reasonable good-faith efforts to obtain within a reasonable period of time after the Closing Time; (y) if the Offered Certificates are listed on the LSE, use commercially reasonable good-faith efforts to maintain such listing on the LSE for as long as any of the Offered Certificates are outstanding; and (z) pay all reasonable fees and supply all further documents, information and undertakings as may reasonably be required or advisable for such purposes.

Salomon Smith Barney Inc. and J.P. Morgan Securities Inc, agree that in the aggregate, the Pass Through Certificates will be widely offered. Each Underwriter and each other member of the underwriting group that offers or sells Pass Through Certificates agree that the Pass Through Certificates offered by such Underwriter will be primarily offered in the United States to United States persons. The term "United States person" shall have the meaning set forth in section 7701(a)(30) of the Internal Revenue Code of 1986, as amended.

4. Conditions to the Obligations of the Underwriters. Except as otherwise provided in Schedule II, the obligations of the Underwriters to purchase and pay for the Offered Certificates pursuant to this Agreement shall be subject to the accuracy of and compliance with the representations and warranties of the Company contained herein as of the date hereof and the



Closing Time, to the accuracy of the statements of the Company's officers made in any certificates furnished pursuant to the provisions hereof, to the performance by the Company of its covenants and other obligations hereunder and to the following additional conditions:

(a) At the Closing Time, no stop order suspending the effectiveness of the Registration Statement shall have been issued under the Securities Act and no proceedings therefor shall have been instituted or threatened by the Commission.

(b) At the Closing Time, you shall have received:

(1) An opinion, dated the Closing Time, from Anne H. McNamara, Esq., Senior Vice President and General Counsel of the Company, in form reasonably satisfactory to you and your counsel, to the effect that:

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware and has the corporate power and authority under such laws to own its properties and to conduct its business as described in the Prospectus; and all of the issued and outstanding shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable, and the capital stock of the Company is owned by AMR Corporation, directly, free and clear of any liens, encumbrances, equities or claims. The Company is duly qualified to do business as a foreign corporation in good standing in the state in which its principal place of business is located. The Company holds an air carrier operating certificate issued by the Secretary of Transportation pursuant to Chapter 447 of Title 49 of the United States Code pursuant to which the Company is authorized to operate the Aircraft and the Company is a "citizen of the United States" as defined in 49 U.S.C. Section 40102;

(ii) The Company has the corporate power and authority under Delaware law to perform its obligations hereunder and under the Equipment Notes and the Operative Documents to which the Company is, or is to be, a party;

(iii) The Certificates, the Equipment Notes and the Operative Documents conform in all material respects to the descriptions thereof contained in the Prospectus, and such descriptions conform in all material respects to the rights set forth in the instruments defining the same;

(iv) No authorization, approval, consent, order or license of or filing with, or the giving of notice to, any government, governmental instrumentality, regulatory body or authority or court is required to be made or obtained by the Company for the valid authorization, issuance, sale and delivery of the Certificates or the Equipment Notes, the valid authorization, execution, delivery and performance by the Company of this Agreement and the Operative Documents to which the Company is, or

is to be, a party, or the consummation by the Company of the transactions contemplated by this Agreement and the Operative Documents to which the Company is, or is to be, a party, except those that have previously been obtained and are in full force and effect and except (A) such as may be required under the securities or Blue Sky laws of the various states and (B) filings or recordings with the Federal Aviation Administration, as to which such counsel need express no opinion, and under the Uniform Commercial Code as in effect in Delaware, which filings or recordings under the Uniform Commercial Code with respect to the Aircraft shall have been made or duly presented for filing on or prior to the Closing Time;

(v) The Registration Statement has become effective under the Securities Act, the Basic Agreement has been duly qualified under the Trust Indenture Act and, to the best knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or threatened;

(vi) The Registration Statement, the Prospectus and each amendment thereof or supplement thereto (except in each case for the financial statements and other financial or statistical data included or incorporated by reference therein, as to which such counsel need express no opinion) comply as to form in all material respects with the requirements of the Securities Act and the Securities Act Regulations; the Basic Agreement and the Statement of Eligibility of the Trustee on Form T-1 filed with the Commission as part of the Registration Statement comply as to form in all material respects with the requirements of the Trust Indenture Act and the rules and regulations thereunder; and each document filed pursuant to the Exchange Act and incorporated by reference in the Prospectus (except in each case for the financial statements and other financial or statistical data included or incorporated by reference therein, as to which counsel need express no opinion) appeared on its face, as of its respective filing date, to comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder;

(vii) This Agreement has been duly authorized, validly executed and delivered by the Company;

(viii) Each of the Operative Documents to which the Company is, or is to be, a party has been duly authorized, executed and delivered by the Company and each is a valid and binding obligation of the Company enforceable against the Company in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally and by general principles of equity;

(ix) The execution and delivery by the Company of this Agreement, the Equipment Notes and the Operative Documents to which the Company is, or is to be, a party, the consummation by the Company of the transactions herein and therein contemplated and in the manner herein and therein contemplated and compliance by the Company with the terms hereof and thereof, do not and will not conflict with, or result in a breach of, any of the terms or provisions of, or constitute a default under, the Certificate of Incorporation or By-Laws, as amended, of the Company or any of its subsidiaries or any indenture or other agreement or instrument known to such counsel to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or any law, rule, regulation, judgment, decree or order known to such counsel to be applicable to the Company or any of its subsidiaries of any court, regulatory body, administrative agency, government or governmental body having jurisdiction over the Company or any of its subsidiaries;

(x) The Loan Trustee under each Indenture will be entitled to the benefits of Section 1110 of the U.S. Bankruptcy Code with respect to the airframe and the engines comprising the Aircraft originally subject to the lien of such Indenture;

(xi) The Equipment Notes, when duly authorized, executed and delivered by the Company and duly authenticated by the related Loan Trustee, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally and by general principles of equity and the holders of such Equipment Notes will be entitled to the benefits of the respective Indentures;

(xii) Such counsel has no reason to believe that the statements in the Registration Statement and the Prospectus with respect to statutes, administrative orders and regulations and legal and governmental proceedings do not fairly and accurately present in all material respects the information required to be set forth therein except that such counsel need express no opinion as to the matters to be addressed in clauses (ii) and (iii) and (iv) of the opinion referred to in Section 4(b)(2) hereof and paragraphs 6, 7 and 9 of the form of opinion of Bingham McCutchen LLP set forth in Exhibit A hereto; and there are, to the best of such counsel's knowledge, no statutes, administrative orders or regulations or legal or governmental proceedings required to be described in the Registration Statement or the Prospectus that are not described as required, nor any contracts or documents of a character required to be described in the Registration Statement or the Prospectus, or to be filed as exhibits to the Registration Statement, that are not so described or filed as required;

(xiii) The routes presently operated by the Company are being operated pursuant to valid certificates or exemption orders issued by the Department of Transportation or its predecessor, the Civil Aeronautics Board, and no such certificate or exemption order is the subject of any "show cause" or other order of, or any proceeding before, or any investigation by, the Department of Transportation or its predecessor (other than proceedings for the renewal of temporary rights) which in the opinion of such counsel might reasonably result in a final order impairing the validity of such certificates or exemption orders;

(xiv) Assuming due authorization, execution and delivery by the Trustee and the Subordination Agent of the Participation Agreements, each Participation Agreement constitutes the valid and binding obligation of each of the Trustee and the Subordination Agent, enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally and by general principles of equity;

(xv) Section 1110 of the U.S. Bankruptcy Code ("Section 1110") conforms in all material respects to the description thereof contained in "Description of the Equipment Notes - Remedies" in the Prospectus; and

(xvi) The offer, sale and delivery of the Class C and Class D Certificates, as contemplated by the Operative Documents, do not require registration under the Securities Act, and the related Designated Agreements do not require qualification under the Trust Indenture Act, it being understood that such counsel need express no opinion as to any subsequent resale of Class C and Class D Certificates.

and to such further effect with respect to other legal matters relating to this Agreement, the Equipment Notes and the Operative Documents to which the Company is, or is to be, a party and the sale of the Offered Certificates hereunder as counsel for the Underwriters may reasonably request.

Such counsel shall also state that no facts have come to the attention of such counsel which have caused such counsel to believe (A) that the Registration Statement or any amendment thereto, on the original effective date thereof or on the effective date of any post-effective amendment thereto (except, in each case, for the financial statements and other financial or statistical data included or incorporated by reference therein, and except for the Statement of Eligibility on Form T-1 of the Trustee under the Basic Agreement, as to which such counsel need express no belief), contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or (B) that the Prospectus at the time the Prospectus Supplement was issued or the Prospectus, together with any

amendment or supplement thereto, at the time any such amended or supplemental Prospectus was issued or at the Closing Time (except, in each case, for the financial statements and other financial or statistical data included or incorporated by reference therein and the Policy Provider Information, as to which such counsel need express no belief), contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. In giving such opinion, such counsel may state that such opinion is limited to the laws of the States of New York and Texas, the General Corporation Law of the State of Delaware and the Federal laws of the United States, except that such counsel expresses no opinion with respect to the antitrust, bankruptcy (except as set forth in paragraphs (x) or (xv) above), environmental, securities (except as set forth in paragraphs (iv), (v), (vi) and (xvi) above) or tax laws of any jurisdiction. In rendering the opinions set forth above, such counsel may rely upon certificates of officers of the Company and of public officials as to matters of fact.

(2) An opinion, dated the Closing Time, of Debevoise & Plimpton, as counsel for the Company, in form reasonably satisfactory to you and your counsel, to the effect that:

(i) The Certificates have been duly authorized and validly executed, issued and delivered by the Trustee pursuant to the related Designated Agreement and constitute valid and binding obligations of the Trustee enforceable against the Trustee in accordance with their terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally and by general principles of equity; the holders of the Certificates are entitled to the benefits of the related Designated Agreement;

(ii) The statements in the Registration Statement and Prospectus under the headings "Certain Federal Income Tax Consequences" and "Certain ERISA Considerations", to the extent that they constitute matters of law or legal conclusions with respect thereto, have been prepared or reviewed by such counsel and are correct in all material respects;

(iii) The Pass Through Trusts will not be classified as associations (or as publicly traded partnerships) taxable as corporations for federal income tax purposes;

(iv) The Trusts are not required to be registered under the Investment Company Act of 1940, as amended; and

(v) Assuming due authorization, execution and delivery by the Trustee of the Designated Agreement relating to the Offered Certificates

and the Intercreditor Agreement and by the Subordination Agent of the Intercreditor Agreement and the Liquidity Facilities, each such agreement constitutes the valid and binding obligation of each respective party, enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally and by general principles of equity.

The opinions of such counsel expressed in the immediately preceding clauses (i) and (v) shall be limited to the laws of the State of New York governing the enforceability of contracts as such and in giving such opinion, such counsel may rely as to certain matters acceptable to you upon the opinions referred to in Section 4(b)(1) and Section 4(b)(3) hereof, in which case the opinion shall state that such counsel believes that it and the Underwriters are entitled to so rely. In rendering the opinions set forth above, such counsel may rely upon certificates of officers of the Company and of public officials as to matters of fact.

(3) An opinion, dated the Closing Time, of Bingham McCutchen LLP, counsel for State Street, individually, as Subordination Agent, Trustee and Loan Trustee, in form and substance reasonably satisfactory to you and your counsel and substantially to the effect set forth in Exhibit A hereto.

(4) An opinion, dated the Closing Time, from (i) Vedder, Price, Kaufmann & Kammholz, special counsel for the Primary Liquidity Provider, and (ii) in-house counsel for the Primary Liquidity Provider, each dated the Closing Time and in form and substance satisfactory to you and your counsel, substantially to the effect as set forth in Exhibits B-1, and B-2 hereto, respectively.

(5) An opinion, dated the Closing Time, from Sidley Austin Brown & Wood LLP, special New York counsel for the Above-Cap Liquidity Provider, dated the Closing Time, in form and substance satisfactory to you and your counsel, substantially to the effect set forth in Exhibit C hereto.

(6) An opinion, dated the Closing Time, from (i) Latham & Watkins, counsel for the Policy Provider, and (ii) Ram D. Wertheim, in-house counsel for the Policy Provider, each dated the Closing Time and in form and substance satisfactory to you and your counsel, substantially to the effect set forth in Exhibits D-1 and D-2, respectively.

(7) An opinion, dated the Closing Time, from Richards, Layton & Finger, PA, special Delaware counsel to each Initial Holder, in form and substance reasonably satisfactory to you and your counsel and substantially to the effect set forth in Exhibit E hereto.

(8) An opinion, dated the Closing Time, from Shearman & Sterling, counsel for the Underwriters, to the effect that the opinions delivered pursuant to

subsections (b)(1) through (b)(7) of this Section 4 appear on their face to be appropriately responsive to the requirements of this Agreement except, specifying the same, to the extent waived by you and with respect to the issuance and sale of the Offered Certificates, the Registration Statement, the Prospectus and other related matters as you may reasonably require.

(c) (1) At the Closing Time, there shall not have been, since the respective dates as of which information is given in the Registration Statement and the Prospectus, any material adverse change in the condition, financial or otherwise, of the Company and its subsidiaries considered as one enterprise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, and you shall have received a certificate of the President, an Executive Vice President, a Senior Vice President or a Vice President of the Company, dated as of such Closing Time, to the effect that there has been no such material adverse change and to the effect that the representations and warranties of the Company contained in Section 1 hereof are true and correct with the same force and effect as though made at such Closing Time.

(2) Subsequent to the execution and delivery of this Agreement and prior to the Closing Time, neither Moody's Investors Service, Inc. nor Standard & Poor's Ratings Services shall have downgraded its rating accorded to any of the Company's taxable debt securities with maturities greater than one year.

(d) You shall have received the letter specified in Schedule III at the Closing Time.

(e) At the Closing Time, each of the Equipment Notes and Operative Documents shall have been executed and delivered by each party thereto; the representations and warranties of the Company contained in the Operative Agreements shall be accurate as of the Closing Time and you shall have received a certificate of the President, an Executive Vice President, a Senior Vice President or a Vice President of the Company, dated as of the Closing Time, to such effect.

(f) The Company shall have furnished to you and your counsel, in form and substance satisfactory to them, such other documents, certificates and opinions as such counsel may reasonably request for the purpose of enabling such counsel to pass upon the matters referred to in subsection (b)(7) of this Section 4 and in order to evidence the accuracy and completeness of any of the representations, warranties or statements, the performance of any covenant by the Company theretofore to be performed, or the compliance with any of the conditions herein contained.

(g) Each of the Appraisers shall have furnished to the Underwriters a letter from such Appraiser, addressed to the Company and dated the Closing Time, confirming that such Appraiser and each of its directors and officers (i) is not an affiliate of the Company or any of its affiliates, (ii) does not have any substantial interest, direct or

indirect, in the Company or any of its affiliates and (iii) is not connected with the Company or any of its affiliates as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions.

(h) At the Closing Time, the Offered Certificates shall be rated "AAA" by Standard & Poor's Ratings Services; and "Aaa" by Moody's Investors Service, Inc.

(i) At the Closing Time, all conditions precedent specified in each Participation Agreement with respect to the funding of the related Equipment Notes shall have been satisfied; the representations and warranties of the Company, the Trustee, the Subordination Agent and the Loan Trustee contained in each of the Participation Agreements shall be accurate as of the Closing Time (except to the extent that they relate solely to an earlier date in which case they shall be accurate as of such earlier date) and you shall have received certificates of the Company and appropriate officers of the Subordination Agent, Trustee and Loan Trustees, dated as of the Closing Time, to such effect; and you shall have received a copy of each opinion required to be delivered under each of the Participation Agreements dated as of the Closing Time, and addressed to you, and of such other documents furnished in connection with the fulfillment of such conditions as you may reasonably request.

(j) At the Closing Time, simultaneously with the issuance and sale of the Offered Certificates in accordance with this Agreement, the Class C and Class D Certificates shall have been issued, sold and delivered, as contemplated by the Operative Documents.

All such opinions, certificates, letters and documents shall be deemed to be in compliance with the provisions hereof only if they are in all respects satisfactory to you and your counsel.

If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, other than by reason of any default by any Underwriter, such failure to fulfill a condition may be waived by you, or this Agreement may be terminated by you by notice to the Company at any time at or prior to the Closing Time, and such termination shall be without liability of any party to any other party, except as provided in Sections 5, 6 and 8 hereof, which provisions shall remain in effect notwithstanding such termination.

5. Payment of Expenses. The Company will pay or cause to be paid all expenses incident to the performance of the obligations of the Company under this Agreement, including (i) expenses relating to the preparation, printing, filing and distribution of any preliminary prospectus supplements, the Prospectus, the Registration Statement and any amendments thereof or supplements thereto, (ii) expenses relating to the preparation, printing and distribution of any agreement among underwriters, this Agreement, the Certificates, the Equipment Notes, the Operative Documents, any Underwriter's Questionnaire, the Blue Sky Survey and any Legal Investment Survey by the Underwriter's counsel, (iii) expenses relating to the issuance and delivery of the Offered Certificates to the Underwriters, (iv) the fees and disbursements of the Company's counsel and accountants, (v) expenses of qualifying the Offered Certificates under state securities laws in accordance with Section 3(f), including filing fees and



fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the Blue Sky Survey and any Legal Investment Survey, (vi) the fees and expenses of the Trustee, the Subordination Agent, the Loan Trustees, the Primary Liquidity Provider, the Above-Cap Liquidity Provider, the Policy Provider and the fees and disbursements of their respective counsel, (vii) any fees charged by rating agencies for rating the Offered Certificates, (viii) certain fees and expenses of counsel for the Underwriters as heretofore agreed, and (ix) the fees and expenses, if any, incurred in connection with the listing of the Offered Certificates on any securities exchange. The Company will also cause to be paid all expenses incident to the performance of its obligations under the Operative Documents and each of the other agreements and instruments referred to therein.

If this Agreement is terminated by you in accordance with the provisions of Section 4 or Section 9(i) hereof, the Company shall reimburse the Underwriters for all of their out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriters, incurred by them in connection with the offering contemplated by this Agreement.

6. Indemnification and Contribution (a) The Company agrees to indemnify and hold harmless each Underwriter and each person who controls any Underwriter within the meaning of the Securities Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act, or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) (1) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement as originally filed or in any amendment thereof, or arise out of or are based upon the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, or (2) arise out of or based upon any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus relating to the Offered Certificates or in the Prospectus or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and, in each case, agrees to reimburse each such indemnified party for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that (i) the Company will not be liable in any such case to the extent that any such loss, claim, damage, or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission (x) made therein in reliance upon, and in conformity with, written information relating to any Underwriter furnished to the Company by or on behalf of such Underwriter through either of you specifically for use in connection with the preparation thereof or made in the part of the Registration Statement constituting the Statement of Eligibility under the Trust Indenture Act of the Trustee on Form T-1 or (y) in the Policy Provider Information, (ii) the foregoing indemnity agreement, with respect to any preliminary prospectus, shall not inure to the benefit of any Underwriter (or any person controlling such Underwriter) as to whom it shall be established did not send or deliver to the person asserting any such loss, claim, damage or liability and who purchased Offered Certificates which are the subject thereof a copy of the Prospectus as amended or supplemented (exclusive of material incorporated by reference) at or prior to the written confirmation of the sale of such Offered Certificates in any case where such delivery is required by the Securities

Act, and the untrue statement or omission of a material fact contained in such preliminary prospectus was corrected in the Prospectus as amended or supplemented and the Company had previously furnished copies thereof to such Underwriter, and (iii) the Company will not be liable for any loss, liability or expense of any settlement of any pending or threatened litigation or any pending or threatened governmental agency investigation or proceeding if such settlement is effected without the prior written consent of the Company. This indemnity agreement will be in addition to any liability which the Company may otherwise have.

(b) Each Underwriter severally agrees to indemnify and hold harmless the Company, each of its directors, each of its officers who signed the Registration Statement, and each person who controls the Company within the meaning of the Securities Act, against any and all losses, claims, damages, liabilities and expenses described in the indemnity contained in Section 6(a), but only with respect to untrue statements or alleged untrue statements or omissions or alleged omissions made in the Registration Statement (or any amendment thereto) or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information relating to such Underwriter furnished to the Company by or on behalf of such Underwriter through either of you specifically for use in the Registration Statement (or any amendment thereto) or the Prospectus (or any amendment or supplement thereto). This indemnity agreement will be in addition to any liability which any Underwriter may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 6 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 6, notify the indemnifying party or parties in writing of the commencement thereof; but the omission so to notify the indemnifying party or parties will not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 6. In case any such action is brought against any indemnified party and it notifies the indemnifying party or parties of the commencement thereof, the indemnifying party or parties will be entitled to participate therein, and to the extent that it may elect, by written notice delivered to such indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, that if, in the reasonable judgment of such indemnified party, a conflict of interest exists where it is advisable for such indemnified party to be represented by separate counsel, the indemnified party shall have the right to employ separate counsel in any such action, in which event the fees and expenses of such separate counsel shall be borne by the indemnifying party or parties. Upon receipt of notice from the indemnifying party or parties to such indemnified party of the election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party or parties will not be liable to such indemnified party under this Section 6 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party or parties shall not be liable for the expenses of more than one such separate counsel representing the indemnified parties under subparagraph (a) of this Section 6 who are parties to such action), (ii) the indemnifying party or parties shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party or parties have authorized the

employment of counsel for the indemnified party at the expense of the indemnifying party or parties; and except that, if clause (i) or (iii) is applicable, such liability shall be only in respect of the counsel referred to in such clause (i) or (iii). It is understood that all such fees and expenses of counsel for the indemnified party for which the indemnifying party is liable shall be reimbursed as they are incurred. No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in paragraph (a) or (b) of this Section 6 is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering of the Offered Certificates pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the Underwriters on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other hand in connection with the offering of the Offered Certificates pursuant to this Agreement shall be deemed to be in the same proportion as the total proceeds from the offering of the Offered Certificates pursuant to this Agreement (net of compensation paid to the Underwriters but before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth on the cover of the Prospectus, bears to the aggregate initial public offering price of the Offered Certificates as set forth on such cover. The relative fault of the Company on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any such action or claim. Notwithstanding the provisions of this Section, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Offered Certificates underwritten by it and distributed to the public were

offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section, each person, if any, who controls an Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act shall have the same rights to contribution as the Company. The Underwriters' respective obligations to contribute pursuant to this Section are several in proportion to the principal amount of Offered Certificates set forth opposite their respective names in Schedule I hereto and not joint.

7. Default. If any one or more Underwriters shall fail at the Closing Time to purchase and pay for any of the Offered Certificates agreed to be purchased by such Underwriter or Underwriters pursuant to this Agreement and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement, the remaining Underwriters shall be obligated severally to take up and pay for (in the respective proportions which the aggregate face amount of Offered Certificates specified to be purchased by them in Schedule I bears to the aggregate face amount of Offered Certificates to be purchased by all the remaining Underwriters) the Offered Certificates which the defaulting Underwriter or Underwriters agreed but failed to purchase; provided, however, that in the event that the aggregate face amount of Offered Certificates that the defaulting Underwriter or Underwriters agreed but failed to purchase shall exceed 10% of the aggregate face amount of Offered Certificates to be purchased pursuant to this Agreement, the remaining Underwriters shall have the right, but not the obligation within 24 hours thereafter, to make arrangements to purchase all, but not less than all, of such Offered Certificates, and if such nondefaulting Underwriters do not complete such arrangements within such 24 hour period, then this Agreement will terminate without liability to any nondefaulting Underwriters or the Company. In the event of any such termination, the provisions of Sections 5, 6 and 8 shall remain in effect. In the event of a default by any Underwriter as set forth in this Section 7 that does not result in a termination of this Agreement, the Closing Time shall be postponed for such period, not exceeding seven days, as the nondefaulting Underwriters or the Company shall determine in order that the required changes in the Registration Statement and the Prospectus or in any other documents or arrangements may be effected. Nothing contained in this Agreement shall relieve any defaulting Underwriter of its liability, if any, to the Company and to any nondefaulting Underwriters for damages occasioned by its default hereunder.

8. Representations, Warranties, Indemnities and Agreements to Survive Delivery. All representations, warranties, indemnities and agreements contained in this Agreement, or contained in certificates of officers of the Company submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Company or any Underwriter or any controlling person of either and shall survive delivery of any Offered Certificates to the Underwriters.

9. Termination. This Agreement may be terminated immediately upon notice from you to the Company at any time at or prior to the Closing Time (i) if there has been, since the respective dates as of which information is given in the Registration Statement and the Prospectus, any material adverse change in the condition, financial or otherwise, of the Company and its subsidiaries considered as one enterprise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has occurred any outbreak or escalation of hostilities or any material change in the financial markets or any other calamity or crisis the effect of any of which on the financial markets is such as to make it, in your judgment, impracticable to market the Offered Certificates or enforce contracts for the sale of the Offered Certificates, or (iii) if trading in the securities of the Company has been suspended by the Commission or a national securities exchange, or if trading generally on the New York Stock Exchange has been suspended, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices for securities have been required, by said exchange or by order of the Commission or any other governmental authority, or (iv) if a banking moratorium has been declared by either Federal or New York authorities. In the event of any such termination, the provisions of Sections 5, 6 and 8 shall remain in effect.

10. Notices. All notices and other communications hereunder shall be in writing and effective only upon receipt, and, if sent to the Underwriters, will be mailed or transmitted by any standard form of telecommunication to the Underwriters as set forth in Schedule I or, if sent to the Company, will be mailed or transmitted by any standard form of telecommunication to it at P.O. Box 619616, Dallas/Fort Worth Airport, Texas 75261-9616, attention of the Treasurer.

11. Parties. This Agreement shall inure to the benefit of and be binding upon the Underwriters and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons and officers and directors referred to in Section 6 and their successors, heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties and their respective successors and said controlling persons and officers and directors and their successors, heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Offered Certificates from any Underwriter shall be deemed to be a successor by reason merely of such purchase.

12. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

13. Counterparts. This Agreement may be executed in one or more counterparts and when a counterpart has been executed by each party hereto all such counterparts taken together shall constitute one and the same agreement.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us a counterpart hereof, whereupon this instrument will become a binding agreement between the Company and each Underwriter in accordance with its terms.

Very truly yours,

AMERICAN AIRLINES, INC.

By: /s/ Leslie M. Benners

-----  
Name: Leslie M. Benners  
Title: Managing Director

confirmed and accepted as of  
the date first above written:

SALOMON SMITH BARNEY INC.  
J.P. MORGAN SECURITIES INC.

On their behalf and on behalf of each of the several Underwriters named in  
Schedule I hereto.

By: SALOMON SMITH BARNEY INC.

By: /s/ Thomas Bliemel

-----  
Name: Thomas Bliemel  
Title: Director

By: J.P. MORGAN SECURITIES INC.

By: /s/ Sangho Rhee

-----  
Name: Sangho Rhee  
Title: Vice President

SCHEDULE A  
to  
Underwriting  
Agreement

Class of Pass Through Certificates -----	Aggregate Face Amount -----	Interest Rate -----	Final Expected Regular Distribution Date -----
2002-1, Class G	\$617,000,000	USD 3-month LIBOR + 0.62%	September 23, 2007

SCHEDULE I  
to  
Underwriting  
Agreement

Dated: As of September 17, 2002

AMERICAN AIRLINES, INC.

	FACE AMOUNT OF CLASS G CERTIFICATES
Salomon Smith Barney Inc.	\$102,835,000
J.P. Morgan Securities Inc.	102,833,000
Credit Suisse First Boston Corporation	102,833,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	102,833,000
Morgan Stanley & Co. Incorporated	102,833,000
WestLB AG, London Branch	102,833,000
	-----
Total	\$617,000,000 =====

All notices to the Underwriters shall be sent as follows:

c/o Mr. Mark Rhodes  
Salomon Smith Barney Inc.  
388 Greenwich Street  
New York, New York 10013

c/o Mr. James Young Lee  
J.P. Morgan Securities Inc.  
277 Park Avenue  
New York, New York 10017



SCHEDULE II  
to  
Underwriting  
Agreement

Dated: As of September 17, 2002

AMERICAN AIRLINES, INC.

Underwriting fees, discounts, commissions or other compensation: \$4,010,500.00

Closing date, time and location: 10:00 A.M. on September 24, 2002 at the  
offices of Debevoise & Plimpton, 919 Third  
Avenue, New York, NY 10022

SCHEDULE III  
to  
Underwriting  
Agreement

[Letter From Ernst & Young LLP]

PASS THROUGH TRUST AGREEMENT

Dated as of March 21, 2002

between

AMERICAN AIRLINES, INC.

and

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,

as Trustee

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Reconciliation and tie between American Airlines Pass Through Trust Agreement, dated as of March 21, 2002 and the Trust Indenture Act of 1939. This reconciliation does not constitute part of the Pass Through Trust Agreement.

Trust Indenture Act of 1939 Section -----	Pass Through Trust Agreement Section -----
310(a)(1)	7.08
(a)(2)	7.08
312(a)	7.12; 8.01; 8.02
313(a)	8.03
313(b)	8.03
314(a)(1)-(3)	8.04(a)-(c)
(a)(4)	8.04(d)
(c)(1)	1.02
(c)(2)	1.02
(d)(1)	1.02; 7.13; 11.01
(d)(2)	1.02; 7.13; 11.01
(d)(3)	1.02; 2.01
(e)	1.02
315(b)	7.02
315(c)	7.01(b)
316(a)(last sentence)	1.04(c)
(a)(1)(A)	6.04
(a)(1)(B)	6.05
(b)	6.06
(c)	1.04(d)
317(a)(1)	6.03
(b)	7.13
318(a)	12.07



PASS THROUGH TRUST AGREEMENT

This PASS THROUGH TRUST AGREEMENT, dated as of March 21, 2002 (the "Basic Agreement"), between American Airlines, Inc., a Delaware corporation, and State Street Bank and Trust Company of Connecticut, National Association, a national banking association, as Trustee, is made with respect to the formation from time to time of separate American Airlines Pass Through Trusts, and the issuance from time to time of separate series of Pass Through Certificates representing fractional undivided interests in the respective Trusts.

W I T N E S S E T H:

WHEREAS, from time to time, the Company and the Trustee may enter into a Trust Supplement (this and certain other defined terms used herein are defined in Section 1.01) pursuant to which the Trustee shall declare the creation of a separate Trust for the benefit of the Holders of the series of Certificates to be issued in respect of such Trust, and the initial Holders of the Certificates of such series, as the grantors of such Trust, by their respective acceptances of the Certificates of such series, shall join in the creation of such Trust with the Trustee;

WHEREAS, all Certificates to be issued in respect of each separate Trust will be issued as a separate series pursuant to this Agreement, will evidence fractional undivided interests in such Trust and will have no rights, benefits or interests in respect of any other separate Trust or the property held therein, subject, however, to the provisions of any Intercreditor Agreement to which one or more Trusts may be a party and to any provisions to the contrary in any applicable Trust Supplement;

WHEREAS, from time to time, pursuant to the terms and conditions of this Agreement with respect to each separate Trust formed hereunder, the Trustee on behalf of such Trust shall purchase one or more issues of Equipment Notes, or notes issued by a separate trust or other entity secured by Equipment Notes, having the identical interest rate as, and final maturity dates not later than the final Regular Distribution Date of, the series of Certificates issued in respect of such Trust and, subject to the terms of any related Intercreditor Agreement and to any terms to the contrary in any applicable Trust Supplement, shall hold such Equipment Notes in trust for the benefit of the Certificateholders of such Trust;

WHEREAS, to facilitate the sale of Equipment Notes to, and the purchase of Equipment Notes by, the Trustee on behalf of each Trust created from time to time pursuant to this Agreement, the Company as the "issuer", as such term is defined in and solely for purposes of the Securities Act of 1933, as amended, of the Certificates to be issued in respect of each Trust and as the "obligor", as such term is defined in and solely for purposes of the Trust Indenture Act of 1939, as amended to date, has duly authorized the execution and delivery of this Basic Agreement and is undertaking to perform certain administrative and ministerial duties hereunder and is also undertaking to pay the fees and expenses of the Trustee; and

WHEREAS, this Agreement, as supplemented from time to time, is subject to the provisions of the Trust Indenture Act and shall, to the extent applicable, be governed by such provisions;

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. For all purposes of this Basic Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (1) the terms used herein that are defined in this Article I have the meanings assigned to them in this Article I, and include the plural as well as the singular;
- (2) all other terms used herein that are defined in the Trust Indenture Act, either directly or by reference therein, or by the rules promulgated under the Trust Indenture Act, have the meanings assigned to them therein;
- (3) all references in this Basic Agreement to designated "Articles", "Sections", "Subsections" and other subdivisions are to the designated Articles, Sections, Subsections and other subdivisions of this Basic Agreement;
- (4) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Basic Agreement as a whole and not to any particular Article, Section, Subsection or other subdivision;
- (5) 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"; and
- (6) the term "this Agreement" (as distinguished from "this Basic Agreement") refers, unless the context otherwise requires, to this Basic Agreement as supplemented by the Trust Supplement creating a particular Trust and establishing the series of Certificates issued or to be issued in respect thereof, with reference to such Trust and such series of Certificates, as this Basic Agreement as so supplemented may be further supplemented with respect to such Trust and such series of Certificates.

Act: Has the meaning, with respect to any Certificateholder, specified in Section 1.04(a).

**Affiliate:** Means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person. For the purposes of this definition, "control", when used with respect to any specified Person, means the power, directly or indirectly, to direct the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

**Aircraft:** Means one or more aircraft, including engines therefor, owned by or leased to the Company and securing one or more Equipment Notes.

**Authorized Agent:** Means, with respect to the Certificates of any series, any Paying Agent or Registrar for the Certificates of such series.

**Basic Agreement:** Means this Pass Through Trust Agreement, as the same may from time to time be supplemented, amended or modified, but does not include any Trust Supplement.

**Book-Entry Certificates:** Means, with respect to the Certificates of any series, a beneficial interest in the Certificates of such series, ownership and transfers of which shall be made through book entries as described in Section 3.05.

**Business Day:** Means, with respect to the Certificates of any series, 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, Dallas, Texas, or, so long as any Certificate of such series is outstanding, the city and state in which the Trustee or any related Loan Trustee maintains its Corporate Trust Office or receives and disburses funds.

**Certificate:** Means any one of the certificates executed and authenticated by the Trustee, substantially in the form specified in the relevant Trust Supplement.

**Certificate Account:** Means, with respect to the Certificates of any series, the account or accounts created and maintained for such series pursuant to Section 4.01(a) and the related Trust Supplement.

**Certificateholder or Holder:** Means, with respect to the Certificates of any series, the Person in whose name a Certificate of such series is registered in the Register for Certificates of such series.

**Certificate Owner:** Means, with respect to the Certificates of any series, for purposes of Section 3.05, a Person who owns a Book-Entry Certificate of such series.

**Clearing Agency:** Means an organization registered as a "clearing agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended.

Clearing Agency Participant: Means a broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency effects, directly or indirectly, book-entry transfers and pledges of securities deposited with the Clearing Agency.

Company: Means American Airlines, Inc., a Delaware corporation, or its successor in interest pursuant to Section 5.02.

Controlling Party: Means, with respect to the Certificates of any series, the Person entitled to act as such pursuant to the terms of the related Intercreditor Agreement.

Corporate Trust Office: Means, with respect to the Trustee or any Loan Trustee, the office of such trustee in the city at which at any particular time its corporate trust business shall be principally administered.

Cut-off Date: Means, with respect to the Certificates of any series, the date designated as such in the Trust Supplement establishing such series.

Definitive Certificates: Has the meaning, with respect to the Certificates of any series, specified in Section 3.05.

Direction: Has the meaning specified in Section 1.04(a).

Distribution Date: Means any Regular Distribution Date, Special Distribution Date or Initial Regular Distribution Date.

Equipment Note: Means, with respect to any Trust, any one of the notes, certificates or instruments issued pursuant to any Indenture and described as "Equipment Notes" in, or on a schedule attached to, the Trust Supplement in respect of such Trust and to be held by the Trustee as part of such Trust, including any Equipment Note (as so defined) issued under the applicable Indenture in replacement thereof or substitution therefor.

ERISA: Means the Employee Retirement Income Security Act of 1974, as amended from time to time, or any successor federal statute.

Escrow Account: Has the meaning, with respect to any Trust, specified in Section 2.02(b).

Escrowed Funds: Has the meaning, with respect to any Trust, specified in Section 2.02(b).

Event of Default: Means, in respect of any Trust, an Indenture Event of Default under any Indenture pursuant to which Equipment Notes held by such Trust were issued and such other event as may be designated under the related Trust Supplement as an "Event of Default".

Fractional Undivided Interest: Means the fractional undivided interest in a Trust that is evidenced by a Certificate relating to such Trust.

Holder: Has the meaning specified in the definition of "Certificateholder or Holder".

Indenture: Means, with respect to any Trust, each of the one or more separate trust indenture and security agreements or trust indenture and mortgages or similar documents described in, or on a schedule attached to, the Trust Supplement and an indenture having substantially the same terms and conditions which relates to a Substitute Aircraft, as each such indenture may be amended or supplemented in accordance with its respective terms; and "Indentures" means all of such agreements.

Indenture Event of Default: Means, with respect to any Indenture, any Event of Default (as such term is defined in such Indenture).

Initial Regular Distribution Date: Means, with respect to the Certificates of any series, the first Regular Distribution Date on which a Scheduled Payment is to be made.

Intercreditor Agreement: Means (a) any agreement by and among the Trustee, as trustee with respect to one or more Trusts, one or more Liquidity Providers, if applicable, and a Subordination Agent providing, among other things, for the distribution of payments made in respect of Equipment Notes held by such Trusts, or (b) such other agreement or agreements designated as an "Intercreditor Agreement" in the Trust Supplement relating to any Trust.

Issuance Date: Means, with respect to the Certificates of any series, the date of the issuance of such Certificates.

Lease: Means any lease between an Owner Trustee, as the lessor (or such other Person acting as the lessor), and the Company, as the lessee, referred to in the related Indenture, as such lease may be amended, supplemented or otherwise modified in accordance with its terms; and "Leases" means all such Leases.

Letter of Representations: Means, with respect to the Certificates of any series, an agreement among the Company, the Trustee and the initial Clearing Agency substantially in the form attached as an Exhibit to the related Trust Supplement, as such letter may be modified or supplemented, or any successor letter thereto.

Liquidity Facility: Means, with respect to the Certificates of any series or any Equipment Notes, (a) any revolving credit agreement, letter of credit, bank guarantee, insurance policy, surety bond or financial guaranty or any other type of agreement or arrangement for the provision of insurance, a guarantee or other credit enhancement or liquidity support relating to the Certificates of such series between a Liquidity Provider and a Subordination Agent or one or more other Persons,

as amended, replaced, supplemented or otherwise modified from time to time in accordance with its terms and, if applicable, the terms of any Intercreditor Agreement, or (b) such other agreement or agreements designated as a "Liquidity Facility" in the Trust Supplement relating to any Trust.

**Liquidity Provider:** Means, with respect to the Certificates of any series, a bank, insurance company, financial institution or other Person that agrees to provide a Liquidity Facility for the benefit of the holders of Certificates of such series.

**Loan Trustee:** Means, with respect to any Equipment Note or the Indenture applicable thereto, the bank, trust company or other financial institution designated as loan or indenture trustee under such Indenture, and any successor to such Loan Trustee as such trustee; and "Loan Trustees" means all of the Loan Trustees under the Indentures.

**Note Documents:** Means, with respect to the Certificates of any series, the Equipment Notes with respect to such Certificates and, with respect to such Equipment Notes, the related Indenture, Note Purchase Agreement, and, if the related Aircraft is leased to the Company, the related Lease and the related Purchase Agreement Assignment (as defined in the related Lease), if any, and, if the Parent has guaranteed the obligations of the Company under any such Equipment Notes or Leases, the Parent Guarantee.

**Note Purchase Agreement:** Means, with respect to the Certificates of any series, any note purchase, refunding, participation or similar agreement providing for, among other things, the purchase of Equipment Notes by the Trustee on behalf of the relevant Trust; and "Note Purchase Agreements" means all such agreements.

**Officer's Certificate:** Means a certificate signed, (a) in the case of the Company, by the Chairman or Vice Chairman of the Board of Directors, the President, any Executive Vice President, any Senior Vice President, any Vice President or the Treasurer of the Company or (b) in the case of the Trustee or an Owner Trustee or a Loan Trustee, a Responsible Officer of the Trustee or such Owner Trustee or such Loan Trustee, as the case may be.

**Opinion of Counsel:** Means a written opinion of legal counsel who (a) in the case of counsel for the Company may be (i) a senior attorney of the Company one of whose principal duties is furnishing advice as to legal matters, (ii) Debevoise & Plimpton or (iii) such other counsel designated by the Company and reasonably acceptable to the Trustee and (b) in the case of any Owner Trustee or any Loan Trustee, such counsel as they may designate, whether or not such counsel is an employee of any of them, and who shall be reasonably acceptable to the Trustee.

**Outstanding:** When used with respect to Certificates of any series, means, as of the date of determination, all Certificates of such series theretofore authenticated and delivered under this Agreement, except:

(i) Certificates of such series theretofore cancelled by the Registrar or delivered to the Trustee or the Registrar for cancellation;

(ii) all of the Certificates of such series if money in the full amount required to make the final distribution with respect to such series pursuant to Section 11.01 hereof has been theretofore deposited with the Trustee in trust for the Holders of the Certificates of such series as provided in Section 4.01, pending distribution of such money to such Certificateholders pursuant to payment of such final distribution payment; and

(iii) Certificates of such series in exchange for or in lieu of which other Certificates of such series have been authenticated and delivered pursuant to this Agreement.

Owner Participant: Means, with respect to any Equipment Note, the "Owner Participant", if any, as referred to in the Indenture pursuant to which such Equipment Note is issued and any permitted successor or assign of such Owner Participant; and "Owner Participants" at any time of determination means all of the Owner Participants thus referred to in the Indentures.

Owner Trustee: Means, with respect to any Equipment Note, the "Owner Trustee", if any, as referred to in the Indenture pursuant to which such Equipment Note is issued, not in its individual capacity but solely as trustee; and "Owner Trustees" means all of the Owner Trustees party to any of the related Indentures.

Parent: Means AMR Corporation, a Delaware corporation, and its successors and assigns.

Parent Guarantee: Means, with respect to the Certificates of any series, a guarantee by the Parent of the obligations of the Company under any Equipment Notes or any Leases related to Equipment Notes to be acquired and held in the Trust as to which the Certificates of such series represent fractional undivided interests.

Paying Agent: Means, with respect to the Certificates of any series, the paying agent maintained and appointed for the Certificates of such series pursuant to Section 7.12.

Permitted Investments: Means obligations of the United States of America or agencies or instrumentalities thereof for the payment of which the full faith and credit of the United States of America is pledged, maturing in not more than 60 days after the date of acquisition thereof or such lesser time as is required for the distribution of any Special Payments on a Special Distribution Date.

Person: Means any person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, trustee, unincorporated organization, or government or any agency or political subdivision thereof.

Pool Balance: Means, with respect to the Certificates of any series as of any date, except to the extent otherwise provided in the applicable Trust Supplements, (i) the original aggregate face

amount of the Certificates of such series less (ii) the aggregate amount of all distributions made in respect of such Certificates other than distributions made in respect of interest or premium or reimbursement of any costs or expenses incurred in connection therewith. The Pool Balance as of any Regular Distribution Date or Special Distribution Date with respect to such series shall be computed after giving effect to the payment of principal, if any, on the Equipment Notes or other Trust Property held in the Trust and the distribution thereof to be made on such date.

Pool Factor: Means, with respect to any series of Certificates as of any date, except to the extent otherwise provided in the applicable Trust Supplement, the quotient (rounded to the seventh decimal place, with 0.00000005 being rounded upward) computed by dividing (i) the Pool Balance of such series as of such date by (ii) the original aggregate face amount of the Certificates of such series. The Pool Factor as of any Regular Distribution Date or Special Distribution Date with respect to such series shall be computed after giving effect to the payment of principal, if any, on the Equipment Notes or other Trust Property held in the Trust relating to such series and the distribution thereof to be made on such date.

Postponed Notes: Means, with respect to any Trust or the related series of Certificates, the Equipment Notes to be held in such Trust as to which a Postponement Notice shall have been delivered pursuant to Section 2.02(b).

Postponement Notice: Means, with respect to any Trust or the related series of Certificates, an Officer's Certificate of the Company (i) requesting that the Trustee temporarily postpone purchase of the related Equipment Notes to a date later than the Issuance Date of such series of Certificates, (ii) identifying the amount of the purchase price of each such Equipment Note and the aggregate purchase price for all such Equipment Notes, (iii) setting forth the reasons for such postponement and (iv) with respect to each such Equipment Note, either (a) setting or resetting a new Transfer Date (which shall be on or prior to the applicable Cut-off Date) for payment by the Trustee of such purchase price and issuance of the related Equipment Note (subject to subsequent change from time to time in accordance with the relevant Note Purchase Agreement), or (b) indicating that such new Transfer Date (which shall be on or prior to the applicable Cut-off Date) will be set by subsequent written notice not less than one Business Day prior to such new Transfer Date (subject to subsequent change from time to time in accordance with the relevant Note Purchase Agreement).

Potential Purchaser: Has the meaning, with respect to any Certificateholder, specified in Section 6.01(d).

Purchasing Certificateholder: Has the meaning, with respect to any Certificateholder, specified in Section 6.01(d).

Record Date: Means, with respect to any Trust or the related series of Certificates, (i) for Scheduled Payments to be distributed on any Regular Distribution Date, other than the final distribution with respect to such series, the 15th day (whether or not a Business Day) preceding such Regular Distribution Date, or such other date as shall be specified for such series in the applicable



Trust Supplement, and (ii) for Special Payments to be distributed on any Special Distribution Date, other than the final distribution with respect to such series, the 15th day (whether or not a Business Day) preceding such Special Distribution Date, or such other date as shall be specified for such series in the applicable Trust Supplement.

Register and Registrar: Means, with respect to the Certificates of any series, the register maintained and the registrar appointed pursuant to Sections 3.04 and 7.12, respectively.

Regular Distribution Date: Means, with respect to distributions of Scheduled Payments in respect of any series of Certificates, each date designated as such in this Agreement, until payment of all the Scheduled Payments to be made under the Equipment Notes held in the Trust have been made or until such Equipment Notes have been redeemed or otherwise prepaid in full.

Request: Means a request by the Company setting forth the subject matter of the request accompanied by an Officer's Certificate and an Opinion of Counsel as provided in Section 1.02 of this Basic Agreement.

Responsible Officer: Means, with respect to any Trustee, any Loan Trustee and any Owner Trustee, any officer in the Corporate Trust Department or similar department of the Trustee, such Loan Trustee or such Owner Trustee, as the case may be, or any other officer customarily performing functions similar to those performed by the persons who at the time shall be such officers or to whom any corporate trust matter is referred because of his knowledge of and familiarity with a particular subject.

Responsible Party: Means, with respect to the Certificates of any series, the Company or the other Person designated as such in the related Trust Supplement.

Scheduled Payment: Means, with respect to any Equipment Note, except to the extent otherwise provided in the applicable Trust Supplement, (i) any payment of principal or interest on such Equipment Note (other than any such payment which is not in fact received by the Trustee or any Subordination Agent within five days after the date on which such payment is scheduled to be made) or (ii) any distribution in respect of principal or interest on such Equipment Note to the Holders of the Certificates of any series with funds drawn under the Liquidity Facility for such series (other than any such payment which is not in fact received by the Trustee or any Subordination Agent within five days after the date upon which payment is scheduled to be made), which payment in the case of clause (i) or clause (ii) represents an installment of principal on such Equipment Note at the stated maturity of such installment, or the payment of regularly scheduled interest accrued on the unpaid principal amount of such Equipment Note, or both; provided, however, that any payment of principal, premium, if any, or interest resulting from the redemption or purchase of any Equipment Note shall not constitute a Scheduled Payment.

SEC: Means the Securities and Exchange Commission, as from time to time constituted or created under the Securities Exchange Act of 1934, as amended, or, if at any time after the execution

of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties on such date.

Selling Certificateholder: Has the meaning, with respect to any Certificateholder, specified in Section 6.01(d).

Special Distribution Date: Means, with respect to the Certificates of any series, each date on which a Special Payment is to be distributed as specified in this Agreement.

Special Payment: Means, except to the extent otherwise provided in the applicable Trust Supplement, (i) any payment (other than a Scheduled Payment) in respect of, or any proceeds of, any Equipment Note held in a Trust or the Collateral or Trust Indenture Estate, as the case may be (in each case, as defined in each Indenture relating to such Trust), (ii) the amounts required to be distributed pursuant to the last paragraph of Section 2.02(b), or (iii) the amounts required to be distributed pursuant to the penultimate paragraph of Section 2.02(b).

Special Payments Account: Means, with respect to the Certificates of any series, the account or accounts created and maintained for such series pursuant to Section 4.01(b) and the related Trust Supplement.

Specified Investments: Means, with respect to any Trust, unless otherwise specified in the related Trust Supplement, (i) obligations of the United States Government or agencies thereof, or obligations guaranteed by the United States Government, (ii) open market commercial paper of any corporation incorporated under the laws of the United States of America or any State thereof rated at least P-2 or its equivalent by Moody's Investors Service, Inc. or at least A-2 or its equivalent by Standard & Poor's Ratings Services (including the Trustee if such conditions are met), (iii) certificates of deposit issued by commercial banks organized under the laws of the United States or of any political subdivision thereof having a combined capital and surplus in excess of \$500,000,000 which banks or their holding companies have a rating of A or its equivalent by Moody's Investors Service, Inc. or A2 or its equivalent by Standard & Poor's Ratings Services (including the Trustee if such conditions are met); provided, however, that the aggregate amount at any one time so invested in certificates of deposit issued by any one bank shall not exceed 5% of such bank's capital and surplus, (iv) U.S. dollar denominated offshore certificates of deposit issued by, or offshore time deposits with, any commercial bank described in (iii) or any subsidiary thereof, and (v) repurchase agreements with any financial institution having combined capital and surplus of at least \$500,000,000 (including the Trustee if such conditions are met) with any of the obligations described in clauses (i) through (iv) as collateral; provided further that if all of the above investments are unavailable, the entire amounts to be invested may be used to purchase Federal Funds from an entity described in clause (iii) above; and provided further that no investment shall be eligible as a "Specified Investment" unless the final maturity or date of return of such investment is on or before the Special Distribution Date next following the Cut-off Date for such Trust by at least 15 days. The Trustee is hereby authorized, in making or disposing of any investment described herein, to deal with

itself (in its individual capacity) or with any one or more of its Affiliates, whether it or such Affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account.

Subordination Agent: Has the meaning, with respect to the Certificates of any series, specified therefor in the relevant Intercreditor Agreement.

Substitute Aircraft: Means, with respect to any Trust, any Aircraft of a type specified in this Agreement and, at the election of the Company, substituted prior to the applicable Cut-off Date, if any, pursuant to the terms of this Agreement.

Transfer Date: Has the meaning, with respect to the Certificates of any series, assigned to that term or any of the terms "Delivery Date", "Funding Date" or "Closing Date" in any relevant Note Purchase Agreement, and in any event refers to any such date as it may be changed from time to time in accordance with the terms of such Note Purchase Agreement.

Triggering Event: Has the meaning, with respect to the Certificates of any series, specified therefor in the relevant Intercreditor Agreement.

Trust: Means, with respect to the Certificates of any series, the separate trust created under this Agreement.

Trustee: Means, with respect to any particular Trust, the institution executing this Agreement as the Trustee, or its successor in interest, and any successor or other trustee appointed as provided herein (it being understood that the same institution need not act as the Trustee in respect of all of the Trusts created pursuant to this Basic Agreement and the Trust Supplements).

Trust Indenture Act: Except as otherwise provided in Section 9.06, means, with respect to any particular Trust, the Trust Indenture Act of 1939, as amended and in force at the date as of which the related Trust Supplement was executed.

Trust Property: Means, with respect to any Trust, except to the extent otherwise provided in the applicable Trust Supplement, (i) subject to any related Intercreditor Agreement, the Equipment Notes held as the property of such Trust, all monies at any time paid thereon and all monies due and to become due thereunder, (ii) debt instruments issued by the Company in accordance with the first paragraph of Section 2.02(b), (iii) funds from time to time deposited in the related Escrow Account, the related Certificate Account and the related Special Payments Account and, subject to any related Intercreditor Agreement, any proceeds from the sale by the Trustee pursuant to Article VI hereof of any Equipment Note referred to in (i) above, (iv) all rights of such Trust and the Trustee, on behalf of the Trust, under any Intercreditor Agreement or Liquidity Facility, including, without limitation, all rights to receive all monies and other property payable thereunder, and (v) all monies or other property receivable under any Intercreditor Agreement or Liquidity Facility for such Trust.

Trust Supplement: Means an agreement supplemental hereto pursuant to which (i) a separate Trust is created for the benefit of the Holders of the Certificates of a series, (ii) the issuance of the Certificates of such series representing fractional undivided interests in such Trust is authorized and (iii) the terms of the Certificates of such series are established, as such agreement may from time to time be supplemented, amended or otherwise modified.

Section 1.02. Compliance Certificates and Opinions. Upon any application or request (except with respect to matters set forth in Article II) by the Company, any Owner Trustee or any Loan Trustee to the Trustee to take any action under any provision of this Basic Agreement or, in respect of the Certificates of any series, this Agreement, the Company, such Owner Trustee or such Loan Trustee, as the case may be, shall furnish to the Trustee (i) an Officer's Certificate stating that, in the opinion of the signer or signers, all conditions precedent, if any, provided for in this Basic Agreement or this Agreement relating to the proposed action have been complied with and (ii) an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Basic Agreement or this Agreement relating to such particular application or request, no additional certificate or opinion need be furnished. Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Basic Agreement or, in respect of the Certificates of any series, this Agreement (other than a certificate provided pursuant to Section 8.04(d)) or any Trust Supplement shall include:

- (1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions in this Basic Agreement or this Agreement relating thereto;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 1.03. Form of Documents Delivered to Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters and any such Person may certify or give an opinion as to such matters in one or several documents.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Basic Agreement or, in respect of the Certificates of any series, this Agreement, they may, but need not, be consolidated and form one instrument.

Section 1.04. Directions of Certificate Holders. (a) Any direction, consent, request, demand, authorization, notice, waiver or other action provided by this Agreement or in respect of the Certificates of any series to be given or taken by Certificateholders (a "Direction") may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Certificateholders in person or by an agent or proxy duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, when it is expressly required pursuant to this Agreement, to the Company or any Loan Trustee. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Certificateholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent or proxy shall be sufficient for any purpose of this Agreement and conclusive in favor of the Trustee, the Company and the related Loan Trustee, if made in the manner provided in this Section 1.04.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction authorized to take acknowledgments of deeds or administer oaths that the Person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or such other officer, and where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other reasonable manner which the Trustee deems sufficient.

(c) In determining whether the Certificateholders of the requisite Fractional Undivided Interests of Certificates of any series Outstanding have given any Direction under this Agreement, Certificates owned by the Company, any related Owner Trustee, any related Owner Participant or any Affiliate of any such Person shall be disregarded and deemed not to be Outstanding for purposes of any such determination. In determining whether the Trustee shall be protected in relying upon any such Direction, only Certificates which the Trustee knows to be so owned shall be so disregarded. Notwithstanding the foregoing, (i) if any such Person owns 100% of the Certificates of any series Outstanding, such Certificates shall not be so disregarded, and (ii) if any amount of Certificates of any series owned by any such Person have been pledged in good faith, such Certificates shall not be disregarded if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Certificates and that the pledgee is not the Company, any related Owner Trustee, any related Owner Participant or any Affiliate of any such Person.

(d) The Company may, at its option, by delivery of an Officer's Certificate to the Trustee, set a record date to determine the Certificateholders in respect of the Certificates of any series entitled to give any Direction. Notwithstanding Section 316(c) of the Trust Indenture Act, such record date shall be the record date specified in such Officer's Certificate, which shall be a date not more than 30 days prior to the first solicitation of Certificateholders of the applicable series in connection therewith. If such a record date is fixed, such Direction may be given before or after such record date, but only the Certificateholders of record of the applicable series at the close of business on such record date shall be deemed to be Certificateholders for the purposes of determining whether Certificateholders of the requisite proportion of Outstanding Certificates of such series have authorized or agreed or consented to such Direction, and for that purpose the Outstanding Certificates of such series shall be computed as of such record date; provided, however, that no such Direction by the Certificateholders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Agreement not later than one year after such record date. Nothing in this paragraph shall be construed to prevent the Company from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be deemed cancelled and of no effect).

(e) Any Direction by the Holder of any Certificate shall bind the Holder of every Certificate issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such Direction is made upon such Certificate.

(f) Except as otherwise provided in Section 1.04(c), Certificates of any series owned by or pledged to any Person shall have an equal and proportionate benefit under the provisions of this Agreement, without preference, priority or distinction as among all of the Certificates of such series.

(g) The Company and the Trustee may make reasonable rules for action by or at a meeting of Certificateholders.

ARTICLE II  
ORIGINAL ISSUANCE OF CERTIFICATES;  
ACQUISITION OF TRUST PROPERTY

Section 2.01. Amount Unlimited; Issuable in Series. (a) The aggregate face amount of Certificates that may be authenticated and delivered under this Basic Agreement is unlimited. The Certificates may be issued from time to time in one or more series and shall be designated generally as the "Pass Through Certificates", with such further designations added or incorporated in such title for the Certificates of each series as are specified in the related Trust Supplement. Each Certificate shall bear upon its face the designation so selected for the series to which it belongs. All Certificates of the same series shall be substantially identical except that the Certificates of a series may differ as to denomination and as may otherwise be provided in the Trust Supplement establishing the

Certificates of such series. Each series of Certificates issued pursuant to this Agreement will evidence fractional undivided interests in the related Trust and, except as may be specified in any Intercreditor Agreement or in the applicable Trust Supplement, will have no rights, benefits or interests in respect of any other Trust or the Trust Property held therein. All Certificates of the same series shall be in all respects equally and ratably entitled to the benefits of this Agreement without preference, priority or distinction on account of the actual time or times of authentication and delivery, all in accordance with the terms and provisions of this Agreement.

(b) The following matters shall be established with respect to the Certificates of each series issued hereunder by a Trust Supplement executed and delivered (x) by and between the Company and the Trustee, or (y) if the Parent will guarantee the obligations of the Company under any Equipment Notes or any Leases related to Equipment Notes to be acquired and held in the Trust formed by such Trust Supplement, by and among the Parent, the Company and the Trustee:

- (1) the formation of the Trust as to which the Certificates of such series represent fractional undivided interests and its designation (which designation shall distinguish such Trust from each other Trust created under this Basic Agreement and a Trust Supplement);
- (2) the specific title of the Certificates of such series (which title shall distinguish the Certificates of such series from each other series of Certificates created under this Basic Agreement and a Trust Supplement);
- (3) subject to Section 2.01(a) hereof, any limit upon the aggregate face amount of the Certificates of such series which may be authenticated and delivered under this Basic Agreement (which limit shall not pertain to Certificates authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Certificates of the series pursuant to Sections 3.03, 3.04, 3.05(d) and 3.06);
- (4) the Cut-off Date with respect to the Certificates of such series and the related Trust;
- (5) the Regular Distribution Dates applicable to the Certificates of such series;
- (6) the Special Distribution Dates applicable to the Certificates of such series;
- (7) if other than as provided in Section 3.04 or Section 7.12(b), the Registrar or the Paying Agent for the Certificates of such series, including any Co-Registrar or additional Paying Agent;
- (8) if other than as provided in Section 3.01, the denominations in which the Certificates of such series shall be issuable;

- (9) if other than United States dollars, the currency or currencies (including composite currencies or currency units) in which the Certificates of such series shall be denominated or payable, in whole or in part;
- (10) the specific form of the Certificates of such series (including the interest rate applicable thereto) and whether or not Certificates of such series are to be issued as Book-Entry Certificates and, if such Certificates are to be Book-Entry Certificates, the form of Letter of Representations, if any (or, in the case of any Certificates denominated or payable in a currency other than United States dollars and if other than as provided in Section 3.05, whether and the circumstances under which beneficial owners of interests in such Certificates in permanent global form may exchange such interests for Certificates of such series and of like tenor of any authorized form and denomination);
- (11) a description of the Equipment Notes, and, if applicable, of any notes issued by a trust or other entity secured by Equipment Notes, to be acquired and held in the Trust formed by such Trust Supplement and of the related Aircraft, if determined, and Note Documents, if determined;
- (12) provisions with respect to the terms for which the definitions set forth in Article I hereof or the terms of any Section hereof, including Section 11.01 hereof, permit or require further specification in the related Trust Supplement;
- (13) any restrictions (including legends) in respect of ERISA or tax matters;
- (14) the acceptance of appointment by the institution named to act as Trustee with respect to such Trust, if different from the institution executing this Basic Agreement or its successor;
- (15) whether such series will be subject to an Intercreditor Agreement and, if so, the specific designation of such Intercreditor Agreement and the rights of Potential Purchasers upon the occurrence of a Triggering Event;
- (16) whether such series will have the benefit of a Liquidity Facility or any interest rate swap, interest rate cap, option, forward contract or other derivative contract or similar agreement or arrangement and, if so, any terms appropriate thereto;
- (17) whether the Parent will guarantee the obligations of the Company under any Equipment Notes or any Leases related to Equipment Notes to be acquired and held in the Trust formed by such Trust Supplement and, if so, the specific form of such Parent Guarantee or Parent Guarantees and a statement that the Parent shall be an "obligor" as such term is defined in and solely for purposes of the Trust Indenture Act



and shall be required to comply with those provisions of this Agreement compliance with which is required by an "obligor" under the Trust Indenture Act;

- (18) whether there will be a deposit agreement, escrow agreement or other arrangement prior to the delivery of one or more Aircraft or the commencement of the Lease in respect of one or more Aircraft and, if so, any terms appropriate thereto;
- (19) the extent, if any, to which the Company may acquire Certificates and deliver such Certificates or cash to the respective Trusts and obtain the release of Equipment Notes or other Trust Property held by such Trusts;
- (20) if the Certificates of such series are to be issued in bearer form, the forms thereof and any other special terms relating thereto;
- (21) the "Responsible Party" for purposes of directing the Trustee to make Specified Investments; and
- (22) any other terms of the Certificates of such series or any related Parent Guarantee (which terms shall not be inconsistent with the provisions of the Trust Indenture Act but may modify, amend, supplement or delete any of the terms of this Basic Agreement), including any terms of the Certificates of such series which may be required or advisable under United States laws or regulations or advisable (as determined by the Company) in connection with the marketing of Certificates of the series.

(c) At any time and from time to time after the execution and delivery of this Basic Agreement and a Trust Supplement forming a Trust and establishing the terms of Certificates of a series, Certificates of such series shall be executed, authenticated and delivered by the Trustee to the Person or Persons specified by the Company upon request of the Company and upon satisfaction or waiver of any conditions precedent set forth in such Trust Supplement or in any other document to which a Trustee is a party relating to the issuance of the Certificates of such series.

Section 2.02. Acquisition of Equipment Notes. (a) Unless otherwise specified in the related Trust Supplement, on or prior to the Issuance Date of the Certificates of a series, the Trustee shall execute and deliver the related Note Purchase Agreements in the form delivered to the Trustee by the Company. Unless otherwise specified in the related Trust Supplement, the Trustee shall issue and sell such Certificates, in authorized denominations and in such Fractional Undivided Interests, so as to result in the receipt of consideration in an amount equal to the aggregate purchase price of the Equipment Notes (and/or, if applicable, any notes issued by a trust or other entity secured by Equipment Notes) contemplated to be purchased by the Trustee under the related Note Purchase Agreements and, concurrently therewith (unless the Company shall have delivered to the Trustee the Postponement Notice relating to one or more Postponed Notes pursuant to Subsection (b) below), the Trustee shall purchase, pursuant to the terms and conditions of the Note Purchase Agreements,

such Equipment Notes (except Postponed Notes, if any)(or other notes) at a purchase price equal to the amount of such consideration so received. Except as provided in Sections 3.03, 3.04, 3.05 and 3.06 hereof, the Trustee shall not execute, authenticate or deliver Certificates of such series in excess of the aggregate amount specified in this paragraph. The provisions of this Subsection (a) are subject to the provisions of Subsection (b) below.

(b) If on or prior to the Issuance Date with respect to a series of Certificates the Company shall deliver to the Trustee a Postponement Notice relating to one or more Postponed Notes, the Trustee shall postpone the purchase of such Postponed Notes and shall deposit into an escrow account (as to the related Trust, the "Escrow Account") to be maintained as part of the related Trust an amount equal to the purchase price of such Postponed Notes (the "Escrowed Funds"). The portion of the Escrowed Funds so deposited with respect to any particular Postponed Notes shall be invested (a) by the Trustee at the direction and risk of, and for the benefit of, the Responsible Party in Specified Investments or (b) if provided in the Trust Supplement relating to such series of Certificates and subject to the terms and conditions set forth therein, in debt instruments of the Company, in each case (i) maturing no later than any scheduled Transfer Date relating to such Postponed Notes, or (ii) if no such Transfer Date has been scheduled, maturing on the next Business Day, or (iii) if subsequent to the giving of the applicable Postponement Notice the Company has given notice to the Trustee that such Postponed Notes will not be issued, maturing on the next applicable Special Distribution Date, if such investments are reasonably available for purchase. The Trustee shall make withdrawals from the Escrow Account only as provided in this Agreement. Upon request of the Company on one or more occasions and the satisfaction or waiver of the closing conditions specified in the applicable Note Purchase Agreements on or prior to the related Cut-off Date, the Trustee shall purchase the applicable Postponed Notes, on the terms specified in such Note Purchase Agreements, with the Escrowed Funds withdrawn from the Escrow Account.

The Trustee shall hold all Specified Investments until the maturity thereof and will not sell or otherwise transfer Specified Investments. If Specified Investments held in an Escrow Account mature prior to any applicable Transfer Date, any proceeds received on the maturity of such Specified Investments (other than any earnings thereon) shall be reinvested by the Trustee at the written direction and risk of, and for the benefit of, the Responsible Party in Specified Investments maturing as provided in the preceding paragraph.

Subject to the provisions of the Intercreditor Agreement, any earnings on Specified Investments received from time to time by the Trustee shall be promptly distributed to the Responsible Party. The Responsible Party shall pay to the Trustee for deposit to the relevant Escrow Account an amount equal to any net losses on any Specified Investments made at its direction and risk as incurred. On any Regular Distribution Date in respect of the Certificates of any series occurring prior to the date of purchase of any Postponed Notes by the Trustee, the Responsible Party will pay (in immediately available funds) to the Trustee an amount equal to the interest that would have accrued on such Postponed Notes if such Postponed Notes had been purchased on the later of the Issuance Date or the previous Regular Distribution Date in respect of the Certificates of such series to, but not including, such Regular Distribution Date. On the first Regular Distribution Date

in respect of the Certificates of any series following the purchase of any Postponed Notes by the Trustee, the Responsible Party will pay (in immediately available funds) to the Trustee an amount equal to the interest that would have accrued on such Postponed Notes if such Postponed Notes had been purchased on the later of the Issuance Date or the previous Regular Distribution Date in respect of the Certificates of such series to, but not including, the date of the purchase of such Postponed Notes by the Trustee.

If, in respect of the Certificates of any series, the Company notifies the Trustee prior to the Cut-off Date that any Postponed Notes will not be issued on or prior to the Cut-off Date for any reason, on the next Special Distribution Date for such Certificates occurring not less than 15 days following the date of such notice, (i) the Responsible Party shall pay (in immediately available funds) to the Trustee for deposit in the related Special Payments Account, an amount equal to the interest that would have accrued on the Postponed Notes designated in such notice from the later of the Issuance Date or the previous Regular Distribution Date in respect of the Certificates of such series to, but not including, such Special Distribution Date and (ii) the Trustee shall transfer an amount equal to that amount of Escrowed Funds that would have been used to purchase the Postponed Notes designated in such notice and the amount paid by the Responsible Party pursuant to the immediately preceding clause (i) to the related Special Payments Account for distribution as a Special Payment in accordance with the provisions hereof.

If, on such Cut-off Date, an amount equal to less than all of the Escrowed Funds (other than Escrowed Funds referred to in the immediately preceding paragraph) has been used to purchase Postponed Notes, on the next Special Distribution Date occurring not less than 15 days following such Cut-off Date (i) the Responsible Party shall pay to the Trustee for deposit in such Special Payments Account, in immediately available funds, an amount equal to the interest that would have accrued on such Postponed Notes contemplated to be purchased with such unused Escrowed Funds (other than Escrowed Funds referred to in the immediately preceding paragraph) but not so purchased from the later of the Issuance Date or the previous Regular Distribution Date in respect of the Certificates of such series to, but not including, such Special Distribution Date and (ii) the Trustee shall transfer such unused Escrowed Funds and the amount paid by the Responsible Party pursuant to the immediately preceding clause (i) to such Special Payments Account for distribution as a Special Payment in accordance with the provisions hereof.

Section 2.03. Acceptance by Trustee. The Trustee, by the execution and delivery of a Trust Supplement creating a Trust and establishing a series of Certificates, shall acknowledge its acceptance of all right, title and interest in and to the Trust Property to be acquired pursuant to Section 2.02 hereof and the related Note Purchase Agreements and shall declare that the Trustee holds and will hold such right, title and interest for the benefit of all then present and future Certificateholders of such series, upon the trusts herein and in such Trust Supplement set forth. By the acceptance of each Certificate of such series issued to it under this Agreement, each initial Holder of such series as grantor of such Trust shall thereby join in the creation and declaration of such Trust. No Certificateholder of any series shall have legal title to any part of the Trust Property of the related Trust.

Section 2.04. Limitation of Powers. Each Trust shall be constituted solely for the purpose of making the investment in the Equipment Notes provided for in the related Trust Supplement, and, except as set forth herein or in such related Trust Supplement, the Trustee shall not be authorized or empowered to acquire any other investments or engage in any other activities. Except to the extent otherwise provided in the applicable Trust Supplement, the Trustee shall not be authorized or empowered to do anything that would cause such Trust to fail to qualify as a "grantor trust" for federal income tax purposes (including as subject to this restriction, acquiring any Aircraft (as defined in the related Indentures) by bidding such Equipment Notes or otherwise, or taking any action with respect to any such Aircraft once acquired).

### ARTICLE III

#### THE CERTIFICATES

Section 3.01. Form, Denomination and Execution of Certificates. Except to the extent otherwise specified in the applicable Trust Supplement, the Certificates of each series shall be issued in fully registered form without coupons and shall be substantially in the form specified in such Trust Supplement, with such omissions, variations and insertions as are permitted by this Agreement, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with any applicable laws, rules, regulations or the rules of any securities exchange on which such Certificates may be listed or to conform to any usage in respect thereof, or as may, consistently herewith, be determined by the Trustee or the officers executing such Certificates, as evidenced by the Trustee's or such officers' execution of the Certificates.

Except as provided in Section 3.05, the definitive Certificates of such series shall be typed, printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any securities exchange on which the Certificates may be listed, all as determined by the officers executing such Certificates, as evidenced by their execution of such Certificates.

Except as otherwise provided in the related Trust Supplement, the Certificates of each series shall be issued in minimum denominations of \$1,000 or integral multiples thereof except that one Certificate of such series may be issued in a different denomination. The Certificates of such series shall be executed on behalf of the Trustee by manual or facsimile signature of a Responsible Officer of the Trustee. Certificates of any series bearing the manual or facsimile signature of an individual who was, at the time when such signature was affixed, authorized to sign on behalf of the Trustee shall be valid and binding obligations of the Trustee, notwithstanding that such individual has ceased to be so authorized prior to the authentication and delivery of such Certificates or did not hold such office at the date of such Certificates.

Section 3.02. Authentication of Certificates. (a) Except to the extent otherwise specified in the applicable Trust Supplement, on the Issuance Date, the Trustee shall duly execute, authenticate and deliver Certificates of each series in authorized denominations equaling in the aggregate the aggregate face amount of the Equipment Notes that may be purchased by the Trustee pursuant to the related Note Purchase Agreements, and evidencing the entire ownership of the related Trust. Thereafter, the Trustee shall duly execute, authenticate and deliver the Certificates of such series as herein provided.

(b) No Certificate of any series shall be entitled to any benefit under this Agreement, or be valid for any purpose, unless there appears on such Certificate a certificate of authentication substantially in the form set forth in the Trust Supplement relating to such series of Certificates executed by the Trustee by manual signature, and such certificate of authentication upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly authenticated and delivered hereunder. All Certificates of any series shall be dated the date of their authentication.

Section 3.03. Temporary Certificates. Until definitive Certificates are ready for delivery, the Trustee shall execute, authenticate and deliver temporary Certificates of each series. Temporary Certificates of each series shall be substantially in the form of definitive Certificates of such series but may have insertions, substitutions, omissions and other variations determined to be appropriate by the officers executing the temporary Certificates of such series, as evidenced by their execution of such temporary Certificates. If temporary Certificates of any series are issued, the Trustee will cause definitive Certificates of such series to be prepared without unreasonable delay. After the preparation of definitive Certificates of such series, the temporary Certificates shall be exchangeable for definitive Certificates upon surrender of such temporary Certificates at the Corporate Trust Office or the office or agency of the Trustee designated for such purpose pursuant to Section 7.12, without charge to the Certificateholder. Upon surrender for cancellation of any one or more temporary Certificates, the Trustee shall execute, authenticate and deliver in exchange therefor a like face amount of definitive Certificates of like series, in authorized denominations and of a like Fractional Undivided Interest. Until so exchanged, such temporary Certificates shall be entitled to the same benefits under this Agreement as definitive Certificates of such series.

Section 3.04. Transfer and Exchange. The Trustee shall cause to be kept at the office or agency to be maintained by it in accordance with the provisions of Section 7.12 a register (the "Register") for each series of Certificates in which, subject to such reasonable regulations as it may prescribe, the Trustee shall provide for the registration of Certificates of such series and of transfers and exchanges of such Certificates as herein provided. The Trustee shall initially be the registrar (the "Registrar") for the purpose of registering such Certificates of each series and transfers and exchanges of such Certificates as herein provided.

All Certificates issued upon any registration of transfer or exchange of Certificates of any series shall be valid obligations of the applicable Trust, evidencing the same interest therein, and

entitled to the same benefits under this Agreement, as the Certificates of such series surrendered upon such registration of transfer or exchange.

Upon surrender for registration of transfer of any Certificate at the Corporate Trust Office or such other office or agency, the Trustee shall execute, authenticate and deliver, in the name of the designated transferee or transferees, one or more new Certificates of like series, in authorized denominations of a like aggregate Fractional Undivided Interest.

At the option of a Certificateholder, Certificates may be exchanged for other Certificates of like series, in authorized denominations and of a like aggregate Fractional Undivided Interest, upon surrender of the Certificates to be exchanged at any such office or agency. Whenever any Certificates are so surrendered for exchange, the Trustee shall execute, authenticate and deliver the Certificates that the Certificateholder making the exchange is entitled to receive. Every Certificate presented or surrendered for registration of transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Registrar duly executed by the Certificateholder thereof or its attorney duly authorized in writing.

Except to the extent otherwise provided in the applicable Trust Supplement, no service charge shall be made to a Certificateholder for any registration of transfer or exchange of Certificates, but the Trustee shall require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Certificates. All Certificates surrendered for registration of transfer or exchange shall be cancelled and subsequently destroyed by the Trustee.

Section 3.05. Book-Entry and Definitive Certificates. (a) Except for one Certificate of each series that may be issued in a denomination of other than an even multiple of \$1,000, the Certificates of any series may be issued at the option of the Company in the form of one or more typewritten Certificates representing the Book-Entry Certificates of such series, to be delivered to The Depository Trust Company, the initial Clearing Agency, by, or on behalf of, the Company. In such case, the Certificates of such series delivered to The Depository Trust Company shall initially be registered on the Register in the name of Cede & Co., the nominee of the initial Clearing Agency, and no Certificate Owner will receive a definitive certificate representing such Certificate Owner's interest in the Certificates of such series, except as provided in Subsection (d) below. As to the Certificates of any such series (other than the one Certificate or such series issued in a denomination of other than an even multiple of \$1,000), unless and until definitive, fully registered Certificates (the "Definitive Certificates") have been issued pursuant to Subsection (d) below:

- (1) the provisions of this Section 3.05 shall be in full force and effect;
- (2) the Company, the Paying Agent, the Registrar and the Trustee may deal with the Clearing Agency for all purposes (including the making of distributions on the Certificates);

- (3) to the extent that the provisions of this Section 3.05 conflict with any other provisions of this Agreement (other than the provisions of any Trust Supplement expressly amending this Section 3.05 as permitted by this Basic Agreement), the provisions of this Section 3.05 shall control;
- (4) the rights of Certificate Owners shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such Certificate Owners and the Clearing Agency Participants; and until Definitive Certificates are issued pursuant to Subsection (d) below, the Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit distributions of principal, interest and premium, if any, on the Certificates to such Clearing Agency Participants;
- (5) such Certificates of such series may be transferred in whole, but not in part, and in the manner provided in Section 3.04, by the Clearing Agency holding such Certificates to a nominee of such Clearing Agency, or by such Clearing Agency to a successor Clearing Agency that has been selected or approved by the Company or to a nominee of such successor Clearing Agency; and
- (6) whenever this Agreement requires or permits actions to be taken based upon instructions or directions of Certificateholders of such series holding Certificates of such series evidencing a specified percentage of the Fractional Undivided Interests in the related Trust, the Clearing Agency shall be deemed to represent such percentage only to the extent that it has received instructions to such effect from Clearing Agency Participants owning or representing, respectively, such required percentage of the beneficial interest in Certificates of such series and has delivered such instructions to the Trustee. None of the Company, the Parent or the Trustee or any agent of any of them shall have any obligation to determine whether the Clearing Agency has in fact received any such instructions.

(b) Whenever notice or other communication to the Certificateholders of a series is required under this Agreement, unless and until Definitive Certificates shall have been issued pursuant to Subsection (d) below, the Trustee shall give all such notices and communications specified herein to be given to Certificateholders of such series to the Clearing Agency.

(c) Except as otherwise provided in the related Trust Supplement, the Trustee shall enter into the applicable Letter of Representations with respect to each series of Certificates and fulfill its responsibilities thereunder.

(d) If with respect to the Certificates of any series (i) the Company advises the Trustee in writing that the Clearing Agency is no longer willing or able to discharge properly its responsibilities and the Trustee or the Company is unable to locate a qualified successor, (ii) the Company, at its option, advises the Trustee in writing that it elects to terminate the book-entry

system through the Clearing Agency or (iii) after the occurrence of an Event of Default, Certificate Owners of Book-Entry Certificates of such series evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the related Trust, by Act of such Certificate Owners delivered to the Company and the Trustee, advise the Company, the Trustee and the Clearing Agency through the Clearing Agency Participants in writing that the continuation of a book-entry system through the Clearing Agency Participants is no longer in the best interests of the Certificate Owners of such series, then the Trustee shall notify all Certificate Owners of such series, through the Clearing Agency, of the occurrence of any such event and of the availability of Definitive Certificates. Upon surrender to the Trustee of all the Certificates of such series held by the Clearing Agency, accompanied by registration instructions from the Clearing Agency Participants for registration of Definitive Certificates in the names of Certificate Owners of such series, the Trustee shall issue and deliver the Definitive Certificates of such series in accordance with the instructions of the Clearing Agency. Neither the Company, the Registrar, the Paying Agent nor the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such registration instructions. Upon the issuance of Definitive Certificates of such series, the Trustee shall recognize the Persons in whose names the Definitive Certificates are registered in the Register as Certificateholders hereunder. Neither the Company nor the Trustee shall be liable if the Trustee or the Company is unable to locate a qualified successor Clearing Agency.

(e) The provisions of this Section 3.05 may be made inapplicable to any series or may be amended with respect to any series in the related Trust Supplement.

Section 3.06. Mutilated, Destroyed, Lost or Stolen Certificates. If (i) any mutilated Certificate is surrendered to the Registrar, or the Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Certificate, and (ii) there is delivered to the Registrar and the Trustee such security, indemnity or bond as may be required by them to save each of them and the Company harmless, then, in the absence of notice to the Registrar or the Trustee that such destroyed, lost or stolen Certificate has been acquired by a protected purchaser (within the meaning of Article 8 of the Uniform Commercial Code in effect in any applicable jurisdiction), and provided that the requirements of Section 8-405 of the Uniform Commercial Code in effect in any applicable jurisdiction are met, the Trustee shall execute, authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate or Certificates of like series, in authorized denominations and of like Fractional Undivided Interest and bearing a number not contemporaneously outstanding.

In connection with the issuance of any new Certificate under this Section 3.06, the Trustee shall require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee and the Registrar) connected therewith.

Any duplicate Certificate issued pursuant to this Section 3.06 shall constitute conclusive evidence of the appropriate Fractional Undivided Interest in the related Trust, as if originally issued, whether or not the lost, stolen or destroyed Certificate shall be found at any time.



The provisions of this Section 3.06 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Certificates.

Section 3.07. Persons Deemed Owners. Prior to due presentment of a Certificate for registration of transfer, the Company, the Trustee, the Registrar and any Paying Agent shall deem and treat the Person in whose name any Certificate is registered (as of the day of determination) on the Register as the owner of such Certificate and the Certificateholder for the purpose of receiving distributions pursuant to Article IV and for all other purposes whatsoever, and none of the Company, the Trustee, the Registrar or any Paying Agent shall be affected by any notice to the contrary. All payments or distributions made to any such Person shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable on any such Certificate.

Unless otherwise provided with respect to any Certificates pursuant to Section 2.01(b), the Company, the Parent, any other obligor upon any Certificates and any Affiliate of any thereof may acquire, tender for, purchase, own, hold, become the pledgee of and otherwise deal with any Certificates.

Section 3.08. Cancellation. All Certificates surrendered for payment or transfer or exchange shall, if surrendered to the Trustee or any agent of the Trustee other than the Registrar, be delivered to the Registrar for cancellation and shall promptly be cancelled by it. No Certificates shall be authenticated in lieu of or in exchange for any Certificates cancelled as provided in this Section 3.08, except as expressly permitted by this Agreement. All cancelled Certificates held by the Registrar shall be destroyed and a certification of their destruction delivered to the Trustee.

Section 3.09. Limitation of Liability for Payments. All payments and distributions made to Certificateholders of any series in respect of the Certificates of such series shall be made only from the Trust Property of the related Trust and only to the extent that the Trustee shall have sufficient income or proceeds from such Trust Property to make such payments in accordance with the terms of Article IV of this Agreement. The Certificates do not represent indebtedness of the related Trusts, and references herein or in any Trust Supplement to interest accruing on any Certificates are intended for purposes of computation only. Each Certificateholder, by its acceptance of a Certificate, agrees that it will look solely to the income and proceeds from the Trust Property of the related Trust for any payment or distribution due to such Certificateholder pursuant to the terms of this Agreement and that it will not have any recourse to the Company, the Trustee, the Loan Trustees, any Owner Trustee or any Owner Participant except as otherwise expressly provided in this Agreement, in any Note Document or in any related Intercreditor Agreement.

The Company is a party to this Agreement solely for purposes of meeting the requirements of the Trust Indenture Act, and therefore shall not have any right, obligation or liability hereunder, or under the terms of any Trust Supplement or any Certificates (except as otherwise expressly provided herein or therein).

Section 3.10. CUSIP Numbers. The Certificates may include "CUSIP" numbers (if then generally in use), and if so, the Trustee may use the CUSIP numbers in notices in respect of the Certificates; provided, however, that any such notice may state that no representation is made as to the correctness or accuracy of the CUSIP number printed in the notice or on the Certificates, that reliance may be placed only on the other identification numbers printed on the Certificates, and any such notice shall not be affected by any defect or omission of such CUSIP numbers.

#### ARTICLE IV

##### DISTRIBUTIONS; STATEMENTS TO CERTIFICATEHOLDERS

Section 4.01. Certificate Account and Special Payments Account. (a) The Trustee shall establish and maintain on behalf of the Certificateholders of each series a Certificate Account as one or more non-interest-bearing accounts. The Trustee shall hold such Certificate Account in trust for the benefit of the Certificateholders of such series, and shall make or permit withdrawals therefrom only as provided in this Agreement or any Intercreditor Agreement. On each day when a Scheduled Payment is made to the Trustee or the Subordination Agent, as the case may be, as holder of the Equipment Notes issued under the related Indenture, with respect to the Certificates of any series, the Trustee, upon receipt of the payments to it, shall immediately deposit the aggregate amount of such Scheduled Payment in the applicable Certificate Account.

(b) The Trustee shall establish and maintain on behalf of the Certificateholders of each series a Special Payments Account as one or more accounts, which shall be non-interest bearing except as provided in Section 4.04. The Trustee shall hold the Special Payments Account in trust for the benefit of the Certificateholders of such series and shall make or permit withdrawals therefrom only as provided in this Agreement or any Intercreditor Agreement. On each day when one or more Special Payments are made to the Trustee or the Subordination Agent, as the case may be, as holder of the Equipment Notes issued under the related Indenture or to the Trustee pursuant to the last two paragraphs of Section 2.02(b) with respect to the Certificates of any series, the Trustee, upon receipt of the payments to it, shall immediately deposit the aggregate amount of such Special Payments in the applicable Special Payments Account.

(c) The Trustee shall present (or, if applicable, cause the Subordination Agent to present) to the Loan Trustee to which an Equipment Note relates such Equipment Note on the date of its stated final maturity or, in the case of any Equipment Note which is to be redeemed or purchased in whole pursuant to the related Indenture, on the applicable redemption or purchase date under such Indenture.

Section 4.02. Distributions from Certificate Account and Special Payments Account. (a) Subject to the provisions of any Intercreditor Agreement, on each Regular Distribution Date with respect to a series of Certificates or as soon thereafter as the Trustee has confirmed receipt of the payment of all or any part of the Scheduled Payments due on the Equipment Notes held in the related

Trust on such date, the Trustee shall distribute out of the applicable Certificate Account the entire amount deposited therein pursuant to Section 4.01(a). There shall be so distributed to each Certificateholder of record of such series on the Record Date with respect to such Regular Distribution Date (other than as provided in Section 11.01 concerning the final distribution) by check mailed to such Certificateholder, at the address appearing in the Register, such Certificateholder's pro rata share (based on the aggregate Fractional Undivided Interest in the related Trust held by such Certificateholder) of the total amount in the applicable Certificate Account, except that, with respect to Certificates registered on the Record Date in the name of a Clearing Agency (or its nominee), such distribution shall be made by wire transfer in immediately available funds to the account designated by such Clearing Agency (or such nominee).

(b) Subject to the provisions of any Intercreditor Agreement, on each Special Distribution Date with respect to any Special Payment with respect to a series of Certificates or as soon thereafter as the Trustee has confirmed receipt of any Special Payments due on the Equipment Notes held in the related Trust or realized upon the sale of such Equipment Notes, the Trustee shall distribute out of the applicable Special Payments Account the entire amount of such applicable Special Payment deposited therein pursuant to Section 4.01(b). There shall be so distributed to each Certificateholder of record of such series on the Record Date with respect to such Special Distribution Date (other than as provided in Section 11.01 concerning the final distribution) by check mailed to such Certificateholder, at the address appearing in the Register, such Certificateholder's pro rata share (based on the aggregate Fractional Undivided Interest in the related Trust held by such Certificateholder) of the total amount in the applicable Special Payments Account on account of such Special Payment, except that, with respect to Certificates registered on the Record Date in the name of a Clearing Agency (or its nominee), such distribution shall be made by wire transfer in immediately available funds to the account designated by such Clearing Agency (or such nominee).

(c) The Trustee shall, at the expense of the Company, cause notice of each Special Payment with respect to a series of Certificates to be mailed to each Certificateholder of such series at his address as it appears in the Register. Subject to the provisions of any Intercreditor Agreement: (i) in the event of redemption or purchase of Equipment Notes held in the related Trust, such notice shall be mailed not less than 15 days prior to the Special Distribution Date for the Special Payment resulting from such redemption or purchase, which Special Distribution Date shall be the date of such redemption or purchase; (ii) in the event that the Trustee receives a notice from the Company pursuant to Section 2.02(b) that Postponed Notes will not be purchased by the Trustee, such notice of Special Payment shall be mailed as soon as practicable after receipt of such notice from the Company and shall state the Special Distribution Date for such Special Payment, which shall occur 15 days after the date of such notice of Special Payment or (if such 15th day is not practicable) as soon as practicable thereafter; (iii) in the event that any Special Payment is to be made pursuant to the last paragraph of Section 2.02(b), such notice of Special Payment shall be mailed on the Cut-off Date (or, if such mailing on the Cut-off Date is not practicable, as soon as practicable after the Cut-off Date) and shall state the Special Distribution Date for such Special Payment, which shall occur 15 days after the date of such notice of Special Payment or (if such 15th day is not practicable) as soon as practicable thereafter; and (iv) in the case of any other Special Payments, such notice of

Special Payment shall be mailed as soon as practicable after the Trustee has confirmed that it has received funds for such Special Payment and shall state the Special Distribution Date for such Special Payment, which shall occur 15 days after the date of such notice of Special Payment or (if such 15th day is not practicable) as soon as practicable thereafter. Notices mailed by the Trustee as provided in the paragraphs above shall set forth:

(i) the Special Distribution Date and the Record Date therefor (except as otherwise provided in Section 11.01);

(ii) the amount of the Special Payment (taking into account any payment to be made by the Responsible Party pursuant to Section 2.02(b)) for each \$1,000 face amount Certificate and the amount thereof constituting principal, premium, if any, and interest;

(iii) the reason for the Special Payment; and

(iv) if the Special Distribution Date is the same date as a Regular Distribution Date for the Certificates of such series, the total amount to be received on such date for each \$1,000 face amount Certificate.

If the amount of premium, if any, payable upon the redemption or purchase of an Equipment Note has not been calculated at the time that the Trustee mails notice of a Special Payment, it shall be sufficient if the notice sets forth the other amounts to be distributed and states that any premium received will also be distributed.

If any redemption or purchase of the Equipment Notes held in any Trust is cancelled, the Trustee, as soon as possible after learning thereof, shall cause notice thereof to be mailed to each Certificateholder of the related series at its address as it appears on the Register.

Section 4.03. Statements to Certificateholders. (a) On each Regular Distribution Date and Special Distribution Date, the Trustee will include with each distribution to Certificateholders of the related series a statement, giving effect to the distribution to be made on such Regular Distribution Date or Special Distribution Date, and, except to the extent otherwise provided in the applicable Trust Supplement, setting forth the following information (per \$1,000 aggregate face amount of Certificate as to (i) and (ii) below):

(i) the amount of such distribution allocable to principal and the amount allocable to premium, if any;

(ii) the amount of such distribution allocable to interest; and

(iii) the Pool Balance and the Pool Factor of the related Trust.

With respect to the Certificates registered in the name of a Clearing Agency or its nominee, on the Record Date prior to each Regular Distribution Date and Special Distribution Date, the Trustee will request from the Clearing Agency a securities position listing setting forth the names of all the Clearing Agency Participants reflected on the Clearing Agency's books as holding interests in the Certificates on such Record Date. On each Regular Distribution Date and Special Distribution Date, the applicable Trustee will mail to each such Clearing Agency Participant the statement described above and will make available additional copies as requested by such Clearing Agency Participants for forwarding to holders of interests in the Certificates.

(b) Within a reasonable period of time after the end of each calendar year but not later than the latest date permitted by law, except to the extent otherwise provided in the applicable Trust Supplement, the Trustee shall furnish to each Person who at any time during such calendar year was a Certificateholder of record a statement containing the sum of the amounts determined pursuant to clauses (a)(i) and (a)(ii) above with respect to the related Trust for such calendar year or, in the event such Person was a Certificateholder of record during a portion of such calendar year, for the applicable portion of such year, and such other items as are readily available to the Trustee and which a Certificateholder may reasonably request as necessary for the purpose of such Certificateholder's preparation of its federal income tax returns. With respect to Certificates registered in the name of a Clearing Agency or its nominee, such statement and such other items shall be prepared on the basis of information supplied to the Trustee by the Clearing Agency Participants and shall be delivered by the Trustee to such Clearing Agency Participants to be available for forwarding by such Clearing Agency Participants to the holders of interests in the Certificates.

Section 4.04. Investment of Special Payment Moneys. Any money received by the Trustee pursuant to Section 4.01(b) representing a Special Payment which is not distributed on the date received shall, to the extent practicable, be invested by the Trustee in Permitted Investments selected by the Company in telephonic (confirmed in writing) or written instructions to the Trustee pending distribution of such Special Payment pursuant to Section 4.02. Any investment made pursuant to this Section 4.04 shall be in such Permitted Investments having maturities not later than the date that such moneys are required to be used to make the payment required under Section 4.02 on the applicable Special Distribution Date and the Trustee shall hold any such Permitted Investments until maturity. Absent receipt of instructions from the Company, such Special Payment shall remain uninvested by the Trustee pending receipt of investment instructions. The Trustee shall have no liability with respect to any investment made pursuant to this Section 4.04, other than by reason of the willful misconduct or negligence of the Trustee. All income and earnings from such investments shall be distributed on such Special Distribution Date as part of such Special Payment.

ARTICLE V

THE COMPANY

Section 5.01. Maintenance of Corporate Existence. The Company, at its own cost and expense, will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights and franchises, except as otherwise specifically permitted in Section 5.02; provided, however, that the Company shall not be required to preserve any right or franchise if the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company.

Section 5.02. Consolidation, Merger, Etc. (a) The Company shall not consolidate with or merge into any other Person under circumstances where the Company is not the surviving Person or convey, transfer or lease substantially all of its assets as an entirety to any Person unless the Person formed by such consolidation or into which the Company is merged or the Person that acquires by conveyance, transfer or lease substantially all of the assets of the Company as an entirety shall be organized and validly existing under the laws of the United States of America or any state thereof or the District of Columbia, and such Person shall execute and deliver to the Trustee an agreement in form and substance reasonably satisfactory to the Trustee containing an assumption by such successor Person of the due and punctual performance and observance of each covenant and condition of this Agreement.

(b) Upon any consolidation or merger, or any conveyance, transfer or lease of substantially all of the assets of the Company as an entirety in accordance with this Section 5.02, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Agreement with the same effect as if such successor Person had been named as the Company herein.

(c) The Trustee may receive an Officer's Certificate and an Opinion of Counsel of the Company as conclusive evidence that any such consolidation, merger, conveyance, transfer or lease, and any such assumption, complies with the provisions of this Section 5.02.

ARTICLE VI

DEFAULT

Section 6.01. Indenture Events of Default and Triggering Events. (a) If in respect of any Trust, any Indenture Event of Default shall occur and be continuing, then, and in each and every case, so long as such Indenture Event of Default shall be continuing, and subject to the provisions of any Intercreditor Agreement, the Trustee may vote all of the Equipment Notes issued under the related Indenture and held in such Trust, and, upon the direction of the Certificateholders holding

Certificates evidencing Fractional Undivided Interests in such Trust aggregating not less than a majority in interest in such Trust, the Trustee shall vote not less than a corresponding majority of such Equipment Notes in favor of directing the Loan Trustee under such Indenture to declare the unpaid principal amount of the Equipment Notes then outstanding to which such Indenture Event of Default relates and accrued interest thereon to be due and payable under, and in accordance with the provisions of, the relevant Indenture. In addition, if an Indenture Event of Default shall have occurred and be continuing under any Indenture, subject to the provisions of any Intercreditor Agreement, the Trustee may in accordance with the relevant Indenture vote the Equipment Notes held in the Trust to which such Indenture Event of Default relates to direct the Loan Trustee regarding the exercise of remedies provided in such Indenture.

(b) In addition, after an Indenture Event of Default shall have occurred and be continuing with respect to any Equipment Note, subject to the provisions of any Intercreditor Agreement and the applicable Trust Supplement, the Trustee may in its discretion, and upon the direction of the Certificateholders holding Certificates evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the related Trust shall, by such officer or agent as it may appoint, sell, convey, transfer and deliver such Equipment Note or Equipment Notes, without recourse to or warranty by the Trustee or any Certificateholder, to any Person. In any such case, the Trustee shall sell, assign, contract to sell or otherwise dispose of and deliver such Equipment Note or Equipment Notes in one or more parcels at public or private sale or sales, at any location or locations at the option of the Trustee, all upon such terms and conditions as it may reasonably deem advisable and at such prices as it may reasonably deem advisable, for cash. If the Trustee so decides or is required to sell or otherwise dispose of any Equipment Note pursuant to this Section, the Trustee shall take such of the actions described above as it may reasonably deem most effectual to complete the sale or other disposition of such Equipment Note. Notwithstanding the foregoing, any action taken by the Trustee under this Section shall not, in the reasonable judgment of the Trustee, be adverse to the best interests of the Certificateholders of such series.

(c) If an Intercreditor Agreement is applicable, upon the occurrence and during the continuation of any Indenture Event of Default under any Indenture, the Trustee may, to the extent it is the Controlling Party at such time (as determined pursuant to the related Intercreditor Agreement), direct the exercise of remedies as provided in such related Intercreditor Agreement.

(d) If an Intercreditor Agreement is applicable, by acceptance of its Certificate, each Certificateholder agrees that at any time after the occurrence and during the continuation of a Triggering Event, each Certificateholder of Certificates of certain series (each, a "Potential Purchaser" and, collectively, the "Potential Purchasers") may have certain rights to purchase the Certificates of one or more other series, all as set forth in the Trust Supplement applicable to the Certificates held by such Potential Purchaser. The purchase price with respect to the Certificates of any series, and the procedure for such purchase, shall be specified in such Trust Supplement or the applicable Intercreditor Agreement. By acceptance of its Certificate, each Certificateholder (each, a "Selling Certificateholder" and, collectively, the "Selling Certificateholders") of a series that is subject to purchase by Potential Purchasers, all as set forth in the Trust Supplement applicable to the

Certificates held by the Selling Certificateholders, agrees that, at any time after the occurrence and during the continuance of a Triggering Event, it will, upon payment of the applicable purchase price by one or more Potential Purchasers (upon such purchase, a "Purchasing Certificateholder"), forthwith sell, assign, transfer and convey to such Purchasing Certificateholder (without recourse, representation or warranty of any kind except for its own acts) all of the right, title, interest and obligation of such Selling Certificateholder in this Agreement, any related Intercreditor Agreement, any related Liquidity Facility, the related Note Documents and all Certificates of such series held by such Selling Certificateholder (excluding all right, title and interest under any of the foregoing to the extent such right, title or interest is with respect to an obligation not then due and payable as respects any action or inaction or state of affairs occurring prior to such sale) and the Purchasing Certificateholder shall assume all of such Selling Certificateholder's obligations under this Agreement, any related Intercreditor Agreement, any related Liquidity Facility and the related Note Documents. The Certificates of such series will be deemed to be purchased on the date payment of the purchase price is made notwithstanding the failure of any Selling Certificateholder to deliver any Certificates of such series and, upon such a purchase, (i) the only rights of the Selling Certificateholders will be to deliver the Certificates to the Purchasing Certificateholder and receive the purchase price for such Certificates of such series and (ii) if the Purchasing Certificateholder shall so request, such Selling Certificateholder will comply with all of the provisions of Section 3.04 hereof to enable new Certificates of such series to be issued to the Purchasing Certificateholder in such denominations as it shall request. All charges and expenses in connection with the issuance of any such new Certificates shall be borne by the Purchasing Certificateholder.

Section 6.02. Incidents of Sale of Equipment Notes. Upon any sale of all or any part of the Equipment Notes held in the Trust made either under the power of sale given under this Agreement or otherwise for the enforcement of this Agreement, the following shall be applicable:

- (1) Certificateholders and Trustee May Purchase Equipment Notes. Any Certificateholder, the Trustee in its individual or any other capacity or any other Person may bid for and purchase any of the Equipment Notes held in the Trust, and upon compliance with the terms of sale, may hold, retain, possess and dispose of such Equipment Notes in their own absolute right without further accountability.
- (2) Receipt of Trustee Shall Discharge Purchaser. The receipt of the Trustee making such sale shall be a sufficient discharge to any purchaser for its purchase money, and, after paying such purchase money and receiving such receipt, such purchaser or its personal representative or assigns shall not be obliged to see to the application of such purchase money, or be in any way answerable for any loss, misapplication or non-application thereof.
- (3) Application of Moneys Received Upon Sale. Any moneys collected by the Trustee upon any sale made either under the power of sale given by this Agreement or otherwise for the enforcement of this Agreement shall be applied as provided in Section 4.02. In the event that the proceeds of such sale of Equipment Notes are less



than the principal amount of the Certificates of such series Outstanding, the Certificateholders shall have no claim for such shortfall against the Company, the Trustee or any other Person including the related Owner Trustee or related Owner Participant, if any.

Section 6.03. Judicial Proceedings Instituted by Trustee; Trustee May Bring Suit. If there shall be a failure to make payment of the principal of, premium, if any, or interest on any Equipment Note held in the related Trust, or if there shall be any failure to pay Rent (as defined in the relevant Lease) under any Lease when due and payable, then the Trustee, in its own name and as trustee of an express trust, as holder of such Equipment Notes, to the extent permitted by and in accordance with the terms of any related Intercreditor Agreement and any related Note Documents (subject to rights of the applicable Owner Trustee or Owner Participant, if any, to cure any such failure to pay principal of, premium, if any, or interest on any Equipment Note or to pay Rent under any Lease in accordance with the applicable Indenture and to the rights of the Lessee under any applicable Lease), shall be entitled and empowered to institute any suits, actions or proceedings at law, in equity or otherwise, for the collection of the sums so due and unpaid on such Equipment Notes or under such Lease and may prosecute any such claim or proceeding to judgment or final decree with respect to the whole amount of any such sums so due and unpaid.

All rights of action and of asserting claims under this Agreement, or under any of the Certificates, may be prosecuted and enforced by the Trustee without the possession of any of such Certificates or the production thereof in any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Trustee, each predecessor Trustee and their respective agents and attorneys, shall be for the ratable benefit of the Certificateholders of the related series.

In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Agreement, any Trust Supplement, any Intercreditor Agreement or any Liquidity Facility to which the Trustee shall be a party) the Trustee shall be held to represent all the Certificateholders of the related series, and it shall not be necessary to make any such Certificateholders parties to any such proceedings.

Section 6.04. Control by Certificateholders. Subject to Section 6.03 and any related Intercreditor Agreement, the Certificateholders holding Certificates of a series evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the related Trust shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee with respect to such Trust or pursuant to the terms of such Intercreditor Agreement or any Liquidity Facility to which such Trustee is a party, or exercising any trust or power conferred on the Trustee under this Agreement or such Intercreditor Agreement or Liquidity Facility, including any right of the Trustee as Controlling Party under such Intercreditor Agreement or as holder of the Equipment Notes held in the related Trust; provided that:

- (1) such Direction shall not in the opinion of the Trustee be in conflict with any rule of law or with this Agreement and would not involve the Trustee in personal liability or expense;
- (2) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Certificateholders of such series not taking part in such Direction;
- (3) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such Direction; and
- (4) if an Indenture Event of Default under a related Indenture shall have occurred and be continuing, such direction shall not obligate the Trustee to vote more than a corresponding majority of the related Equipment Notes held by the Trust in favor of directing any action by the related Loan Trustee with respect to such Indenture Event of Default.

Section 6.05. Waiver of Past Defaults. Subject to any related Intercreditor Agreement, the Certificateholders holding Certificates of a series evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the related Trust (i) may on behalf of all of the Certificateholders of such series waive any past default or Event of Default hereunder and its consequences or (ii) if the Trustee is the Controlling Party, may direct the Trustee to instruct the applicable Loan Trustee to waive any past Indenture default, Indenture Event of Default or, if applicable, the corresponding Lease default, under any related Indenture and its consequences, and thereby annul any Direction given by such Certificateholders or the Trustee to such Loan Trustee with respect thereto, except a default:

- (1) in the deposit of any Scheduled Payment or Special Payment under Section 4.01 or in the distribution of any payment under Section 4.02 on the Certificates of a series; or
- (2) in the payment of the principal of, premium, if any, or interest, if any, on the Equipment Notes held in the related Trust; or
- (3) in respect of a covenant or provision hereof which under Article IX hereof cannot be modified or amended without the consent of each Certificateholder holding an Outstanding Certificate of the series affected thereby.

Upon any such waiver, such default shall cease to exist with respect to the Certificates of such series and any Event of Default arising therefrom shall be deemed to have been cured for every purpose in respect of such series and any direction given by the Trustee on behalf of the Certificateholders of such series to the relevant Loan Trustee shall be annulled with respect thereto; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon. Upon any such waiver, the Trustee shall vote the Equipment Notes issued

under the relevant Indenture to waive the corresponding Indenture Event of Default (and, if applicable, the corresponding Lease default).

Section 6.06. Right of Certificateholders to Receive Payments Not to Be Impaired. Anything in this Agreement (including Section 6.07) to the contrary notwithstanding, but subject to any related Intercreditor Agreement, the right of any Certificateholder to receive distributions of payments required pursuant to Section 4.02 hereof on the applicable Certificates when due, or to institute suit for the enforcement of any such payment on or after the applicable Regular Distribution Date or Special Distribution Date, shall not be impaired or affected without the consent of such Certificateholder.

Section 6.07. Certificateholders May Not Bring Suit Except Under Certain Conditions. A Certificateholder of any series shall not have the right to institute any suit, action or proceeding at law or in equity or otherwise with respect to this Agreement for the appointment of a receiver or for the enforcement of any other remedy under this Agreement, unless:

- (1) such Certificateholder previously shall have given written notice to the Trustee of a continuing Event of Default;
- (2) Certificateholders holding Certificates of such series evidencing Fractional Undivided Interests aggregating not less than 25% of the related Trust shall have requested the Trustee in writing to institute such action, suit or proceeding and shall have offered to the Trustee indemnity as provided in Section 7.03(e);
- (3) the Trustee shall have refused or neglected to institute any such action, suit or proceeding for 60 days after receipt of such notice, request and offer of indemnity; and
- (4) no direction inconsistent with such written request shall have been given to the Trustee during such 60-day period by Certificateholders holding Certificates of such series evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the related Trust.

Except to the extent provided in any applicable Intercreditor Agreement or in any applicable Trust Supplement, it is understood and intended that no one or more of the Certificateholders of any series shall have any right in any manner whatsoever hereunder or under the related Trust Supplement or under the Certificates of such series to (i) surrender, impair, waive, affect, disturb or prejudice any property in the Trust Property of the related Trust, or the lien of any related Indenture on any property subject thereto, or the rights of the Certificateholders of such series or the holders of the related Equipment Notes, (ii) obtain or seek to obtain priority over or preference with respect to any other such Certificateholder of such series or (iii) enforce any right under this Agreement, except in the manner provided in this Agreement and for the equal, ratable and common benefit of all the Certificateholders of such series subject to the provisions of this Agreement.

Section 6.08. Remedies Cumulative. Every right or remedy given hereunder to the Trustee or to any of the Certificateholders of any series shall not be exclusive of any other right or remedy or remedies, and every such right or remedy shall be cumulative and in addition to every other right or remedy given hereunder or now or hereafter given by statute, law, equity or otherwise. No delay or omission by the Trustee or of any such Certificateholder in the exercise of any right, remedy or power or in the pursuance of any remedy shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of the applicable Owner Trustee, if any, or the Company, as the case may be, or to be an acquiescence therein.

Section 6.09. Discontinuance of Proceedings. If the Trustee or any Certificateholder of any Series institutes any proceeding to enforce any right, power or remedy under the related Trust, and such proceeding is discontinued or abandoned for any reason or is determined adversely to the Trustee or such Certificateholder, then and in every such case the applicable Owner Trustee, if any, and the applicable Indenture Trustee, the Trustee, the Certificateholders of such Series and the Company shall, subject to any determination in such proceeding, be restored to their former positions and rights under such Trust with respect to the Trust Property and all rights, remedies and powers of the Trustee and such Certificateholders shall continue as if no such proceeding had been instituted.

Section 6.10. Undertaking for Costs. All parties to this Agreement, and each Certificateholder by acceptance of a Certificate, shall be deemed to have agreed that, in any suit for the enforcement of any right or remedy under this Agreement, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, a court may require any party litigant in such suit to file an undertaking to pay the costs of such suit, and may assess costs against any such party litigant, in the manner and to the extent provided in the Trust Indenture Act or by any other applicable law; provided, however, that neither this Section 6.10 nor the Trust Indenture Act shall be deemed to authorize any court to require such an undertaking or to make such an assessment in any suit instituted by the Company.

#### ARTICLE VII

#### THE TRUSTEE

Section 7.01. Certain Duties and Responsibilities. (a) Except during the continuance of an Event of Default in respect of a Trust, (1) the Trustee undertakes to perform such duties in respect of such Trust as are specifically set forth in this Agreement, the Intercreditor Agreement and the Note Documents, and no implied covenants or obligations shall be read into such agreements against the Trustee; and (2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine

whether or not they conform to the requirements of this Agreement.

(b) In case an Event of Default in respect of a Trust has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Agreement in respect of such Trust, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(c) No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

- (1) this Subsection (c) shall not be construed to limit the effect of Subsection (a) of this Section 7.01; and
- (2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(d) Whether or not herein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 7.01.

Section 7.02. Notice of Defaults. As promptly as practicable after, and in any event within 90 days after, the occurrence of any default (as such term is defined below) hereunder known to the Trustee, the Trustee shall transmit by mail to the Company, any related Owner Trustees, any related Owner Participants, the related Loan Trustees and the Certificateholders holding Certificates of the related series, in the manner and to the extent provided in Section 313(c) of the Trust Indenture Act, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided that, in the case of defaults not relating to the payment of money, the Trustee shall not give such notice until the earlier of the time at which such default becomes an Event of Default and the expiration of 60 days from the occurrence of such default; and provided, however, that, except in the case of a default in the payment of the principal, premium, if any, or interest on any Equipment Note, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Trustee in good faith shall determine that the withholding of such notice is in the interests of the Certificateholders of the related series. For the purpose of this Section 7.02 in respect of any Trust, the term "default" means any event that is, or after notice or lapse of time or both would become, an Event of Default in respect of that Trust or a Triggering Event under any Intercreditor Agreement.

Section 7.03. Certain Rights of Trustee. Subject to the provisions of Section 315 of the Trust Indenture Act:

(a) the Trustee may rely and shall be protected in acting or refraining from acting in reliance upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Request;

(c) whenever in the administration of this Agreement or any Intercreditor Agreement the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate of the Company, any related Owner Trustee or any related Loan Trustee;

(d) the Trustee may consult with counsel and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement or any Intercreditor Agreement at the Direction of any of the Certificateholders pursuant to this Agreement or any Intercreditor Agreement, unless such Certificateholders shall have offered to the Trustee reasonable security or indemnity against the cost, expenses and liabilities which might be incurred by it in compliance with such Direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document;

(g) the Trustee may execute any of the trusts or powers under this Agreement or any Intercreditor Agreement or perform any duties under this Agreement or any Intercreditor Agreement either directly or by or through agents or attorneys, and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it under this Agreement or any Intercreditor Agreement;

(h) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the Direction of the Certificateholders holding Certificates of any series evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the related Trust relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Agreement or any Intercreditor Agreement; and

(i) the Trustee shall not be required to expend or risk its own funds in the performance of any of its duties under this Agreement, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk is not reasonably assured to it.

Section 7.04. Not Responsible for Recitals or Issuance of Certificates. The recitals contained herein and in the Certificates of each series, except the certificates of authentication, shall not be taken as the statements of the Trustee, and the Trustee assumes no responsibility for their correctness. Subject to Section 7.15, the Trustee makes no representations as to the validity or sufficiency of this Basic Agreement, any Equipment Notes, any Intercreditor Agreement, any Liquidity Facility to which the Trustee may be a party, the Certificates of any series, any Trust Supplement or any Note Documents, except that the Trustee hereby represents and warrants that this Basic Agreement has been, and each Trust Supplement, each Certificate, each Note Purchase Agreement, each Intercreditor Agreement and any such Liquidity Facility of, or relating to, each series will be, executed and delivered by one of its officers who is duly authorized to execute and deliver such document on its behalf.

Section 7.05. May Hold Certificates. The Trustee, any Paying Agent, Registrar or any of their Affiliates or any other agent, in their respective individual or any other capacity, may become the owner or pledgee of Certificates and, subject to Sections 310(b) and 311 of the Trust Indenture Act, if applicable, may otherwise deal with the Company, the Parent, any Owner Trustees, any Owner Participants or the Loan Trustees with the same rights it would have if it were not Trustee, Paying Agent, Registrar or such other agent.

Section 7.06. Money Held in Trust. Money held by the Trustee or the Paying Agent in trust under this Agreement need not be segregated from other funds except to the extent required herein or by law and neither the Trustee nor the Paying Agent shall have any liability for interest upon any such moneys except as provided for herein or in the applicable Trust Supplement.

Section 7.07. Compensation and Reimbursement. The Company agrees:

- (1) to pay, or cause to be paid, to the Trustee from time to time such compensation for all services rendered by it hereunder as the Company and the Trustee may agree in writing from time to time (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust); and
- (2) except as otherwise expressly provided herein or in any Trust Supplement, to reimburse, or cause to be reimbursed, the Trustee upon its request for all reasonable out-of-pocket expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Basic Agreement, any Trust Supplement, any Intercreditor Agreement or any Liquidity Facility to which the Trustee may be a party (including the reasonable compensation and the expenses and disbursements

of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee's negligence, willful misconduct or bad faith or as may be incurred due to the Trustee's breach of its representations and warranties set forth in Section 7.15; and

- (3) to indemnify, or cause to be indemnified, the Trustee, solely in its individual capacity, for, and to hold it harmless against, any loss, liability, tax (other than any tax referred to in the next paragraph or any tax attributable to the Trustee's compensation for serving as such), cost or expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of any Trust, including the costs and expenses of (a) defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder or under any Trust Supplement or (b) contesting the imposition of any such tax, except in each case for any such loss, liability, tax, cost or expense incurred by reason of the Trustee's breach of its representations and warranties set forth in Section 7.15 or in any Trust Supplement or the Trustee's failure to perform any of its obligations hereunder or under any Trust Supplement. The Trustee shall notify the Company promptly of any claim or tax for which it may seek indemnity. The Company shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel with the consent of the Company and the Company will pay the reasonable fees and expenses of such counsel. The Company need not pay for any settlement made or any taxes paid, in settlement or otherwise, without its consent.

The Trustee shall be entitled to reimbursement from, and shall have a lien prior to the Certificates of each series upon, all property and funds held or collected by the Trustee in its capacity as Trustee with respect to such series or the related Trust for any tax incurred without negligence, bad faith or willful misconduct, on its part, arising out of or in connection with the acceptance or administration of such Trust (other than any tax attributable to the Trustee's compensation for serving as such), including any costs and expenses incurred in contesting the imposition of any such tax. The Trustee shall notify the Company of any claim for any tax for which it may seek reimbursement. If the Trustee reimburses itself from the Trust Property of such Trust for any such tax, it will mail a brief report within 30 days setting forth the amount of such tax and the circumstances thereof to all Certificateholders of such series as their names and addresses appear in the Register.

Section 7.08. Corporate Trustee Required; Eligibility. Each Trust shall at all times have a Trustee which shall be a bank, trust company or other financial institution organized and doing business under the laws of the United States or any state thereof, shall be eligible to act as a trustee under Section 310(a) of the Trust Indenture Act and shall have a combined capital and surplus of at least \$75,000,000 (or a combined capital and surplus in excess of \$5,000,000 and the obligations of which, whether now in existence or hereafter incurred, are fully and unconditionally guaranteed by a corporation organized and doing business under the laws of the United States or any state or



territory thereof or the District of Columbia and having a combined capital and surplus of at least \$75,000,000). If such bank, trust company or other financial institution or such corporation publishes reports of conditions at least annually, pursuant to law or to the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 7.08 the combined capital and surplus of such bank, trust company or other financial institution or such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of conditions so published.

In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 7.08 to act as Trustee of any Trust, the Trustee shall resign immediately as Trustee of such Trust in the manner and with the effect specified in Section 7.09. If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Agreement.

Section 7.09. Resignation and Removal; Appointment of Successor. (a) No resignation or removal of the Trustee and no appointment of a successor Trustee of any Trust pursuant to this Article VII shall become effective until the acceptance of appointment by the successor Trustee under Section 7.10.

(b) The Trustee may resign at any time as Trustee of any or all Trusts by giving prior written notice thereof to the Company, the Authorized Agents, any related Owner Trustees and the related Loan Trustees. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Company, any related Owner Trustees and the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time as Trustee of any Trust by Direction of the Certificateholders of the related series holding Certificates of such series evidencing Fractional Undivided Interests aggregating not less than a majority in interest in such Trust delivered to the Trustee and to the Company, any related Owner Trustees and the related Loan Trustees.

(d) If at any time in respect of any Trust:

- (1) the Trustee shall fail to comply with Section 310(b) of the Trust Indenture Act, if applicable, after written request therefor by the Company or by any Certificateholder who has been a bona fide Certificateholder for at least six months; or
- (2) the Trustee shall cease to be eligible under Section 7.08 and shall fail to resign after written request therefor by the Company or by any such Certificateholder; or
- (3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed or any

public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, (i) the Company may remove the Trustee or (ii) any Certificateholder of the related series who has been a bona fide Certificateholder for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee of such Trust.

(e) If a Responsible Officer of the Trustee shall obtain actual knowledge of an Avoidable Tax (as defined below) in respect of any Trust which has been or is likely to be asserted, the Trustee shall promptly notify the Company and shall, within 30 days of such notification, either relocate the administration of the Trust to another jurisdiction as described in the definition of "Avoidable Tax" or resign as Trustee of such Trust hereunder unless within such 30-day period the Trustee shall have received notice that the Company has agreed to pay such tax. Provided that there is a corporation in a jurisdiction where there are no Avoidable Taxes that is willing to act as Trustee and is eligible under Section 7.08, the Company shall promptly after any such resignation by such Trustee appoint a successor Trustee of such Trust in a jurisdiction where there are no Avoidable Taxes. As used herein, an "Avoidable Tax" in respect of such Trust means a state or local tax: (i) upon (w) such Trust, (x) the Trust Property of such Trust, (y) Certificateholders of such Trust or (z) the Trustee for which the Trustee is entitled to seek reimbursement from the Trust Property of such Trust, and (ii) which would be avoided if the Trust were administered in a different jurisdiction in the United States or if the Trustee were located in another state, or jurisdiction within a state, within the United States. A tax shall not be an Avoidable Tax in respect of any Trust if the Company or any Owner Trustee shall agree to pay, and shall pay, such tax.

(f) If the Trustee shall resign, be removed or become incapable of acting as Trustee of any Trust or if a vacancy shall occur in the office of the Trustee of any Trust for any cause, the Company shall promptly appoint a successor Trustee of such Trust. If, within one year after such resignation, removal or incapability, or other occurrence of such vacancy, a successor Trustee of such Trust shall be appointed by Direction of the Certificateholders of the related series holding Certificates of such series evidencing Fractional Undivided Interests aggregating not less than a majority in interest in such Trust delivered to the Company, any related Owner Trustees, the related Loan Trustee and the retiring Trustee, then the successor Trustee of such Trust so appointed shall, with the approval of the Company of such appointment, which approval shall not be unreasonably withheld, forthwith upon its acceptance of such appointment, become the successor Trustee of such Trust and supersede the successor Trustee of such Trust appointed by the Company as provided above. If no successor Trustee shall have been so appointed by the Company as provided above and accepted appointment in the manner hereinafter provided, the resigning Trustee or any Certificateholder who has been a bona fide Certificateholder of the related series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee of such Trust.

(g) The successor Trustee of a Trust shall give notice of the resignation and removal of the Trustee and appointment of the successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Certificateholders of the related series as their names and addresses appear in the Register. Each notice shall include the name of such successor Trustee and the address of its Corporate Trust Office.

Section 7.10. Acceptance of Appointment by Successor. Every successor Trustee appointed hereunder shall execute and deliver to the Company and to the retiring Trustee with respect to any or all Trusts an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee with respect to such Trust or Trusts shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to such Trust or Trusts; but, on request of the Company or the successor Trustee, such retiring Trustee shall execute and deliver an instrument transferring to such successor Trustee all such rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all Trust Property held by such retiring Trustee in respect of such Trusts hereunder (subject nevertheless to its lien, if any, provided for in Section 7.07) and all books and records, or true, correct and complete copies thereof, held by such retiring Trustee in respect of such Trusts hereunder. Upon request of any such successor Trustee, the Company, the retiring Trustee and such successor Trustee shall execute and deliver any and all instruments containing such provisions as shall be necessary or desirable to transfer and confirm to, and for more fully and certainly vesting in, such successor Trustee all such rights, powers and trusts.

If a successor Trustee is appointed with respect to one or more (but not all) Trusts, the Company, the predecessor Trustee and each successor Trustee with respect to any Trust shall execute and deliver a supplemental agreement hereto which shall contain such provisions as shall be deemed necessary or desirable to confirm that all of the rights, powers, trusts and duties of the predecessor Trustee with respect to the Trusts as to which the predecessor Trustee is not retiring shall continue to be vested in the predecessor Trustee, and shall add to or change any of the provisions of this Basic Agreement and the applicable Trust Supplements as shall be necessary to provide for or facilitate the administration of the Trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental agreement shall constitute such Trustees as co-Trustees of the same Trust and that each such Trustee shall be Trustee of separate Trusts.

No institution shall accept its appointment as a successor Trustee hereunder unless at the time of such acceptance such institution shall be qualified and eligible under this Article VII.

Section 7.11. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided that such corporation shall be otherwise qualified and eligible under this Article VII, without the execution

or filing of any paper or any further act on the part of any of the parties hereto. In case any Certificates shall have been executed or authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such execution or authentication and deliver the Certificates so executed or authenticated with the same effect as if such successor Trustee had itself executed or authenticated such Certificates.

Section 7.12. Maintenance of Agencies. (a) With respect to each series of Certificates, there shall at all times be maintained an office or agency in the location set forth in Section 12.04 or at such other location as may be specified in the applicant Trust Supplement where Certificates of such series may be presented or surrendered for registration of transfer or for exchange, and for payment thereof, and where notices and demands to or upon the Trustee in respect of such Certificates or this Agreement may be served; provided that, if it shall be necessary that the Trustee maintain an office or agency in another location with respect to the Certificates of any series (e.g., the Certificates of such series shall be represented by Definitive Certificates and shall be listed on a national securities exchange), the Trustee will make all reasonable efforts to establish such an office or agency. Written notice of the location of each such office or agency and of any change of location thereof shall be given by the Trustee to the Company, any Owner Trustees, the Loan Trustees (in the case of any Owner Trustee or Loan Trustee, at its address specified in the Note Documents or such other address as may be notified to the Trustee) and the Certificateholders of such series. In the event that no such office or agency shall be maintained or no such notice of location or of change of location shall be given, presentations and demands may be made and notices may be served at the Corporate Trust Office of the Trustee.

(b) There shall at all times be a Registrar and a Paying Agent hereunder with respect to the Certificates of each series. Each such Authorized Agent shall be a bank, trust company or other financial institution organized and doing business under the laws of the United States or any state thereof, with a combined capital and surplus of at least \$75,000,000 (or combined capital and surplus in excess of \$5,000,000, the obligations of which are fully and unconditionally guaranteed by a corporation organized and doing business under the laws of the United States or any state or territory thereof or the District of Columbia, with a combined capital and surplus of at least \$75,000,000), and shall be authorized under such laws to exercise corporate trust powers, subject to supervision by federal or state authorities. The Trustee shall initially be the Paying Agent and, as provided in Section 3.04, Registrar hereunder with respect to the Certificates of each series. Each Registrar other than the Trustee shall furnish to the Trustee, at stated intervals of not more than six months, and at such other times as the Trustee may request in writing, a copy of the Register maintained by such Registrar.

(c) Any corporation into which any Authorized Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, consolidation or conversion to which any Authorized Agent shall be a party, or any corporation succeeding to the corporate trust business of any Authorized Agent, shall be the successor of such Authorized Agent, if such successor corporation is otherwise eligible under this Section 7.12, without the execution or

filing of any paper or any further act on the part of the parties hereto or such Authorized Agent or such successor corporation.

(d) Any Authorized Agent may at any time resign by giving written notice of resignation to the Trustee, the Company, any related Owner Trustees and the related Loan Trustees. The Company may, and at the request of the Trustee shall, at any time terminate the agency of any Authorized Agent by giving written notice of termination to such Authorized Agent and to the Trustee. Upon the resignation or termination of an Authorized Agent or in case at any time any such Authorized Agent shall cease to be eligible under this Section 7.12 (when, in either case, no other Authorized Agent performing the functions of such Authorized Agent shall have been appointed), the Company shall promptly appoint one or more qualified successor Authorized Agents, reasonably satisfactory to the Trustee, to perform the functions of the Authorized Agent which has resigned or whose agency has been terminated or who shall have ceased to be eligible under this Section 7.12. The Company shall give written notice of any such appointment made by it to the Trustee, any related Owner Trustees and the related Loan Trustees; and in each case the Trustee shall mail notice of such appointment to all Certificateholders of the related series as their names and addresses appear on the Register for such series.

(e) The Company agrees to pay, or cause to be paid, from time to time to each Authorized Agent such compensation for its services as the Company and the Trustee may agree in writing from time to time and to reimburse it for its reasonable expenses to the extent set forth in Section 7.07(2).

Section 7.13. Money for Certificate Payments to Be Held in Trust. All moneys deposited with any Paying Agent for the purpose of any payment on Certificates shall be deposited and held in trust for the benefit of the Certificateholders entitled to such payment, subject to the provisions of this Section 7.13. Moneys so deposited and held in trust shall constitute a separate trust fund for the benefit of the Certificateholders with respect to which such money was deposited.

The Trustee may at any time, for the purpose of obtaining the satisfaction and discharge of this Agreement or for any other purpose, direct any Paying Agent to pay to the Trustee all sums held in trust by such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Section 7.14. Registration of Equipment Notes in Trustee's Name. Subject to the provisions of any Intercreditor Agreement and Section 12.03 hereof, the Trustee agrees that all Equipment Notes to be purchased by any Trust, Specified Investments, if any, to be held by the Trustee on behalf of a Trust and Permitted Investments, if any, to be held by the Trustee on behalf of a Trust shall be issued in the name of the Trustee as trustee for the applicable Trust or its nominee and held by the Trustee in trust for the benefit of the Certificateholders of such series, or, if not so held, the Trustee or its nominee shall be reflected as the owner of such Equipment Notes, Specified Investments or Permitted Investments, as the case may be, in the register of the issuer of such

Equipment Notes, Specified Investments or Permitted Investments, as the case may be. In no event shall the Trustee invest in, or hold, Equipment Notes, Specified Investments or Permitted Investments in a manner that would cause the Trustee not to have the ownership interest in (or a securities entitlement with respect to) such Equipment Notes, Specified Investments or Permitted Investments under the applicable provisions of the Uniform Commercial Code in effect where the Trustee holds such Equipment Notes, Specified Investments or Permitted Investments or other applicable law then in effect.

Section 7.15. Representations and Warranties of Trustee. The Trustee hereby represents and warrants that:

(a) the Trustee is a national banking association duly organized and validly existing in good standing under the laws of the United States;

(b) the Trustee has full power, authority and legal right to execute, deliver and perform this Agreement, any Intercreditor Agreement, any Liquidity Facility, the Certificates and the Note Purchase Agreements and has taken all necessary action to authorize the execution, delivery and performance by it of this Agreement, any Intercreditor Agreement, any Liquidity Facility, the Certificates and the Note Purchase Agreements;

(c) the execution, delivery and performance by the Trustee of this Agreement, any Intercreditor Agreement, any Liquidity Facility, the Certificates and the Note Purchase Agreements (i) will not violate any provision of any United States federal law or the law of the state of the United States where such Trustee is located and which governs the banking and trust powers of the Trustee or any order, writ, judgment, or decree of any court, arbitrator or governmental authority applicable to the Trustee or any of its assets, (ii) will not violate any provision of the articles of association or by-laws of the Trustee, and (iii) will not violate any provision of, or constitute, with or without notice or lapse of time or both, a default under, or result in the creation or imposition of any lien on any properties included in the Trust Property pursuant to the provisions of any mortgage, indenture, contract, agreement or other undertaking to which it is a party;

(d) the execution, delivery and performance by the Trustee of this Agreement, any Intercreditor Agreement, any Liquidity Facility, the Certificates and the Note Purchase Agreements will not require the authorization, consent, or approval of, the giving of notice to, the filing or registration with, or the taking of any other action in respect of, any governmental authority or agency of the United States or the state of the United States where such Trustee is located and regulating the banking and corporate trust activities of the Trustee, other than the filing of a Statement of Eligibility on Form T-1 in connection with the registration of any Certificates;

(e) this Agreement, any Intercreditor Agreement, any Liquidity Facility, the Certificates and the Note Purchase Agreements have been or will be duly executed and delivered by the Trustee and constitute or upon such execution and delivery will constitute the legal, valid and binding agreements of the Trustee, enforceable against it in accordance with their respective terms; provided,

however, that enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, and (ii) general principles of equity; and

(f) the statements made by it in a Statement of Eligibility on Form T-1 supplied or to be supplied to the Company in connection with the registration of any Certificates are and will be true and accurate subject to the qualifications set forth therein; and that such statement complies and will comply in all material respects with the requirements of the Trust Indenture Act and the Securities Act.

The representation and warranties set forth above shall be deemed to be made by the Trustee on each Issuance Date, except as otherwise provided in the applicable Trust Supplement.

Section 7.16. Withholding Taxes; Information Reporting. As to the Certificates of any series, the Trustee, as trustee of the related grantor trust created by this Agreement, shall exclude and withhold from each distribution of principal, premium, if any, and interest and other amounts due under this Agreement or under the Certificates of such series any and all withholding taxes applicable thereto as required by law. The Trustee agrees to act as such withholding agent and, in connection therewith, whenever any present or future taxes or similar charges are required to be withheld with respect to any amounts payable in respect of the Certificates of such series, to withhold such amounts and timely pay the same to the appropriate authority in the name of and on behalf of the Certificateholders of such series, that it will file any necessary withholding tax returns or statements when due, and that, as promptly as possible after the payment thereof, it will deliver to each such Certificateholder of such series appropriate documentation showing the payment thereof, together with such additional documentary evidence as such Certificateholders may reasonably request from time to time. The Trustee agrees to file any other information reports as it may be required to file under United States law.

Section 7.17. Trustee's Liens. The Trustee in its individual capacity agrees that it will, in respect of each Trust created by this Agreement, at its own cost and expense (and without right of indemnity hereunder, including Section 7.07), promptly take any action as may be necessary to duly discharge and satisfy in full any mortgage, pledge, lien, charge, encumbrance, security interest or claim ("Trustee's Liens") on or with respect to the Trust Property of such Trust which is attributable to the Trustee either (i) in its individual capacity and which is unrelated to the transactions contemplated by this Agreement or the related Note Documents or (ii) as Trustee hereunder or in its individual capacity and which arises out of acts or omissions which are not contemplated by this Agreement.

Section 7.18. Preferential Collection of Claims. The Trustee shall comply with Section 311(a) of the Trust Indenture Act, excluding any creditor relationship listed in Section 311(b) of the Trust Indenture Act. If the Trustee shall resign or be removed as Trustee, it shall be subject to Section 311(a) of the Trust Indenture Act to the extent provided therein.

Section 7.19. Capacity in Which Acting. The Trustee acts hereunder and under any Trust not in its individual capacity but solely as trustee except as expressly provided herein or in the related Trust Supplement.

#### ARTICLE VIII

##### CERTIFICATEHOLDERS' LISTS AND REPORTS BY TRUSTEE

Section 8.01. The Company to Furnish Trustee with Names and Addresses of Certificateholders. With respect to the Certificates of each series, the Company will furnish (or cause to be furnished) to the Trustee within 15 days after each Record Date with respect to a Scheduled Payment (and, in any case, at intervals of not more than six months), and at such other times as the Trustee may request in writing within 30 days after receipt by the Company of any such request, a list, in such form as the Trustee may reasonably require, of all information in the possession or control of the Company as to the names and addresses of the Certificateholders of such series, in each case as of a date not more than 15 days prior to the time such list is furnished; provided, however, that so long as the Trustee is the sole Registrar for such series, no such list need be furnished; and provided further, that no such list need be furnished so long as a copy of the Register is being furnished to the Trustee pursuant to Section 7.12.

Section 8.02. Preservation of Information; Communications to Certificateholders. The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Certificateholders of each series contained in the most recent list furnished to the Trustee as provided in Section 7.12 or Section 8.01, as the case may be, and the names and addresses of Certificateholders of each series received by the Trustee in its capacity as Registrar, if so acting. The Trustee may destroy any list furnished to it as provided in Section 7.12 or Section 8.01, as the case may be, upon receipt of a new list so furnished.

Section 8.03. Reports by Trustee. Within 60 days after May 15 of each year commencing with the first full year following the issuance of any series of Certificates, the Trustee shall transmit to the Certificateholders of such series, as provided in Section 313(c) of the Trust Indenture Act, a brief report dated as of such May 15, if required by and in compliance with Section 313(a) of the Trust Indenture Act. The Trustee shall also transmit to Certificateholders such reports, if any, as may be required pursuant to Section 313(b) of the Trust Indenture Act at the times and in the manner provided pursuant thereto and to Section 313(c) thereof.

Section 8.04. Reports by the Company. The Company shall:

(a) file with the Trustee, within 30 days after the Company is required to file the same with the SEC, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may from time to time by rules and regulations prescribe) which the Company is required to file with the SEC pursuant to section 13 or



section 15(d) of the Securities Exchange Act of 1934, as amended; or, if the Company is not required to file information, documents or reports pursuant to either of such sections, then to file with the Trustee and the SEC, in accordance with rules and regulations prescribed by the SEC, such of the supplementary and periodic information, documents and reports which may be required pursuant to section 13 of the Securities Exchange Act of 1934, as amended, in respect of a security listed and registered on a national securities exchange as may be prescribed in such rules and regulations;

(b) file with the Trustee and the SEC, in accordance with the rules and regulations prescribed by the SEC, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants of the Company provided for in this Agreement, as may be required by such rules and regulations;

(c) transmit to all Certificateholders, in the manner and to the extent provided in Section 313(c) of the Trust Indenture Act, such summaries of any information, documents and reports required to be filed by the Company pursuant to subsections (a) and (b) of this Section 8.04 as may be required by rules and regulations prescribed by the SEC; and

(d) furnish to the Trustee, not less often than annually, a brief certificate from the principal executive officer, principal financial officer or principal accounting officer as to his or her knowledge of the Company's compliance with all conditions and covenants of the Company under this Agreement (it being understood that for purposes of this paragraph (d), such compliance shall be determined without regard to any grace period or requirement of notice provided under this Agreement).

## ARTICLE IX

### SUPPLEMENTAL AGREEMENTS

Section 9.01. Supplemental Agreements Without Consent of Certificateholders. Without the consent of any Certificateholders, the Company may (but will not be required to), and the Trustee (subject to Section 9.03) shall, at the Company's request, at any time and from time to time, enter into one or more agreements supplemental hereto or, if applicable, to an Intercreditor Agreement, a Note Purchase Agreement, a Liquidity Facility or a Parent Guarantee, for any of the following purposes:

- (1) to provide for the formation of a Trust, the issuance of a series of Certificates and other matters contemplated by Section 2.01(b) or to add, or to change or eliminate, any provision affecting a series of Certificates not yet issued, including to make appropriate provisions for a Parent Guarantee; or
- (2) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company contained in this Agreement or

of the Company's obligations under any Intercreditor Agreement, any Note Purchase Agreement or any Liquidity Facility or, if applicable, to evidence the succession of another Person to the Parent and the assumption by any such successor of the covenants of the Parent contained in this Agreement or of the Parent's obligations under any Parent Guarantee; or

- (3) to add to the covenants of the Company or the Parent for the benefit of the Certificateholders of any series, or to surrender any right or power conferred upon the Company or the Parent in this Agreement, any Note Purchase Agreement, any Intercreditor Agreement, any Liquidity Facility or any Parent Guarantee; or
- (4) to cure any ambiguity or to correct any mistake or inconsistency contained in the Certificates of any series, in this Basic Agreement or in any related Trust Supplement, any Intercreditor Agreement, any Note Purchase Agreement, any Liquidity Facility or any Parent Guarantee; or
- (5) to make or modify any other provision in regard to matters or questions arising under the Certificates of any series, this Basic Agreement or any related Trust Supplement, any Intercreditor Agreement, any Note Purchase Agreement, any Liquidity Facility or any Parent Guarantee as the Company may deem necessary or desirable and that will not materially adversely affect the interests of the related Certificateholders; or
- (6) to comply with any requirement of the SEC, any applicable law, rules or regulations of any exchange or quotation system on which the Certificates of any series are listed or of any regulatory body; or
- (7) to modify, eliminate or add to the provisions of this Agreement, any Intercreditor Agreement, any Liquidity Facility or any Parent Guarantee to such extent as shall be necessary to continue or obtain the qualification of this Agreement (including any supplemental agreement), any Intercreditor Agreement, any Liquidity Facility or any Parent Guarantee under the Trust Indenture Act or under any similar Federal statute hereafter enacted, and to add to this Agreement, any Intercreditor Agreement, any Liquidity Facility or any Parent Guarantee such other provisions as may be expressly permitted by the Trust Indenture Act, excluding, however, the provisions referred to in Section 316(a)(2) of the Trust Indenture Act as in effect at the date as of which this Basic Agreement was executed or any corresponding provision in any similar Federal statute hereafter enacted; or
- (8) to evidence and provide for the acceptance of appointment by a successor Trustee under this Agreement, any Intercreditor Agreement, any Note Purchase Agreement, any Indenture, any Liquidity Facility or any Parent Guarantee with respect to one or more Trusts and to add to or change any of the provisions of this Agreement, any Intercreditor Agreement, any Liquidity Facility or any Parent Guarantee as shall be

necessary to provide for or facilitate the administration of the Trust hereunder and thereunder by more than one Trustee, pursuant to the requirements of Section 7.10, or to provide multiple Liquidity Facilities with respect to one or more Trusts; or

- (9) to provide the information required under Section 7.12 and Section 12.04 as to the Trustee; or
- (10) to add to or change any of the provisions of the Certificates of any series, this Basic Agreement or any Trust Supplement to such extent as shall be necessary to facilitate the issuance of Certificates of such series in bearer form or to facilitate or provide for the issuance of Certificates of such series in global form in addition to or in place of Certificates in certificated form; or
- (11) to provide for the delivery of agreements supplemental hereto or the Certificates of any series in or by any means of any computerized, electronic or other medium, including without limitation by computer diskette; or
- (12) to correct or supplement the description of any property constituting property of such Trust; or
- (13) to modify, eliminate or add to the provisions of this Basic Agreement, any Trust Supplement or any applicable Note Purchase Agreement in order to reflect the substitution of a Substitute Aircraft for any aircraft; or
- (14) to comply with any requirement of the SEC in connection with the qualification of this Agreement, any Parent Guarantee or any other agreement or instrument related to the Certificates of any series under the Trust Indenture Act; or
- (15) to make any other amendments or modifications hereto, provided that such amendments or modifications shall only apply to Certificates of one or more series to be thereafter issued;

provided, however, that, except to the extent otherwise provided in the applicable supplemental agreement, unless there shall have been obtained from each Rating Agency written confirmation that such supplemental agreement would not result in a reduction of the rating for any class of Certificates below the then current rating for such class of Certificates or a withdrawal or suspension of the rating of any class of Certificates, the Company shall provide the Trustee with an opinion of counsel (i) if an Event of Default shall have occurred and be continuing, to the effect that such supplemental agreement will not cause the Trust to become an association taxable as a corporation for United States federal income tax purposes or (ii) in other circumstances, to the effect that such supplemental agreement will not cause the Trust to be treated as other than a grantor trust for United States federal income tax purposes.

Section 9.02. Supplemental Agreements with Consent of Certificateholders. With respect to each separate Trust and the series of Certificates relating thereto, with the consent of the Certificateholders holding Certificates of such series (including consents obtained in connection with a consent solicitation, tender offer or exchange offer for the Certificates) evidencing Fractional Undivided Interests aggregating not less than a majority in interest in such Trust, by Direction of said Certificateholders delivered to the Company and the Trustee, the Company and, if applicable, the Parent may (with the consent of the Owner Trustees, if any, relating to such Certificates, which consent shall not be unreasonably withheld), but shall not be obligated to, and the Trustee (subject to Section 9.03) shall, enter into an agreement or agreements supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement, any Intercreditor Agreement, any Liquidity Facility or any Parent Guarantee to the extent applicable to such Certificateholders or of modifying in any manner the rights and obligations of such Certificateholders under this Agreement, any Intercreditor Agreement, any Liquidity Facility or any Parent Guarantee; provided, however, that no such agreement shall, without the consent of the Certificateholder of each Outstanding Certificate adversely affected thereby:

- (1) reduce in any manner the amount of, or delay the timing of, any receipt by the Trustee of payments on the Equipment Notes held in such Trust or distributions that are required to be made herein on any Certificate of such series, or change any date of payment on any Certificate of such series, or change the place of payment where, or the coin or currency in which, any Certificate of such series is payable (other than as provided for in such Certificate), or impair the right to institute suit for the enforcement of any such payment or distribution on or after the Regular Distribution Date or Special Distribution Date applicable thereto; or
- (2) except as permitted by this Agreement or the applicable Intercreditor Agreement or Liquidity Facility, permit the disposition of any Equipment Note included in the Trust Property of such Trust or otherwise deprive such Certificateholder of the benefit of the ownership of the Equipment Notes in such Trust; or
- (3) alter the priority of distributions specified in the relevant Intercreditor Agreement, if any, in a manner materially adverse to the interests of the Certificateholders of any series; or
- (4) modify any of the provisions of this Section 9.02 with respect to such series of Certificates, except to increase the specified percentage of the aggregate Fractional Undivided Interests of such Trust that is required for any supplemental agreement as set forth therein, or to provide that certain other provisions of this Agreement cannot be modified or waived without the consent of the Certificateholder of each Certificate of such series affected thereby; or
- (5) cause any Trust to become an association taxable as a corporation for United States federal income tax purposes.

It shall not be necessary for any Direction of such Certificateholders under this Section 9.02 to approve the particular form of any proposed supplemental agreement, but it shall be sufficient if such Direction shall approve the substance thereof.

Section 9.03. Documents Affecting Immunity or Indemnity. If in the opinion of the Trustee any document required to be executed by it pursuant to the terms of Section 9.01 or 9.02 affects any interest, right, duty, immunity or indemnity in favor of the Trustee under this Basic Agreement or any Trust Supplement, the Trustee may in its discretion decline to execute such document.

Section 9.04. Execution of Supplemental Agreements. In executing, or accepting the additional trusts created by, any supplemental agreement permitted by this Article IX or the modifications thereby of the trusts created by this Agreement, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental agreement is authorized or permitted by this Agreement.

Section 9.05. Effect of Supplemental Agreements. Upon the execution of any agreement supplemental to this Agreement under this Article IX, this Agreement shall be modified in accordance therewith, and such supplemental agreement shall form a part of this Agreement for all purposes, and every Certificateholder of each series theretofore or thereafter authenticated and delivered hereunder shall be bound thereby to the extent applicable to such series.

Section 9.06. Conformity with Trust Indenture Act. Every supplemental agreement executed pursuant to this Article IX shall conform to the requirements of the Trust Indenture Act as then in effect.

Section 9.07. Reference in Certificates to Supplemental Agreements. Certificates of each series authenticated and delivered after the execution of any supplemental agreement applicable to such series pursuant to this Article IX may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental agreement; and, in such case, suitable notation may be made upon Outstanding Certificates of such series after proper presentation and demand.

## ARTICLE X

### AMENDMENTS TO INDENTURES AND OTHER NOTE DOCUMENTS

Section 10.01. Amendments and Supplements to Indentures and Other Note Documents. In the event that the Trustee, as holder (or beneficial owner through the Subordination Agent) of any Equipment Notes (or as a prospective purchaser of any Postponed Notes) in trust for the benefit of the Certificateholders of any series or as Controlling Party under an Intercreditor Agreement, receives (directly or indirectly through the Subordination Agent) a request for a consent to any amendment, modification, waiver or supplement under any Indenture or other Note Document, subject to Section 9.01 hereof, the Trustee shall forthwith send a notice of such proposed

amendment, modification, waiver or supplement to each Certificateholder of such series registered on the Register as of the date of such notice. The Trustee shall request from the Certificateholders of such series a Direction as to (a) whether or not to take or refrain from taking (or direct the Subordination Agent to take or refrain from taking) any action which a holder of (or, with respect to Postponed Notes, a prospective purchaser of) such Equipment Note has the option to direct, (b) whether or not to give or execute (or direct the Subordination Agent to give or execute) any waivers, consents, amendments, modifications or supplements as a holder of (or, with respect to Postponed Notes, a prospective purchaser of) such Equipment Note or a Controlling Party and (c) how to vote (or direct the Subordination Agent to vote) any Equipment Note (or, with respect to a Postponed Note, its commitment to acquire such Postponed Note) if a vote has been called for with respect thereto. Provided such a request for Certificateholder Direction shall have been made, in directing any action or casting any vote or giving any consent as the holder of any Equipment Note (or in directing the Subordination Agent in any of the foregoing), (i) other than as Controlling Party, the Trustee shall vote for or give consent to any such action with respect to such Equipment Note (or Postponed Note) in the same proportion as that of (A) the aggregate face amount of all Certificates actually voted in favor of or for giving consent to such action by such Direction of Certificateholders to (B) the aggregate face amount of all Outstanding Certificates and (ii) as Controlling Party, the Trustee shall vote as directed in such Certificateholder Direction by the Certificateholders of such series evidencing a Fractional Undivided Interest aggregating not less than a majority in interest in the Trust. For purposes of the immediately preceding sentence, a Certificate shall have been "actually voted" if the Holder of such Certificate has delivered to the Trustee an instrument evidencing such Holder's consent to such Direction prior to one Business Day before the Trustee directs such action or casts such vote or gives such consent. Notwithstanding the foregoing, but subject to Section 6.04 and any Intercreditor Agreement, the Trustee may, with respect to the Certificates of any series, in its own discretion and at its own direction, consent and notify the relevant Loan Trustee of such consent (or direct the Subordination Agent to consent and notify the Loan Trustee of such consent) to any amendment, modification, waiver or supplement under any related Indenture or any other related Note Document if an Event of Default hereunder shall have occurred and be continuing or if such amendment, modification, waiver or supplement will not materially adversely affect the interests of the Certificateholders of such series.

#### ARTICLE XI

##### TERMINATION OF TRUSTS

Section 11.01. Termination of the Trusts. In respect of each Trust created by the Basic Agreement as supplemented by a related Trust Supplement, the respective obligations and responsibilities of the Company and the Trustee and, if applicable, the Parent with respect to such Trust shall terminate upon the distribution to all Holders of Certificates of the series of such Trust and the Trustee of all amounts required to be distributed to them pursuant to this Agreement and the disposition of all property held as part of the Trust Property of such Trust; provided, however, that in no event shall such Trust continue beyond the final expiration date determined as provided in such Trust Supplement.

Notice of any termination of a Trust, specifying the applicable Regular Distribution Date (or applicable Special Distribution Date, as the case may be) upon which the Certificateholders of any series may surrender their Certificates to the Trustee for payment of the final distribution and cancellation, shall be mailed promptly by the Trustee to Certificateholders of such series not earlier than 60 days and not later than 15 days preceding such final distribution specifying (i) the Regular Distribution Date (or Special Distribution Date, as the case may be) upon which the proposed final payment of the Certificates of such series will be made upon presentation and surrender of Certificates of such series at the office or agency of the Trustee therein specified, (ii) the amount of any such proposed final payment, and (iii) that the Record Date otherwise applicable to such Regular Distribution Date (or Special Distribution Date, as the case may be) is not applicable, payments being made only upon presentation and surrender of the Certificates of such series at the office or agency of the Trustee therein specified. The Trustee shall give such notice to the Registrar at the time such notice is given to Certificateholders of such series. Upon presentation and surrender of the Certificates of such series in accordance with such notice, the Trustee shall cause to be distributed to Certificateholders of such series amounts distributable on such Regular Distribution Date (or Special Distribution Date, as the case may be) pursuant to Section 4.02.

In the event that all of the Certificateholders of such series shall not surrender their Certificates for cancellation within six months after the date specified in the above-mentioned written notice, the Trustee shall give a second written notice to the remaining Certificateholders of such series to surrender their Certificates for cancellation and receive the final distribution with respect thereto. No additional interest shall accrue on the Certificates of such series after any Regular Distribution Date (or Special Distribution Date, as the case may be) of such series, as specified in the first written notice. In the event that any money held by the Trustee for the payment of distributions on the Certificates of such series shall remain unclaimed for two years (or such lesser time as the Trustee shall be satisfied, after 60 days' notice from the Company, is one month prior to the escheat period provided under applicable law) after the final distribution date with respect thereto, the Trustee shall pay to each Loan Trustee the appropriate amount of money relating to such Loan Trustee for distribution as provided in the applicable Indenture or other Note Documents and shall give written notice thereof to any related Owner Trustees and the Company.

## ARTICLE XII

### MISCELLANEOUS PROVISIONS

Section 12.01. Limitation on Rights of Certificateholders. (a) The insolvency, death or incapacity of any Certificateholder of any series shall not operate to terminate this Agreement or the related Trust, nor entitle such Certificateholder's legal representatives or heirs to claim an accounting or to take any action or commence any proceeding in any court for a partition or winding up of the Trust, nor otherwise affect the rights, obligations and liabilities of the parties hereto or any of them. No Certificateholder of any series shall be entitled to revoke the related Trust.

(b) No transfer, by operation of law or otherwise, of any Certificate or other right, title and interest of any Certificateholder in and to the applicable Trust Property or under the related Trust shall operate to terminate the Trust or entitle such Certificateholder or any successor or transferee of such Certificateholder to an accounting or to the transfer to it of legal title to any part of such Trust Property.

Section 12.02. Certificates Nonassessable and Fully Paid.

Certificateholders of each series shall not be personally liable for obligations of the related Trust, the Fractional Undivided Interests represented by the Certificates of such series shall be nonassessable for any losses or expenses of such Trust or for any reason whatsoever, and Certificates of such series upon authentication thereof by the Trustee pursuant to Section 3.02 are and shall be deemed fully paid. No Certificateholder of such series shall have any right (except as expressly provided herein) to vote or in any manner otherwise control the operation and management of the related Trust Property, the related Trust, or the obligations of the parties hereto, nor shall anything set forth herein, or contained in the terms of the Certificates of such series, be construed so as to constitute the Certificateholders of such series from time to time as partners or members of an association.

Section 12.03. Registration of Equipment Notes in Name of

Subordination Agent. If a Trust is party to an Intercreditor Agreement, the Trustee agrees that all Equipment Notes to be purchased by such Trust may be issued in the name of the Subordination Agent under such Intercreditor Agreement or its nominee and held by such Subordination Agent in trust for the benefit of the Certificateholders, or, if not so held, such Subordination Agent or its nominee shall be reflected as the owner of such Equipment Notes in the register of the issuer of such Equipment Notes.

Section 12.04. Notices. (a) Unless otherwise expressly specified or

permitted by the terms hereof or in the applicable Trust Supplement with respect to any Trust created thereby, all notices required or permitted under the terms and provisions of this Basic Agreement or such Trust Supplement shall be in English and in writing, and any such notice may be given by U.S. mail, courier service or facsimile or any other customary means of communication, and any such notice shall be effective when delivered (or, if mailed, three Business Days after deposit, postage prepaid, in the first class U.S. mail and, 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 the transmission was received),

if to the Company, to:

American Airlines, Inc.  
4333 Amon Carter Blvd.  
Maildrop 5662  
Fort Worth, Texas 76155  
Attention: Treasurer

Telephone: (817) 963-1234



Facsimile: (817) 967-4318

if to the Trustee, to:

State Street Bank and Trust Company of Connecticut,  
National Association  
225 Asylum Street, Goodwin Square  
Hartford, Connecticut 06103  
Attention: Corporate Trust Division

Telephone: (860) 244-1844  
Facsimile: (860) 244-1881

(b) The Company or the Trustee, by notice to the other, may designate additional or different addresses for subsequent notices or communications.

(c) Any notice or communication to Certificateholders of any series shall be mailed by first-class mail to the addresses for Certificateholders of such series shown on the Register kept by the Registrar and to addresses filed with the Trustee for Certificate Owners of such series. Failure so to mail a notice or communication or any defect in such notice or communication shall not affect its sufficiency with respect to other Certificateholders or Certificate Owners of such series.

(d) If a notice or communication is mailed in the manner provided above, it is conclusively presumed to have been duly given, whether or not the addressee receives it.

(e) If the Company mails a notice or communication to the Certificateholders of such series, it shall mail a copy to the Trustee and to each Paying Agent for such series at the same time.

(f) The Trustee shall promptly furnish the Company with a copy of any report, demand, notice or written communication received by the Trustee hereunder from, or sent or furnished by the Trustee hereunder to any Certificateholder, Certificate Owner, Owner Trustee, Loan Trustee, Liquidity Provider, Subordination Agent or other Person.

Section 12.05. Governing Law. THIS BASIC AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS BASIC AGREEMENT, TOGETHER WITH ALL TRUST SUPPLEMENTS AND CERTIFICATES, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 12.06. Severability of Provisions. 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 12.07. Trust Indenture Act Controls. This Agreement is subject to the provisions of the Trust Indenture Act and if any provision of this Agreement limits, qualifies or conflicts with another provision which is required to be included in this Agreement by the Trust Indenture Act, the required provision shall control. If any provision of this Agreement modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Agreement as so modified, or to be excluded, as the case may be, whether or not such provision of this Agreement refers expressly to such provision of the Trust Indenture Act.

Section 12.08. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 12.09. Successors and Assigns. All covenants, agreements, representations and warranties in this Agreement by the Trustee and the Company shall bind and, to the extent permitted hereby, shall inure to the benefit of and be enforceable by their respective successors and assigns, whether so expressed or not. Any request, notice, direction, consent, waiver or other instrument or action by any Certificateholder shall bind the successors and assigns of such Certificateholder.

Section 12.10. Benefits of Agreement. Nothing in this Agreement or in the Certificates of any series, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, and the Certificateholders of each series, any benefit or any legal or equitable right, remedy or claim under this Agreement, except as provided expressly herein.

Section 12.11. Legal Holidays. In any case where any Regular Distribution Date or Special Distribution Date relating to any Certificate of any series shall not be a Business Day with respect to such series, then (notwithstanding any other provision of this Agreement) payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such Regular Distribution Date or Special Distribution Date, and no interest shall accrue during the intervening period.

Section 12.12. Counterparts. For the purpose of facilitating the execution of this Agreement and for other purposes, this Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument.

Section 12.13. Communication by Certificateholders with Other Certificateholders. Certificateholders of any series may communicate with other Certificateholders of such series with respect to their rights under this Basic Agreement, the related Trust Supplement or the Certificates of such series pursuant to Section 312(b) of the Trust Indenture Act. The Company, the Trustee and

any and all other persons benefitted by this Agreement shall have the protection afforded by Section 312(c) of the Trust Indenture Act.

Section 12.14. Normal Commercial Relations. Anything contained in this Agreement to the contrary notwithstanding, the Trustee and any Certificateholder, or any bank or other Affiliate of any such party, may conduct any banking or other financial transactions, and have banking or other commercial relationships, with the Company, the Parent and any of their Affiliates fully to the same extent as if this Agreement were not in effect, including without limitation the making of loans or other extensions of credit to the Company, the Parent and any of their Affiliates for any purpose whatsoever, whether related to any of the transactions contemplated hereby or otherwise.

Section 12.15. No Recourse Against Others. No past, present or future director, officer, employee, agent, member, manager, trustee or stockholder, as such, of the Company, the Parent or any successor Person or any Affiliate of any thereof shall have any liability for any obligations of the Company, the Parent or any successor Person or any Affiliate of any thereof, either directly or through the Company, the Parent or any successor Person or any Affiliate of any thereof, under the Certificates, this Agreement or any Parent Guarantee or for any claim based on, in respect of or by reason of such obligations or their creation, whether by virtue of any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise. By accepting a Certificate, each Certificateholder agrees to the provisions of this Section 12.15 and waives and releases all such liability. Such waiver and release shall be part of the consideration for the issue of the Certificates.

IN WITNESS WHEREOF, the parties have caused this Pass Through Trust Agreement to be duly executed by their respective officers thereunto duly authorized as of the day and year first written above.

AMERICAN AIRLINES, INC.

By: /s/ Thomas W. Horton

-----  
Name: Thomas W. Horton  
Title: Senior Vice President and  
Chief Financial Officer

STATE STREET BANK AND TRUST COMPANY  
OF CONNECTICUT, NATIONAL ASSOCIATION,  
as Trustee

By: /s/ Alison D.B. Nadeau

-----  
Name: Alison D.B. Nadeau  
Title: President

TRUST SUPPLEMENT NO. 2002-1G

Dated as of September 24, 2002

between

AMERICAN AIRLINES, INC.

and

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,

as Trustee,

to

PASS THROUGH TRUST AGREEMENT

Dated as of March 21, 2002

American Airlines Pass Through Trust 2002-1G  
American Airlines Pass Through Certificates,  
Series 2002-1G

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This TRUST SUPPLEMENT NO. 2002-1G, dated as of September 24, 2002 (the "Trust Supplement"), between American Airlines, Inc., a Delaware corporation, and State Street Bank and Trust Company of Connecticut, National Association, a national banking association, as Trustee, to the Pass Through Trust Agreement, dated as of March 21, 2002, between the Company (such term and other capitalized terms used herein without definition being defined as provided in Section 1.01) and the Trustee (the "Basic Agreement").

W I T N E S S E T H:

WHEREAS, the Basic Agreement, which is unlimited as to the aggregate face amount of Certificates that may be issued and authenticated thereunder, has heretofore or concurrently herewith been executed and delivered;

WHEREAS, the Company is the owner of 19 aircraft described in Schedule III (collectively, the "Aircraft");

WHEREAS, pursuant to each Indenture, the Company will issue, on a recourse basis, the Equipment Notes, which Equipment Notes are to be secured by a security interest in all right, title and interest of the Company in and to the Aircraft and certain other property described in such Indenture;

WHEREAS, the Trustee shall hereby declare the creation of the Applicable Trust (as defined below) for the benefit of Holders of the Applicable Certificates (as defined below) to be issued in respect of such Applicable Trust, and the initial Holders of the Applicable Certificates, as grantors of such Applicable Trust, by their respective acceptances of the Applicable Certificates, shall join in the creation of the Applicable Trust with the Trustee;

WHEREAS, all Certificates to be issued by the Applicable Trust will evidence Fractional Undivided Interests in the Applicable Trust and will have no rights, benefits or interests in respect of any other separate Trust or the property held therein;

WHEREAS, pursuant to the terms and conditions of the Basic Agreement, as supplemented by this Trust Supplement, and the Participation Agreements, the Trustee on behalf of the Applicable Trust shall on the date hereof purchase the Equipment Notes issued by the Company pursuant to the Indenture relating to the relevant Aircraft, having the identical interest rate as, and final maturity dates not later than the final Regular Distribution Date of, the Applicable Certificates issued hereunder and shall hold such Equipment Notes in trust for the benefit of the Applicable Certificateholders;

WHEREAS, pursuant to the terms and conditions of the Intercreditor Agreement (as defined



below), the Trustee and the other parties thereto will agree to the terms of subordination set forth therein;

WHEREAS, all of the conditions and requirements necessary to make this Trust Supplement, when duly executed and delivered, a valid, binding and legal instrument in accordance with its terms and for the purposes herein expressed, have been done, performed and fulfilled, and the execution and delivery of this Trust Supplement in the form and with the terms hereof have been in all respects duly authorized;

WHEREAS, this Trust Supplement is subject to the provisions of the Trust Indenture Act and shall, to the extent applicable, be governed by such provisions;

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. Unless otherwise specified herein or the context otherwise requires, capitalized terms used but not defined herein shall have the respective meanings set forth, and shall be construed and interpreted in the manner described, in the Basic Agreement or, to the extent not defined therein, in the Intercreditor Agreement.

**Applicable Certificateholder:** Means the Person in whose name an Applicable Certificate is registered on the Register for the Applicable Certificates.

**Applicable Certificates:** Has the meaning specified in Section 3.01 of this Trust Supplement.

**Applicable Trust:** Has the meaning specified in Section 2.01 of this Trust Supplement.

**Basic Agreement:** Has the meaning specified in the first paragraph of this Trust Supplement.

**Intercreditor Agreement:** Means the Intercreditor Agreement, dated as of the date hereof, by and among the Trustee, the Other Trustees, the Liquidity Providers named therein, the Policy Provider and State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent.

**Luxembourg Listing Agent:** Means, initially, Dexia Banque Internationale a

Luxembourg, and any replacements or successors as Luxembourg listing agent.

Luxembourg Paying Agent: Has the meaning specified in Section 3.08 of this Trust Supplement.

Note Documents: Means the Equipment Notes with respect to the Applicable Certificates and, with respect to any such Equipment Note, the related Indenture and Participation Agreement.

Other Agreements: Means (i) the Basic Agreement as supplemented by Trust Supplement No. 2002-1C dated as of the date hereof relating to American Airlines Pass Through Trust 2002-1C or, in connection with a refunding of the Class C Certificates in accordance with Exhibit A to the Intercreditor Agreement, as supplemented by the trust supplement executed in connection with the new class C certificates issued upon such refunding; (ii) the Basic Agreement as supplemented by Trust Supplement No. 2002-1D dated as of the date hereof relating to American Airlines Pass Through Trust 2002-1D or, in connection with a refunding of the Class D Certificates in accordance with Exhibit A to the Intercreditor Agreement, as supplemented by the trust supplement executed in connection with the new class D certificates issued upon such refunding; and (iii) if Class E Certificates are issued, the Basic Agreement as supplemented by Trust Supplement No. 2002-1E relating to American Airlines Pass Through Trust 2002-1E.

Other Trustees: Means the trustees under the Other Agreements, and any successor or other trustee appointed as provided therein.

Other Trusts: Means the American Airlines Pass Through Trust 2002-1C created on the date hereof (or, in connection with a refunding of the Class C Certificates in accordance with Exhibit A to the Intercreditor Agreement, the trust formed in connection therewith for the issuance of the new class C certificates) and the American Airlines Pass Through Trust 2002-1D created on the date hereof (or, in connection with a refunding of the Class D Certificates in accordance with Exhibit A to the Intercreditor Agreement, the trust formed in connection therewith for the issuance of the new class D certificates), and, if Class E Certificates are issued, the American Airlines Pass Through Trust 2002-1E.

Participation Agreement: Means each Participation Agreement among the Company and State Street Bank and Trust Company of Connecticut, National Association as the Trustee, the Other Trustees, the Subordination Agent and the Loan Trustee and in its individual capacity, as the same may be amended, supplemented or otherwise modified in accordance with its terms.

Policy: Has the meaning specified in Section 3.01(i).

Pool Balance: Means, as of any date, (i) the original aggregate face amount of the

Applicable Certificates less (ii) the aggregate amount of all distributions made in respect of such Applicable Certificates other than distributions made in respect of interest, Break Amount, if any, or Prepayment Premium, if any, or reimbursement of any costs or expenses incurred in connection therewith. The Pool Balance as of any Distribution Date shall be computed after giving effect to the payment of principal, if any, on the Equipment Notes or other Trust Property and the distribution thereof to be made on that date and payments under the Policy made for the benefit of the Applicable Certificateholders (other than in respect of the Class G Primary Liquidity Facility or interest on the Applicable Certificates).

Pool Factor: Means, as of any Distribution Date, the quotient (rounded to the seventh decimal place (and rounding 0.00000005 up)) computed by dividing (i) the Pool Balance by (ii) the original aggregate face amount of the Applicable Certificates. The Pool Factor as of any Distribution Date shall be computed after giving effect to the payment of principal, if any, on the Equipment Notes or other Trust Property and the distribution thereof to be made on that date and payments under the Policy made for the benefit of the Applicable Certificateholders (other than in respect of the Class G Primary Liquidity Facility or interest on Applicable Certificates).

Prospectus Supplement: Means the Prospectus Supplement dated September 17, 2002, relating to the offering of the Class G Certificates.

Trust Property: Means (i) subject to the Intercreditor Agreement, the Equipment Notes held as the property of the Applicable Trust, all monies at any time paid thereon and all monies due and to become due thereunder, (ii) funds from time to time deposited in the Certificate Account and the Special Payments Account and (iii) all rights of the Applicable Trust and the Trustee, on behalf of the Applicable Trust, under the Intercreditor Agreement, the Policy, the Class G Above-Cap Liquidity Facility and the Class G Primary Liquidity Facility, including, without limitation, all rights to receive certain payments under such documents, and all monies paid to the Trustee on behalf of the Applicable Trust pursuant to the Intercreditor Agreement, the Policy, the Class G Above-Cap Liquidity Facility and the Class G Primary Liquidity Facility.

Trusts: Means, collectively, the American Airlines 2002-1 Pass Through Trusts to be formed pursuant to the Basic Agreement, as supplemented by this Trust Supplement and the Other Agreements.

Trust Supplement: Has the meaning specified in the first paragraph of this Trust Supplement.

## ARTICLE II

### THE TRUST AND THE TRUSTEE

Section 2.01. Declaration of Trust. The Trustee hereby declares the creation of a Trust, designated the "American Airlines Pass Through Trust 2002-1G" (the "Applicable Trust"), for the benefit of the Holders of the Applicable Certificates to be issued in respect of such Applicable Trust, and the initial Holders of the Applicable Certificates, as grantors of such Applicable Trust, by their respective acceptances of the Applicable Certificates, join in the creation of such Applicable Trust with the Trustee. The Trustee, by the execution and delivery of this Trust Supplement, acknowledges its acceptance of all right, title and interest in and to the Trust Property to be acquired pursuant to Section 2.02 of the Basic Agreement and each Participation Agreement and the Trustee will hold such right, title and interest for the benefit of all present and future Holders of the Applicable Certificates, upon the trusts set forth in the Basic Agreement and this Trust Supplement.

Section 2.02. Activities of Trust. (a) Other than in connection with the transactions contemplated by this Agreement or the Note Documents, the Trustee on behalf of the Applicable Trust shall not (i) borrow money or issue debt or (ii) merge with another entity, reorganize, liquidate or sell its assets.

(b) The activities of the Trustee engaged in on behalf of the Applicable Trust shall be limited to those activities authorized by this Agreement or the Note Documents.

## ARTICLE III

### THE APPLICABLE CERTIFICATES

Section 3.01. The Certificates. There is hereby created a series of Certificates to be issued under this Agreement designated as "American Airlines Pass Through Certificates, Series 2002-1G" (the "Applicable Certificates"). Each Applicable Certificate represents a Fractional Undivided Interest in the Applicable Trust created hereby. The Applicable Certificates shall be the only instruments evidencing a fractional undivided interest in the Applicable Trust.

The terms and conditions applicable to the Applicable Certificates and the Applicable Trust are as follows:

(a) The aggregate face amount of the Applicable Certificates that may be authenticated and delivered under this Agreement (except for Applicable Certificates authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Applicable Certificates pursuant to Sections 3.03, 3.04, 3.05 and 3.06 of the Basic Agreement) is \$617,000,000.

(b) The Cut-Off Date is November 24, 2002.

(c) The Regular Distribution Dates with respect to any payment of Scheduled Payments means March 23, June 23, September 23 and December 23 of each year, commencing on December 23, 2002 until payment of all of the Scheduled Payments to be made under the Equipment Notes has been made. The principal amount of the Equipment Notes to be held by the Applicable Trust is scheduled for payment on March 23, June 23, September 23 and December 23 (or the next succeeding Business Day) in certain years, beginning on March 23, 2003 and ending on September 23, 2007, as set out in Schedule I. Notwithstanding the provisions of Section 12.11 of the Basic Agreement, if a Regular Distribution Date or Special Distribution Date is not a Business Day, distribution shall be made on the immediately following Business Day and interest shall accrue during the intervening period.

(d) The Special Distribution Dates with respect to the Applicable Certificates means any Business Day on which a Special Payment is to be distributed pursuant to this Agreement.

(e) The Applicable Certificates shall be in the form attached hereto as Exhibit A, shall be Book-Entry Certificates and shall be subject to the conditions set forth in the Letter of Representations between the Company and The Depository Trust Company, as initial Clearing Agency, attached hereto as Exhibit B.

(f) The proceeds of the Applicable Certificates issued by the Applicable Trust shall be used to acquire the Equipment Notes described in Schedule II, such Equipment Notes to relate to the Aircraft described in Schedule III and the Note Documents described in Schedule IV.

(g) Any Person acquiring or accepting an Applicable Certificate or an interest therein will, by such acquisition or acceptance, be deemed to represent and warrant to the Company, the Loan Trustees and the Trustee that either (i) no assets of an employee benefit plan subject to Title I of ERISA, or of an employee benefit plan or an individual retirement account subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") or a governmental or church plan, or any trust established under such plan or account, have been used to purchase Applicable Certificates or an interest therein or (ii) the purchase and holding of Applicable Certificates or interests therein by such Person is exempt from the prohibited transaction restrictions of ERISA and the Code or any provisions of state or federal laws or regulations that are substantially similar to the foregoing provisions of ERISA and the Code, as applicable, pursuant to one or more prohibited transaction statutory or administrative exemptions.

(h) The Applicable Certificates will be subject to the Intercreditor Agreement (and to the extent the terms of the Intercreditor Agreement (including the definitions of defined terms) are inconsistent with the terms of this Agreement, such Intercreditor Agreement shall control). Potential Purchasers shall have the rights upon the occurrence of

a Triggering Event set forth in Article IV hereof. The Trustee and, by acceptance of any Applicable Certificate, each Certificateholder thereof, agrees to be bound by all of the provisions of the Intercreditor Agreement, including the subordination provisions of Section 9.09 thereof.

(i) Distributions of interest on the Applicable Certificates when scheduled and distributions of the outstanding Pool Balance on the Applicable Certificates on the Final Legal Distribution Date (as defined in the Intercreditor Agreement) for such Applicable Certificates and under certain other circumstances will be supported by a financial guaranty insurance policy to be issued by the Policy Provider pursuant to the Policy Provider Agreement ("Policy").

(j) Distributions of interest on the Applicable Certificates will be supported by the Class G Primary Liquidity Facility to be provided by the Class G Primary Liquidity Provider and the Class G Above-Cap Liquidity Facility to be provided by the Class G Above-Cap Liquidity Provider, in each case for the benefit of the Applicable Certificateholders.

(k) As of the Issuance Date, the Parent will not guarantee the obligations of the Company under any Equipment Notes to be acquired by the Trust.

(l) Subject to Section 2.02(b) of the Basic Agreement, there will not be any deposit agreement, escrow agreement or other similar arrangement prior to delivery of the Aircraft.

(m) The Responsible Party is the Company.

(n) For purposes of this Agreement, if and for so long as any of the Applicable Certificates are listed on the Luxembourg Stock Exchange, the term "Business Day," for purposes of any payments or distributions made by the Luxembourg Paying Agent pursuant to Section 3.08 hereof, shall exclude any Saturday, Sunday or other day on which commercial banks are required or authorized to close in Luxembourg.

Section 3.02. Delivery of Documents. The Trustee is hereby directed (a) to execute and deliver, on or prior to the Issuance Date, the Intercreditor Agreement, the Policy Provider Agreement and each Participation Agreement, each in the form delivered to the Trustee by the Company, and (b) subject to the respective terms thereof, to perform its obligations thereunder. On the Issuance Date, the Trustee shall duly execute, deliver, authenticate, issue and sell Applicable Certificates in authorized denominations equaling in the aggregate the amount set forth, with respect to the Applicable Trust, in Schedule I to the Underwriting Agreement, which Applicable Certificates shall evidence the entire ownership interest in the Applicable Trust and which amount equals the aggregate principal amount of Equipment Notes to be purchased by the Trustee on the Issuance Date pursuant to the Participation Agreement. Except as provided in Sections 3.03, 3.04, 3.05 and 3.06 of the Basic Agreement, the Trustee shall not execute, authenticate or deliver Applicable Certificates

in excess of the aggregate amount specified in this paragraph. The provisions of this Section 3.02(a) supersede and replace the first sentence of Section 3.02(a) of the Basic Agreement, with respect to the Applicable Trust.

Section 3.03. The Trustee. (a) Subject to Section 3.04 of this Trust Supplement and Section 7.15 of the Basic Agreement, the Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Trust Supplement or the due execution hereof by the Company or the other parties hereto (other than the Trustee), or for or in respect of the recitals and statements contained herein, all of which recitals and statements are made solely by the Company, except that the Trustee hereby represents and warrants that each of this Trust Supplement, the Basic Agreement, each Applicable Certificate, the Intercreditor Agreement, the Policy Provider Agreement and each Participation Agreement has been executed and delivered by one of its officers who is duly authorized to execute and deliver such document on its behalf.

(b) Except as herein otherwise provided, no duties, responsibilities or liabilities are assumed, or shall be construed to be assumed, by the Trustee by reason of this Trust Supplement other than as set forth in the Basic Agreement and this Trust Supplement, and this Trust Supplement is executed and accepted on behalf of the Trustee, subject to all the terms and conditions set forth in the Basic Agreement as fully to all intents as if the same were herein set forth at length.

Section 3.04. Representations and Warranties of the Trustee. The Trustee hereby represents and warrants that:

(a) the Trustee has full power, authority and legal right to execute, deliver and perform each Applicable Certificate, this Trust Supplement, the Intercreditor Agreement, the Policy Provider Agreement and the Note Documents to which it is a party (collectively, the "Trustee Agreements") and has taken all necessary action to authorize the execution, delivery and performance by it of the Trustee Agreements;

(b) the execution, delivery and performance by the Trustee of the Trustee Agreements (i) will not violate any provision of any United States federal law or the law of the state of the United States where it is located governing the banking and trust powers of the Trustee or any order, writ, judgment, or decree of any court, arbitrator or governmental authority applicable to the Trustee or any of its assets, (ii) will not violate any provision of the articles of association or by-laws of the Trustee, and (iii) will not violate any provision of, or constitute, with or without notice or lapse of time, a default under, or result in the creation or imposition of any lien on any properties included in the Trust Property pursuant to the provisions of any mortgage, indenture, contract, agreement or other undertaking to which it is a party, which violation, default or lien could reasonably be expected to have an adverse effect on the Trustee's performance or ability to perform its duties hereunder or thereunder or on the transactions contemplated herein or therein;

(c) the execution, delivery and performance by the Trustee of the Trustee

Agreements will not require the authorization, consent, or approval of, the giving of notice to, the filing or registration with, or the taking of any other action in respect of, any governmental authority or agency of the United States or the state of the United States where it is located regulating the banking and corporate trust activities of the Trustee; and

(d) the Trustee Agreements have been, or will be, as applicable, duly executed and delivered by the Trustee and constitute, or will constitute, as applicable, the legal, valid and binding agreements of the Trustee, enforceable against it in accordance with their respective terms; provided, however, that enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and (ii) general principles of equity.

Section 3.05. Amendment of Section 7.12(c) of the Basic Agreement. For purposes of this Agreement, references to the term "corporation" as used in Section 7.12(c) of the Basic Agreement shall be deemed to include a bank or trust company.

Section 3.06. Amendment of Section 7.02 of the Basic Agreement. The Trustee agrees, in addition to the agreements contained in Section 7.02 of the Basic Agreement, that it will promptly transmit any such notices to the Luxembourg Paying Agent, the Class G Primary Liquidity Provider, the Class G Above-Cap Liquidity Provider and the Policy Provider.

Section 3.07. Amendment of Section 8.03 of the Basic Agreement. If and for so long as any of the Applicable Certificates are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange shall so require, the Trustee shall promptly furnish to the Luxembourg Listing Agent following receipt thereof from the Company (i) copies of the Operative Agreements (as defined in the Intercreditor Agreement) and (ii) copies of the information received by the Trustee from the Company pursuant to Section 8.04 of the Basic Agreement.

Section 3.08. Luxembourg Paying Agent. If and for so long as any of the Applicable Certificates are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange shall so require, the Trustee shall maintain a paying agent in Luxembourg (the "Luxembourg Paying Agent"), which shall be considered an additional Paying Agent for purposes of the Agreement, notwithstanding the second sentence of Section 7.12(b) of the Basic Agreement. The Trustee also shall continue to act as Paying Agent with respect to the Applicable Certificates. The Luxembourg Paying Agent, by accepting its appointment, shall be deemed to agree to perform the duties of the paying agent set forth in the Prospectus Supplement and the other requirements of the Luxembourg Stock Exchange. The Trustee hereby initially appoints Dexia Banque Internationale a Luxembourg, as Luxembourg Paying Agent and as the Trustee's agent where notices and demands to or upon the Trustee in respect of any Applicable Certificates listed on the Luxembourg Stock Exchange may be served, where payments of principal, interest, Break Amount (if any), and Prepayment Premium (if any) on the Definitive Certificates (if any) may be made upon written request of the registered holder of a Definitive Certificate (if any) to the Trustee or to the Luxembourg Paying Agent (a copy of which shall be furnished to the Trustee), and where such



Applicable Certificates may be surrendered for exchange on the terms and conditions set forth in this Agreement. The Trustee shall, upon written request of the Company, at any time and from time to time, vary or terminate the appointment of such Luxembourg Paying Agent or appoint any additional or replacement Luxembourg Paying Agent for any or all of such purposes, subject to the requirements of the first sentence of this Section 3.08. The Trustee shall direct the Luxembourg Paying Agent to promptly forward copies of all inquiries and requests relating to the Applicable Certificates to the Trustee.

#### ARTICLE IV

##### DEFAULT

Section 4.01. Purchase Rights of Certificateholders. (a) By acceptance of its Applicable Certificate, each Applicable Certificateholder agrees that at any time after the occurrence and during the continuation of a Triggering Event,

(i) subject to Section 4.01(a)(iv) below, each Class C Certificateholder (other than the Company or any Affiliate of the Company) shall have the right to purchase all, but not less than all, of the Applicable Certificates upon ten days' prior written notice to the Trustee and each other Class C Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class C Certificateholder (other than the Company or any Affiliate of the Company) notifies such purchasing Class C Certificateholder that such other Class C Certificateholder wants to participate in such purchase, then such other Class C Certificateholder may join with the purchasing Class C Certificateholder to purchase all, but not less than all, of the Applicable Certificates pro rata based on the Fractional Undivided Interest in the Class C Trust held by each such Class C Certificateholder and (B) if prior to the end of such ten-day period any other Class C Certificateholder fails to notify the purchasing Class C Certificateholder of such other Class C Certificateholder's desire to participate in such a purchase, then such other Class C Certificateholder shall lose its right to purchase the Applicable Certificates pursuant to this Section 4.01(a)(i); and

(ii) subject to Section 4.01(a)(iv) below, each Class D Certificateholder (other than the Company or any Affiliate of the Company) shall have the right (which shall not expire upon any purchase of the Applicable Certificates pursuant to clause (i) above) to purchase all, but not less than all, of the Applicable Certificates and the Class C Certificates upon ten days' prior written notice to the Trustee, the Class C Trustee and each other Class D Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class D Certificateholder (other than the Company or any Affiliate of the Company) notifies such purchasing Class D Certificateholder that such other Class D Certificateholder wants to participate in such purchase, then such other Class D Certificateholder may join with the purchasing Class D Certificateholder to purchase all, but not less than all, of the Applicable Certificates and the Class C Certificates pro rata based on the Fractional Undivided Interest in the Class D Trust held by each such Class D Certificateholder and (B) if prior to the end

of such ten-day period any other Class D Certificateholder fails to notify the purchasing Class D Certificateholder of such other Class D Certificateholder's desire to participate in such a purchase, then such other Class D Certificateholder shall lose its right to purchase the Applicable Certificates and the Class C Certificates pursuant to this Section 4.01(a)(ii); and

(iii) subject to Section 4.01(a)(iv) below, each Class E Certificateholder (other than the Company or any Affiliate of the Company) (if the Class E Certificates are issued) shall have the right (which shall not expire upon any purchase of the Applicable Certificates or the Class C Certificates pursuant to clause (i) or (ii) above) to purchase all, but not less than all, of the Applicable Certificates, the Class C Certificates and the Class D Certificates upon ten days' prior written notice to the Trustee, the Class C Trustee, the Class D Trustee and each other Class E Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class E Certificateholder (other than the Company or any Affiliate of the Company) notifies such purchasing Class E Certificateholder that such other Class E Certificateholder wants to participate in such purchase, then such other Class E Certificateholder may join with the purchasing Class E Certificateholder to purchase all, but not less than all, of the Applicable Certificates, the Class C Certificates, and the Class D Certificates pro rata based on the Fractional Undivided Interest in the Class E Trust held by each such Class E Certificateholder and (B) if prior to the end of such ten-day period any other Class E Certificateholder fails to notify the purchasing Class E Certificateholder of such other Class E Certificateholder's desire to participate in such a purchase, then such other Class E Certificateholder shall lose its right to purchase the Applicable Certificates, the Class C Certificates and the Class D Certificates pursuant to this Section 4.01(a)(iii); and

(iv) whether or not any Certificateholder of any Class has exercised its rights pursuant to the foregoing provisions of this Section 4.01, the Policy Provider (except in the case of a Policy Provider Default), if it is then the Controlling Party, shall have the right to purchase all, but not less than all, of the Applicable Certificates upon ten days' written notice to the Trustee, the Class C Trustee, the Class D Trustee, the Class E Trustee (if the Class E Certificates are issued) and the holders of the Applicable Certificates, the Class C Certificates, the Class D Certificates and the Class E Certificates (if the Class E Certificates are issued).

The purchase price with respect to the Applicable Certificates shall be equal to the Pool Balance of the Applicable Certificates, together with accrued and unpaid interest in respect thereof to the date of such purchase, without Break Amount or Prepayment Premium, but including any other amounts then due and payable to the Applicable Certificateholders under this Agreement, the Intercreditor Agreement or any Note Document or on or in respect of the Applicable Certificates; provided, however, that if such purchase occurs after the Record Date relating to any Distribution Date, such purchase price shall be reduced by the amount to be distributed hereunder on such related Distribution Date (which deducted amounts shall remain distributable to, and may be retained by, the Applicable Certificateholders as of such Record Date); provided further that no such purchase of Applicable Certificates pursuant to clause (ii), (iii) or (iv) above shall be effective unless the

purchaser(s) shall certify to the Trustee that contemporaneously with such purchase, such purchaser(s) is purchasing, pursuant to the terms of this Agreement and the Intercreditor Agreement, all of the Applicable Certificates, the Class C Certificates and the Class D Certificates, if any, that are senior to the securities held by such purchaser(s). Each payment of the purchase price of the Applicable Certificates referred to in the first sentence hereof shall be made to an account or accounts designated by the Trustee and each such purchase shall be subject to the terms of this Section 4.01(a). Each Applicable Certificateholder agrees by its acceptance of its Certificate that it will, subject to Section 3.04 of the Basic Agreement, upon payment from such Class C Certificateholder(s), Class D Certificateholder(s), Class E Certificateholder(s) or the Policy Provider, as the case may be, of the purchase price set forth in the first sentence of this paragraph, forthwith sell, assign, transfer and convey to the purchaser(s) thereof (without recourse, representation or warranty of any kind except as to its own acts) all of the right, title, interest and obligation of such Applicable Certificateholder in the Agreement, the Intercreditor Agreement, each Liquidity Facility, the Policy, the Policy Provider Agreement, the Reference Agency Agreement, the Note Documents and all Applicable Certificates held by such Applicable Certificateholder (excluding all right, title and interest under any of the foregoing to the extent such right, title or interest is with respect to an obligation not then due and payable as respects any action or inaction or state of affairs occurring prior to such sale) and the purchaser(s) shall assume all of such Applicable Certificateholder's obligations under this Agreement, the Intercreditor Agreement, each Liquidity Facility, the Policy, the Policy Provider Agreement, the Reference Agency Agreement, the Note Documents and all such Applicable Certificates. The Applicable Certificates will be deemed to be purchased on the date payment of the purchase price is made notwithstanding the failure of any Applicable Certificateholder to deliver any Applicable Certificate and, upon such a purchase, (i) the only rights of the Applicable Certificateholders will be to deliver the Applicable Certificates and (ii) if the purchaser(s) shall so request, each such Applicable Certificateholder will comply with all the provisions of Section 3.04 of the Basic Agreement to enable new Applicable Certificates to be issued to the purchaser(s) in such denominations as it shall request. All charges and expenses in connection with the issuance of any such new Applicable Certificates shall be borne by the purchaser(s) thereof.

As used in this Section 4.01(a), the terms "Class C Certificate", "Class C Certificateholder", "Class C Trust", "Class C Trustee", "Class D Certificate", "Class D Certificateholder", "Class D Trust", "Class D Trustee", "Class E Certificate", "Class E Certificateholder", "Class E Trust" and "Class E Trustee" shall have the respective meanings assigned to such terms in the Intercreditor Agreement.

(b) This Section 4.01 supplements and, to the extent inconsistent with any provision of Section 6.01(d) of the Basic Agreement, replaces the provisions of Section 6.01(d) of the Basic Agreement. Notwithstanding anything to the contrary set forth herein or in any Operative Agreement, the provisions of this Section 4.01 may not be amended in any manner without the consent of each Class C Certificateholder, Class D Certificateholder or Class E Certificateholder, if any, that would be adversely affected thereby.

ARTICLE V

STATEMENTS TO CERTIFICATEHOLDERS

Section 5.01. Statements to Applicable Certificateholders. (a) On each Distribution Date, the Trustee will include with each distribution to Applicable Certificateholders of a Scheduled Payment or Special Payment, as the case may be, a statement setting forth the information provided below. Such statement shall set forth the following information (per \$1,000 aggregate face amount of Applicable Certificate as to (i), (ii) and (iii) below):

(i) the aggregate amount of funds distributed on such Distribution Date under this Agreement, indicating the amount allocable to each source (including any portion thereof paid by the Liquidity Providers and/or the Policy Provider);

(ii) the amount of such distribution under this Agreement allocable to principal and the amount allocable to Break Amount, if any, and Prepayment Premium, if any;

(iii) the amount of such distribution under this Agreement allocable to interest;

(iv) the Pool Balance and the Pool Factor; and

(v) the LIBOR rates for the current and immediately preceding Interest Periods, as determined under the Reference Agency Agreement by the Reference Agent (as defined therein).

With respect to the Applicable Certificates registered in the name of a Clearing Agency or its nominee, on the Record Date prior to each Distribution Date, the Trustee will request from the Clearing Agency a securities position listing setting forth the names of all the Clearing Agency Participants reflected on the Clearing Agency's books as holding interests in the Applicable Certificates on such Record Date. On each Distribution Date, the Trustee will mail to each such Clearing Agency Participant, whose name has been provided by the Clearing Agency, the statement described above and will make available additional copies as requested by such Clearing Agency Participants for forwarding to holders of interests in the Applicable Certificates.

(b) Within a reasonable period of time after the end of each calendar year but not later than the latest date permitted by law, the Trustee shall furnish to each Person who at any time during such calendar year was an Applicable Certificateholder of record a statement containing the sum of the amounts determined pursuant to clauses (a)(i), (a)(ii) and (a)(iii) above for such calendar year or, in the event such Person was an Applicable Certificateholder of record during a portion of such calendar year, for the applicable portion of such year, and such other items as are readily available to the Trustee and which an Applicable Certificateholder may reasonably request as necessary for the purpose of such Applicable Certificateholder's preparation of its federal income tax returns. With respect to Certificates registered in the name of a Clearing Agency or its nominee, such

statement and such other items shall be prepared on the basis of information supplied to the Trustee by the Clearing Agency Participants and shall be delivered by the Trustee to such Clearing Agency Participants to be available for forwarding by such Clearing Agency Participants to the holders of interests in the Applicable Certificates.

(c) If and for so long as any of the Applicable Certificates are listed on the Luxembourg Stock Exchange, all information and documents required to be delivered pursuant to this Section 5.01 (other than Section 5.01(b)) shall also be provided to the Luxembourg Paying Agent and made available at the Luxembourg Paying Agent's offices in Luxembourg, free of charge.

(d) This Section 5.01 supersedes and replaces Section 4.03 of the Basic Agreement.

## ARTICLE VI

### SUPPLEMENTAL AGREEMENTS

Section 6.01. Supplemental Agreements. For purposes of the Applicable Trust, Section 9.01 and 9.02 of the Basic Agreement shall be amended to read as follows:

"Section 9.01. Supplemental Agreements Without Consent of Applicable Certificateholders. Without the consent of the Applicable Certificateholders, the Company may (but will not be required to), and the Trustee (subject to Section 9.03) shall, at the Company's request, at any time and from time to time, enter into one or more agreements supplemental hereto or, at the request of the Company, enter into one or more amendments or supplements to the Intercreditor Agreement, the Participation Agreements, the Reference Agency Agreement, any Liquidity Facility, the Policy or the Policy Provider Agreement, for any of the following purposes:

- (1) to provide for the formation of a Trust, the issuance of a series of Certificates and other matters contemplated by Section 2.01(b) or to add, or to change or eliminate, any provision affecting a series of Certificates not yet issued; or
- (2) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company contained in this Agreement or of the Company's obligations under any of the Participation Agreements, the Reference Agency Agreement, any Liquidity Facility or the Policy Provider Agreement; or
- (3) to add to the covenants of the Company for the benefit of the Certificateholders of any series, or to surrender any right or power conferred upon the Company in this Agreement, the Intercreditor Agreement, the Participation Agreements, the Reference Agency Agreement, any Liquidity Facility, the Policy or the Policy Provider Agreement; or

- (4) to cure any ambiguity or to correct any mistake or inconsistency contained in the Certificates of any series, in this Agreement or in any related Trust Supplement, the Intercreditor Agreement, the Participation Agreements, the Reference Agency Agreement, any Liquidity Facility, the Policy or the Policy Provider Agreement; or
- (5) to make or modify any other provision in regard to matters or questions arising under the Certificates of any series, this Agreement or in any related Trust Supplement, the Intercreditor Agreement, the Participation Agreements, the Reference Agency Agreement, any Liquidity Facility, the Policy or the Policy Provider Agreement as the Company may deem necessary or desirable and that will not materially adversely affect the interests of the related Certificateholders; or
- (6) to comply with any requirement of the SEC, any applicable law, rules or regulations of any exchange (including the Luxembourg Stock Exchange) or quotation system on which the Applicable Certificates are listed (or to facilitate any listing of the Applicable Certificates on any exchange (including the Luxembourg Stock Exchange) or quotation system), or of any regulatory body; or
- (7) to modify, eliminate or add to the provisions of this Agreement, the Intercreditor Agreement, the Reference Agency Agreement, any Liquidity Facility, the Policy or the Policy Provider Agreement to such extent as shall be necessary to establish or continue the qualification of this Agreement (including any supplemental agreement), the Intercreditor Agreement, the Participation Agreements, the Reference Agency Agreement, any Liquidity Facility, the Policy or the Policy Provider Agreement or any other agreement or instrument related to the Applicable Certificates under the Trust Indenture Act or under any similar Federal statute hereafter enacted, and to add to this Agreement, the Intercreditor Agreement, the Participation Agreements, the Reference Agency Agreement, any Liquidity Facility, the Policy or the Policy Provider Agreement such other provisions as may be expressly permitted by the Trust Indenture Act, excluding, however, the provisions referred to in Section 316(a)(2) of the Trust Indenture Act as in effect at the date as of which this Trust Supplement was executed or any corresponding provision in any similar Federal statute hereafter enacted; or
- (8) to evidence and provide for the acceptance of appointment by a successor Trustee under this Agreement, with respect to one or more Trusts and to add to or change any of the provisions of this Agreement, the Intercreditor Agreement, the Participation Agreements, the Reference Agency Agreement, any Liquidity Facility, the Policy or the Policy Provider Agreement as shall be necessary to provide for or facilitate the administration of the Trust hereunder and thereunder by more than one Trustee, pursuant to the requirements of Section 7.10, or to provide multiple Liquidity Facilities with respect to one or more Trusts; or

- (9) to provide the information required under Section 7.12 and Section 12.04 as to the Trustee; or
- (10) to add to or change any of the provisions of the Certificates of any series, this Agreement or any Trust Supplement to such extent as shall be necessary to facilitate the issuance of Certificates of such series in bearer form or to facilitate or provide for the issuance of Certificates of such series in global form in addition to or in place of Certificates in certificated form; or
- (11) to provide for the delivery of agreements supplemental hereto or the Certificates of any series in or by any means of any computerized, electronic or other medium, including without limitation by computer diskette; or
- (12) to provide for the guarantee by AMR Corporation or another entity of one or more Indentures, one or more series of Equipment Notes or of Series E Equipment Notes (other than in connection with the issuance of new series C equipment notes or new series D equipment notes in connection with a Refunding, or Series E Equipment Notes, subject to obtaining written confirmation from each Rating Agency that the provision of such guarantee will not result in a withdrawal or downgrading of the rating of the Applicable Certificates (without regard to the Policy)); or
- (13) to correct or supplement the description of any property constituting property of such Trust; or
- (14) to modify, eliminate or add to the provisions of this Agreement or any Trust Supplement or any Participation Agreement in order to reflect the substitution of a Substitute Aircraft for any Aircraft; or
- (15) to make any other amendments or modifications hereto, provided that such amendments or modifications shall only apply to Certificates of one or more series to be thereafter issued; or
- (16) to modify, eliminate or add to provisions of this Agreement, the Intercreditor Agreement, the Participation Agreements, the Reference Agency Agreement, any Liquidity Facility, the Policy or the Policy Provider Agreement to the extent necessary in connection with a refunding of the Class C Certificates and the Class D Certificates in accordance with Exhibit A to the Intercreditor Agreement;
- (17) to amend the Policy as required by Section 3.06 of the Policy Provider Agreement and/or Section 3.07 of the Intercreditor Agreement.

provided, however, that, unless there shall have been obtained from each Rating Agency written confirmation that such supplemental agreement would not result in a reduction of the rating for any

Class of Certificates below the then current rating for such Class of Certificates or a withdrawal or suspension of the rating of any Class of Certificates, the Company shall provide the Trustee with an opinion of counsel (i) if an Event of Default shall have occurred and be continuing, to the effect that such supplemental agreement will not cause the Trust to become an association taxable as a corporation for United States federal income tax purposes or (ii) in other circumstances, to the effect that such supplemental agreement will not cause the Trust to be treated as other than a grantor trust for United States federal income tax purposes."

"Section 9.02. Supplemental Agreements with Consent of Certificateholders. With respect to each separate Trust and the series of Certificates relating thereto, with the consent of the Certificateholders holding Certificates of such series (including consents obtained in connection with a consent solicitation, tender offer or exchange offer for the Certificates) evidencing Fractional Undivided Interests aggregating not less than a majority in interest in such Trust, by Direction of said Certificateholders delivered to the Company and the Trustee, the Company may, but shall not be obligated to, and the Trustee (subject to Section 9.03) shall, enter into an agreement or agreements supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement, the Intercreditor Agreement, the Participation Agreements, the Reference Agency Agreement, any Liquidity Facility, the Policy or the Policy Provider Agreement to the extent applicable to such Certificateholders or of modifying in any manner the rights and obligations of such Certificateholders under this Agreement, the Intercreditor Agreement, the Participation Agreements, the Reference Agency Agreement, any Liquidity Facility, the Policy or Policy Provider Agreement; provided, however, that no such agreement shall, without the consent of the Certificateholder of each Outstanding Certificate adversely affected thereby:

- (1) reduce in any manner the amount of, or delay the timing of, any receipt by the Trustee of payments on the Equipment Notes held in such Trust or distributions that are required to be made herein on any Certificate of such series, or change any date of payment on any Certificate of such series, or change the place of payment where, or the coin or currency in which, any Certificate of such series is payable (other than as provided for in such Certificate), or impair the right to institute suit for the enforcement of any such payment or distribution on or after the Regular Distribution Date or Special Distribution Date applicable thereto; or
- (2) except as permitted by this Agreement, the Intercreditor Agreement or any Liquidity Facility, permit the disposition of any Equipment Note included in the Trust Property of such Trust or otherwise deprive such Certificateholder of the benefit of the ownership of the Equipment Notes in such Trust; or
- (3) alter the priority of distributions specified in the Intercreditor Agreement in a manner materially adverse to the interests of the Certificateholders of any series; or
- (4) reduce the percentage of the aggregate Fractional Undivided Interests of such Trust, the consent of the holders of which is required for any such supplemental agreement,



or reduce such percentage required for any waiver (of compliance with certain provisions of this Agreement or certain defaults hereunder and their consequences) or modification provided for in this Agreement; or

- (5) cause any Trust to become an association taxable as a corporation for United States federal income tax purposes; or
- (6) terminate the Policy or modify the Policy other than amendments already contemplated or required by Section 3.06 of the Policy Provider Agreement and/or 3.07 of the Intercreditor Agreement.

It shall not be necessary for any Direction of such Certificateholders under this Section 9.02 to approve the particular form of any proposed supplemental agreement, but it shall be sufficient if such Direction shall approve the substance thereof."

## ARTICLE VII

### MISCELLANEOUS PROVISIONS

Section 7.01. Final Termination Date. The respective obligations and responsibilities of the Company and the Trustee created hereby and the Applicable Trust created hereby shall terminate upon the distribution to all Certificateholders of Applicable Certificates and the Trustee of all amounts required to be distributed to them pursuant to this Agreement and the disposition of all property held as part of the Trust Property; provided, however, that in no event shall the Trust created hereby continue beyond the expiration of 21 years from the death of the last survivor of the descendants of Joseph P. Kennedy, Sr., the father of John F. Kennedy, former President of the United States, living on the date of this Trust Supplement.

Section 7.02. Basic Agreement Ratified. Except and so far as herein expressly provided, all of the provisions, terms and conditions of the Basic Agreement are in all respects ratified and confirmed; and the Basic Agreement and this Trust Supplement shall be taken, read and construed as one and the same instrument.

Section 7.03. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT AND THE APPLICABLE CERTIFICATES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 7.04. Counterparts. This Trust Supplement may be executed in any number of counterparts (and each of the parties shall not be required to execute the same counterpart). Each

counterpart of this Trust Supplement including a signature page or pages executed by each of the parties hereto shall be an original counterpart of this Trust Supplement, but all of such counterparts together shall constitute one instrument.

Section 7.05. Intention of Parties. The parties hereto intend that the Applicable Trust be classified for United States federal income tax purposes as a grantor trust under Part 1E of Chapter 1J of Subtitle A of the Internal Revenue Code of 1986, as amended, and not as a trust or association taxable as a corporation or as a partnership. Each Applicable Certificateholder of an Applicable Certificate, by its acceptance of its Applicable Certificate or a beneficial interest therein, agrees to treat the Applicable Trust as a grantor trust for all United States federal, state and local income tax purposes. The Trustee shall not be authorized or empowered to do anything that would cause the Applicable Trust to fail to qualify as a grantor trust for such tax purposes (including as subject to this restriction, acquiring any Aircraft by bidding the Equipment Notes relating thereto or otherwise, or taking any action with respect to any such Aircraft once acquired).

Section 7.06. Notices. The Trustee agrees, in addition to the agreements contained in Section 12.04 of the Basic Agreement, that notices to the Applicable Certificateholders in respect of the Applicable Certificates regarding (i) a Special Distribution Date pursuant to Section 4.02(c) of the Basic Agreement, (ii) the final distribution pursuant to Section 7.01 of this Trust Supplement, (iii) a default pursuant to Section 7.02 of the Basic Agreement or (iv) the appointment of a successor Luxembourg Paying Agent pursuant to Section 3.08 of this Trust Supplement, shall, so long as any of the Applicable Certificates are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, promptly after such mailing also to be published in the Luxemburger Wort or in another daily newspaper having general circulation in Luxembourg (or, if not practical in Luxembourg, elsewhere in Europe.) Without limiting the foregoing, if and for so long as any of the Applicable Certificates are listed on the Luxembourg Stock Exchange, the Trustee agrees to cause to be published or disseminated in Europe such notices, and any other notices to the Applicable Certificateholders required by the rules of the Luxembourg Stock Exchange, as the rules of the Luxembourg Stock Exchange require or as may be reasonably required by the Company.

The Trustee agrees to promptly furnish to S & P (at its address at 55 Water Street, 39th Floor, New York, New York, 10041-0003, Attention: Philip A. Baggaley, or such other address as S&P may notify the Trustee), Moody's (at its address at 99 Church Street, New York, New York 10007, Attention: Richard Bittenbender, or such other address as Moody's may notify the Trustee) and the Policy Provider (at its address specified in the Intercreditor Agreement) a copy of each notice, statement, report or other written communication sent by the Trustee to each Applicable Certificateholder.

IN WITNESS WHEREOF, the parties have caused this Trust Supplement to be duly executed by their respective officers thereto duly authorized as of the date first written above.

AMERICAN AIRLINES, INC.

By: /s/ Leslie M. Benners

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Name: Leslie M. Benners  
Title: Managing Director, Corporate  
Finance and Banking

STATE STREET BANK AND TRUST COMPANY  
OF CONNECTICUT, NATIONAL ASSOCIATION,  
as Trustee

By: /s/ Ronald Chin

-----  
Name: Ronald Chin  
Title: Assistant Secretary

FORM OF CERTIFICATE

\*Unless this Certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange or payment, and any Certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

AMERICAN AIRLINES PASS THROUGH TRUST 2002-1G

AMERICAN AIRLINES PASS THROUGH CERTIFICATE, SERIES 2002-1G

Final Expected Regular Distribution Date: September 23, 2007

evidencing a fractional undivided interest in a trust, the property of which includes, among other things, certain Equipment Notes each secured by an Aircraft owned by American Airlines, Inc.

CUSIP No. 02378J BN 7  
ISIN No. U502378JBN72

Certificate

No. \_\_\_\_\_ \$\_\_\_\_\_ Fractional Undivided Interest representing  
0.000162075% of the Trust per \$1,000 face amount

THIS CERTIFIES THAT \_\_\_\_\_, for value received, is the registered owner of a \$\_\_\_\_\_ (\_\_\_\_\_ dollars) Fractional Undivided Interest in the American Airlines Pass Through Trust, Series 2002-1G (the "Trust") created by State Street Bank and Trust Company of Connecticut, National Association, as trustee (the "Trustee"), pursuant to a Pass Through Trust Agreement, dated as of March 21, 2002 (the "Basic Agreement"), as supplemented by Trust

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\*This legend to appear on Book-Entry Certificates to be deposited with The Depository Trust Company.

Supplement No. 2002-1G thereto dated as of September 24, 2002 (collectively, the "Agreement"), between the Trustee and American Airlines, Inc., a corporation incorporated under Delaware law (the "Company"), a summary of certain of the pertinent provisions of which is set forth below. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Agreement. This Certificate is one of the duly authorized Certificates designated as "American Airlines Pass Through Certificates, Series 2002- 1G" (herein called the "Certificates"). This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement. By virtue of its acceptance hereof, the Certificateholder of this Certificate assents to and agrees to be bound by all of the provisions of the Agreement and the Intercreditor Agreement, including the subordination provisions of Section 9.09 of the Intercreditor Agreement. The property of the Trust (the "Trust Property") includes certain Equipment Notes and all rights of the Trust and the Trustee, on behalf of the Trust, to receive any payments under the Intercreditor Agreement, the Class G Primary Liquidity Facility, the Class G Above-Cap Liquidity Facility and the Policy. Each issue of the Equipment Notes is or will be secured by, among other things, a security interest in Aircraft owned by the Company.

The Certificates represent Fractional Undivided Interests in the Trust and the Trust Property, and will have no rights, benefits or interest in respect of any other separate trust established pursuant to the terms of the Basic Agreement for any other series of certificates issued pursuant thereto.

Subject to and in accordance with the terms of the Agreement and the Intercreditor Agreement, from funds then available to the Trustee, there will be distributed on each March 23, June 23, September 23 and December 23 (a "Regular Distribution Date"), commencing on December 23, 2002, to the Person in whose name this Certificate is registered at the close of business on the 15th day preceding the Regular Distribution Date, an amount in respect of the principal and interest constituting Scheduled Payments on the Equipment Notes due on such Regular Distribution Date, the receipt of which has been confirmed by the Trustee, equal to the product of the percentage interest in the Trust evidenced by this Certificate and an amount equal to the sum of such Scheduled Payments. Subject to and in accordance with the terms of the Agreement and the Intercreditor Agreement, in the event that Special Payments on the Equipment Notes are received by the Trustee, from funds then available to the Trustee, there shall be distributed on the applicable Special Distribution Date, to the Person in whose name this Certificate is registered at the close of business on the 15th day preceding the Special Distribution Date, an amount in respect of such Special Payments on the Equipment Notes, the receipt of which has been confirmed by the Trustee, equal to the product of the percentage interest in the Trust evidenced by this Certificate and an amount equal to the sum of such Special Payments so received. If a Regular Distribution Date or Special Distribution Date is not a Business Day, distribution shall be made on the immediately following Business Day and interest shall accrue during the intervening period. The Trustee shall mail notice of each Special Payment and the Special Distribution Date therefor to the Certificateholder of this Certificate.

Distributions on this Certificate will be made by the Trustee by check mailed to the Person entitled thereto, without the presentation or surrender of this Certificate or the making of any notation hereon, except that with respect to Certificates registered on the Record Date in the name of a Clearing Agency (or its nominee), such distributions shall be made by wire transfer. Except as otherwise provided in the Agreement and notwithstanding the above, the final distribution on this Certificate will be made after notice mailed by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency of the Trustee specified in such notice.

The Certificates do not represent a direct obligation of, or an obligation guaranteed by, or an interest in, the Company, the Trustee, the Subordination Agent or any Loan Trustee or any Affiliate of any thereof. The Certificates are limited in right of payment, all as more specifically set forth on the face hereof and in the Agreement. All payments or distributions made to Certificateholders under the Agreement shall be made only from the Trust Property and only to the extent that the Trustee shall have sufficient income or proceeds from the Trust Property to make such payments in accordance with the terms of the Agreement. Each Certificateholder of this Certificate, by its acceptance hereof, agrees that it will look solely to the income and proceeds from the Trust Property to the extent available for any payment or distribution to such Certificateholder pursuant to the terms of the Agreement and that it will not have any recourse to the Company, the Trustee, the Subordination Agent or the Loan Trustees except as otherwise expressly provided in the Agreement, in any Note Document or in the Intercreditor Agreement. This Certificate does not purport to summarize the Agreement and reference is made to the Agreement for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby. A copy of the Agreement may be examined during normal business hours at the principal office of the Trustee, and at such other places, if any, designated by the Trustee, by any Certificateholder upon request.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Certificateholders under the Agreement at any time by the Company and the Trustee with the consent of the Certificateholders holding Certificates evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the Trust. Any such consent by the Certificateholder of this Certificate shall be conclusive and binding on such Certificateholder and upon all future Certificateholders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Certificateholders of any of the Certificates.

As provided in the Agreement and subject to certain limitations set forth therein, the transfer of this Certificate is registrable in the Register upon surrender of this Certificate for registration of transfer at the offices or agencies maintained by the Trustee in its capacity as Registrar, or by any successor Registrar duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Registrar, duly executed by the

Certificateholder hereof or such Certificateholder's attorney duly authorized in writing, and thereupon one or more new Certificates of authorized denominations evidencing the same aggregate Fractional Undivided Interest in the Trust will be issued to the designated transferee or transferees.

The Certificates are issuable only as registered Certificates without coupons in minimum denominations of \$1,000 Fractional Undivided Interest and integral multiples thereof except that one Certificate may be issued in a different denomination. As provided in the Agreement and subject to certain limitations therein set forth, the Certificates are exchangeable for new Certificates of authorized denominations evidencing the same aggregate Fractional Undivided Interest in the Trust, as requested by the Certificateholder surrendering the same.

If and so long as any of the Certificates are listed on the Luxembourg Stock Exchange and the rules of that stock exchange so require, notices to the Certificateholders shall be given by publication in a daily newspaper having general circulation in Luxembourg (which is expected to be the Luxemburger Wort).

No service charge will be made for any such registration of transfer or exchange, but the Trustee shall require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

The Company, the Trustee, the Registrar and any Paying Agent shall deem and treat the person in whose name this Certificate is registered as the owner hereof for all purposes, and none of the Company, the Trustee, the Registrar or any such agent shall be affected by any notice to the contrary.

The obligations and responsibilities created by the Agreement and the Trust created thereby shall terminate upon the distribution to Certificateholders of all amounts required to be distributed to them pursuant to the Agreement and the disposition of all property held as part of the Trust Property.

Any Person acquiring or accepting this Certificate or an interest herein will, by such acquisition or acceptance, be deemed to represent and warrant to the Company, the Loan Trustees and the Trustee that either: (i) no assets of an employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or of an employee benefit plan or an individual retirement account subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") or of a governmental or church plan, or any trust established under such plan or account, have been used to purchase this Certificate or an interest herein or (ii) the purchase and holding of this Certificate or interest herein by such Person are exempt from the prohibited transaction restrictions of ERISA and the Code or any provisions of state or federal laws or regulations that are substantially similar to the foregoing provisions of ERISA and the Code, as applicable, pursuant to one or more prohibited transaction statutory or administrative exemptions.

THIS CERTIFICATE AND THE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES AND CERTIFICATEHOLDERS HEREUNDER AND THEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Unless the certificate of authentication hereon has been executed by the Trustee, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.



IN WITNESS WHEREOF, the Trustee has caused this Certificate to be duly executed.

AMERICAN AIRLINES PASS THROUGH TRUST 2002-1G

By: STATE STREET BANK AND TRUST COMPANY  
OF CONNECTICUT, NATIONAL ASSOCIATION,  
as Trustee

By: -----

Title: -----

Dated: -----

FORM OF THE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Certificates referred to in the within-mentioned Agreement.

STATE STREET BANK AND TRUST COMPANY  
OF CONNECTICUT, NATIONAL ASSOCIATION,  
as Trustee

By: -----

Authorized Officer

[DTC Letter of Representations]

B-1

SCHEDULE I to  
TRUST SUPPLEMENT NO. 2002-1G

AGGREGATE EQUIPMENT NOTE PRINCIPAL PAYMENTS

Date -----	Scheduled Principal Payments -----
December 23, 2002	\$ 0.00
March 23, 2003	23,302,381.46
June 23, 2003	8,554,357.26
September 23, 2003	0.00
December 23, 2003	19,045,610.47
March 23, 2004	24,273,516.57
June 23, 2004	15,902,550.11
September 23, 2004	0.00
December 23, 2004	19,045,610.49
March 23, 2005	24,273,516.65
June 23, 2005	15,902,550.21
September 23, 2005	0.00
December 23, 2005	19,045,610.47
March 23, 2006	24,273,516.57
June 23, 2006	15,902,550.11
September 23, 2006	0.00
December 23, 2006	19,045,610.51
March 23, 2007	24,273,516.65
June 23, 2007	15,902,550.17
September 23, 2007	348,256,552.30
Total:	\$ 617,000,000.00

SCHEDULE II to  
TRUST SUPPLEMENT NO. 2002-1G

EQUIPMENT NOTES, PRINCIPAL AMOUNTS  
AND MATURITIES

Equipment Notes -----	Principal Amount -----	Maturity -----
Series 2002-1G Equipment Note (N604AA)	\$ 18,742,856.07	September 23, 2007
Series 2002-1G Equipment Note (N605AA)	18,742,856.11	September 23, 2007
Series 2002-1G Equipment Note (N606AA)	19,470,190.81	September 23, 2007
Series 2002-1G Equipment Note (N680AN)	23,112,185.64	September 23, 2007
Series 2002-1G Equipment Note (N176AA)	28,538,674.38	September 23, 2007
Series 2002-1G Equipment Note (N177AN)	28,538,674.38	September 23, 2007
Series 2002-1G Equipment Note (N173AN)	28,600,218.09	September 23, 2007
Series 2002-1G Equipment Note (N172AJ)	28,600,218.09	September 23, 2007
Series 2002-1G Equipment Note (N608AA)	19,508,534.23	September 23, 2007
Series 2002-1G Equipment Note (N609AA)	19,508,534.23	September 23, 2007
Series 2002-1G Equipment Note (N389AA)	27,907,372.87	September 23, 2007
Series 2002-1G Equipment Note (N390AA)	28,004,350.85	September 23, 2007
Series 2002-1G Equipment Note (N391AA)	28,004,350.85	September 23, 2007
Series 2002-1G Equipment Note (N392AN)	33,590,853.19	September 23, 2007
Series 2002-1G Equipment Note (N393AN)	33,736,320.12	September 23, 2007
Series 2002-1G Equipment Note (N395AN)	34,032,848.89	September 23, 2007
Series 2002-1G Equipment Note (N785AN)	65,390,188.24	September 23, 2007
Series 2002-1G Equipment Note (N786AN)	65,390,188.24	September 23, 2007
Series 2002-1G Equipment Note (N795AN)	67,580,584.72	September 23, 2007

AIRCRAFT

Aircraft Type -----	Registration Number -----
Boeing 757-223.....	N604AA
Boeing 757-223.....	N605AA
Boeing 757-223.....	N606AA
Boeing 757-223.....	N680AN
Boeing 757-223.....	N176AA
Boeing 757-223.....	N177AN
Boeing 757-223.....	N173AN
Boeing 757-223.....	N172AJ
Boeing 757-223 ER.....	N608AA
Boeing 757-223 ER.....	N609AA
Boeing 767-323 ER.....	N389AA
Boeing 767-323 ER.....	N390AA
Boeing 767-323 ER.....	N391AA
Boeing 767-323 ER.....	N392AN
Boeing 767-323 ER.....	N393AN
Boeing 767-323 ER.....	N395AN
Boeing 777-223 ER.....	N785AN
Boeing 777-223 ER.....	N786AN
Boeing 777-223 ER.....	N795AN

NOTE DOCUMENTS

Aircraft -----	Aircraft Registration Number -----	Note Documents -----
Boeing 757-223.....	N604AA	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note
Boeing 757-223.....	N605AA	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note
Boeing 757-223.....	N606AA	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note
Boeing 757-223.....	N680AN	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note
Boeing 757-223.....	N176AA	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note

SCHEDULE IV to  
TRUST SUPPLEMENT NO. 2002-1G

Boeing 757-223.....	N177AN	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note
Boeing 757-223.....	N173AN	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note
Boeing 757-223.....	N172AJ	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note
Boeing 757-223 ER.....	N608AA	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note
Boeing 757-223 ER.....	N609AA	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note
Boeing 767-323 ER.....	N389AA	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note

SCHEDULE IV to  
TRUST SUPPLEMENT NO. 2002-1G

Boeing 767-323 ER.....	N390AA	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note
Boeing 767-323 ER.....	N391AA	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note
Boeing 767-323 ER.....	N392AN	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note
Boeing 767-323 ER.....	N393AN	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note
Boeing 767-323 ER.....	N395AN	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note
Boeing 777-223 ER.....	N785AN	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note



SCHEDULE IV to  
TRUST SUPPLEMENT NO. 2002-1G

Boeing 777-223 ER.....	N786AN	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note
Boeing 777-223 ER.....	N795AN	Participation Agreement Indenture and Security Agreement Series 2002-1G Equipment Note Series 2002-1C Equipment Note Series 2002-1D Equipment Note

EXECUTION COPY

INTERCREDITOR AGREEMENT

Dated as of September 24, 2002

among

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
as Trustee of the  
American Airlines Pass Through Trust 2002-1G,  
American Airlines Pass Through Trust 2002-1C,  
and  
American Airlines Pass Through Trust 2002-1D

WESTLB AG, NEW YORK BRANCH,  
as Class G Primary Liquidity Provider  
Class C Primary Liquidity Provider,

CREDIT SUISSE FIRST BOSTON INTERNATIONAL  
as Class G Above-Cap Liquidity Provider

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
as Subordination Agent

and

MBIA INSURANCE CORPORATION,  
as Policy Provider

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## INTERCREDITOR AGREEMENT

This INTERCREDITOR AGREEMENT, dated as of September 24, 2002, is made by and among STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association (in its individual capacity, together with its successors and permitted assigns, "State Street"), not in its individual capacity but solely as trustee of each Trust (such term and other capitalized terms used herein without definition being defined as provided in Article I); WESTLB AG, NEW YORK BRANCH, a joint stock company organized under the laws of Germany ("WestLB"), as Class G Primary Liquidity Provider and Class C Primary Liquidity Provider; CREDIT SUISSE FIRST BOSTON INTERNATIONAL, an unlimited liability company organized under the laws of England and Wales ("CSFBI"), as Class G Above-Cap Liquidity Provider; STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, not in its individual capacity except as expressly set forth herein, but solely as Subordination Agent and trustee hereunder (in such capacity, together with any successor appointed pursuant to Article VII, the "Subordination Agent"); and MBIA INSURANCE CORPORATION, a New York Stock Insurance Company ("MBIA"), as the Policy Provider.

WHEREAS, pursuant to each Indenture with respect to an Aircraft, American will issue on a recourse basis several series of Equipment Notes secured by such Aircraft;

WHEREAS, pursuant to the Participation Agreements, each Trust will acquire those Equipment Notes having an interest rate identical to the interest rate applicable to the Certificates to be issued by such Trust;

WHEREAS, pursuant to each Trust Agreement, the Trust created thereby proposes to issue a single class of Certificates (a "Class") bearing the interest rate and having the final distribution date described in such Trust Agreement on the terms and subject to the conditions set forth therein;

WHEREAS, pursuant to the Underwriting Agreement, the Underwriters propose to purchase the Certificates issued by the Class G Trust, and certain investors propose to purchase the Certificates issued by the Class C Trust and the Class D Trust, in each case in the aggregate face amount set forth opposite the name of such Trust on Schedule I thereto on the respective terms and subject to the respective conditions set forth therein;

WHEREAS, the Primary Liquidity Provider proposes to enter into two separate revolving credit agreements with the Subordination Agent, as agent and trustee for the Trustee of each of the Class G Trust and the Class C Trust, respectively, for the benefit of the Certificateholders of each such Trust and the Above-Cap Liquidity Provider proposes to enter into an irrevocable interest rate cap agreement with the Subordination Agent, as

agent and trustee for the Trustee of the Class G Trust, for the benefit of the Certificateholders of the Class G Trust; and

WHEREAS, the Policy Provider proposes to enter into the Policy Provider Agreement providing for the issuance by the Policy Provider of a Policy for the benefit of the Certificateholders of the Class G Trust;

WHEREAS, it is a condition precedent to the obligations of the Underwriters under the Underwriting Agreement that the Subordination Agent, the Trustees, the Liquidity Providers and the Policy Provider agree to the terms of subordination set forth in this Agreement in respect of each Class of Certificates, and the Subordination Agent, the Trustees, the Liquidity Providers and the Policy Provider, by entering into this Agreement, hereby acknowledge and agree to such terms of subordination and the other provisions of this Agreement;

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 the singular and the plural forms of the terms defined.

(b) All references in this Agreement to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Agreement.

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

"Above-Cap Payment" has the meaning specified in Section 3.06(a).

"Above-Cap Withdrawal" has the meaning specified in Section 3.06(a).

"Acceleration" means, with respect to the amounts payable in respect of the Equipment Notes issued under any Indenture, such amounts becoming immediately due and payable by declaration or otherwise. "Accelerate", "Accelerated" and "Accelerating" have meanings correlative to the foregoing.

"Accrued Class G Interest" means, with respect to any Distribution Date, all amounts due and owing in respect of accrued and unpaid interest on the Class G Certificates at the Stated Interest Rate for the Class G Certificates on such Distribution Date.

"Adjusted Expected Distributions" means, with respect to the Certificates of any Trust on any Current Distribution Date, the sum of (x) accrued and unpaid interest in respect of such Certificates and (y) the greater of:

(A) the difference between (x) the Pool Balance of such Certificates as of the immediately preceding Distribution Date (or, if the Current Distribution Date is the first Distribution Date, the original aggregate face amount of the Certificates of such Trust) and (y) the Pool Balance of such Certificates as of the Current Distribution Date calculated on the basis that (i) the principal of the Non-Performing Equipment Notes held in such Trust has been paid in full and such payments have been distributed to the holders of such Certificates, (ii) the principal of the Performing Equipment Notes held in such Trust has been paid when due (but without giving effect to any Acceleration of Performing Equipment Notes) and such payments have been distributed to the holders of such Certificates and (iii) the principal of any Equipment Notes formerly held in such Trust that have been sold pursuant to the terms hereof has been paid in full and such payments have been distributed to the holders of such Certificates, and

(B) the amount of the excess, if any, of (i) the Pool Balance of such Class of Certificates as of the immediately preceding Distribution Date (or, if the Current Distribution Date is the first Distribution Date, the original aggregate face amount of the Certificates of such Trust), over (ii) the Aggregate LTV Collateral Amount for such Class of Certificates for the Current Distribution Date;

provided that, until the date of the initial LTV Appraisals for all of the Aircraft, clause (B) shall not apply.

For purposes of calculating Adjusted Expected Distributions with respect to the Certificates of any Trust, any Break Amount, Prepayment Premium or Make-Whole Amount paid on the Equipment Notes held in such Trust that has not been distributed to



the Certificateholders of such Trust (other than such Break Amount, Prepayment Premium or Make-Whole Amount or a portion thereof applied to the distribution of interest on the Certificates of such Trust or the reduction of the Pool Balance of such Trust) shall be added to the amount of Adjusted Expected Distributions.

"Advance" means, with respect to any Primary Liquidity Facility, any Advance as defined in such Primary Liquidity Facility.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with such Person. For the purposes of this definition, "control", when used with respect to any specified Person, means the power, directly or indirectly, to direct the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Aggregate LTV Collateral Amount" for any Class of Certificates for any Distribution Date means an amount, not less than zero, equal to (i) the sum of the applicable LTV Collateral Amounts for such Class of Certificates for all Aircraft, minus (ii) the Pool Balance for each Class of Certificates, if any, senior to such Class, after giving effect to any distribution of principal on such Distribution Date with respect to such senior Class or Classes.

"Aircraft" means, with respect to each Indenture, the "Aircraft" referred to therein.

"American" means American Airlines, Inc., a Delaware corporation, and its successors and assigns.

"American Bankruptcy Event" means the occurrence and continuation of any of the following:

(a) American shall consent to the appointment of or the taking of possession by a receiver, trustee or liquidator of itself or of a substantial part of its property, shall admit in writing its inability to pay its debts generally as they come due or shall make a general assignment for the benefit of creditors;

(b) American shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization, liquidation or other relief in a case under any bankruptcy laws or insolvency laws (as in effect at such time) or an answer admitting the material allegations of a petition filed against American in any such case, or American shall seek relief by voluntary petition, answer or consent, under the provisions of any other bankruptcy or other similar law providing for the reorganization or winding-up of

corporations (as in effect at such time), or American shall seek an agreement, composition, extension or adjustment with its creditors under such laws; or

(c) an order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without the consent of American, a receiver, trustee or liquidator of American or of any substantial part of its property, or any substantial part of its property shall be sequestered, or granting any other relief in respect of American as a debtor under any bankruptcy laws or insolvency laws (as in effect at such time), and any such order, judgment or decree of appointment or sequestration shall remain in force undismitted, unstayed and unvacated for a period of 90 days after the date of entry thereof; or

(d) a petition against American in a case under the federal bankruptcy laws or other insolvency laws (as in effect at such time) is filed and not withdrawn or dismissed within 90 days thereafter, or if, under the provisions of any law providing for reorganization or winding-up of corporations that may apply to American, any court of competent jurisdiction assumes jurisdiction, custody or control of American or of any substantial part of its property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed and untermiated for a period of 90 days.

"American Provisions" has the meaning specified in Section 8.01(a).

"Appraisal" means a current fair market value appraisal (which may be a "desktop" appraisal) performed by any Appraiser or any other nationally recognized appraiser on the basis of an arm's-length transaction between an informed and willing purchaser under no compulsion to buy and an informed and willing seller under no compulsion to sell and both having knowledge of all relevant facts.

"Appraised Current Market Value" of any Aircraft means the lower of the average and the median of the three most recent LTV Appraisals of such Aircraft.

"Appraisers" means Aircraft Information Systems, Inc., Aviation Solutions, Inc. and Morton Beyer & Agnew, Inc.

"Available Amount" means, with respect to any Primary Liquidity Facility on any drawing date, subject to the proviso contained in the first sentence of Section 3.06(g), an amount equal to (a) the Stated Amount of such Primary Liquidity Facility at such time, less (b) the aggregate amount of each Interest Drawing honored by the Primary Liquidity Provider under such Primary Liquidity Facility on or prior to such date that has not been reimbursed or reinstated as of such date; provided that, following a Downgrade Drawing, a Non-Extension Drawing or a Final Drawing under such Primary Liquidity Facility, the Available Amount of such Primary Liquidity Facility shall be zero.

"Avoided Payment" has the meaning specified in the Policy.

"Basic Agreement" means that certain Pass Through Trust Agreement, dated as of March 21, 2002, between American and State Street, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms, but does not include any Trust Supplement.

"Break Amount" has the meaning specified in the Indentures.

"Business Day" means, with respect to the Certificates of any Class, any day other than a Saturday, a Sunday or a day on which (i) for purposes of the Policy and the Policy Provider, the fiscal agent under the Policy, at its office specified in the Policy, the Policy Provider at its office specified in the Policy and insurance companies in New York, New York are required or authorized by law or executive order to close and (ii) for all such and all other purposes hereunder, commercial banks are required or authorized to close in New York, New York, Dallas, Texas, or, so long as any Certificate of such Class is outstanding, the city and state in which the Trustee, the Subordination Agent or any related Loan Trustee maintains its Corporate Trust Office or receives and disburses funds, and that, solely with respect to draws under any Liquidity Facility, also is a "Business Day" as defined in such Liquidity Facility.

"Capped Interest Rate" means, with respect to the Class G Certificates, 8.81% per annum.

"Capped LIBOR" means, at any time, 8.19% per annum.

"Cash Collateral Account" means the Class G Primary Cash Collateral Account, the Class G Above-Cap Reserve Account or the Class C Primary Cash Collateral Account, as applicable.

"Certificate" means a Class G Certificate, a Class C Certificate or a Class D Certificate, as applicable.

"Certificateholder" means, with respect to any Class of Certificates, the Person in whose name a Certificate is registered in the Register for the Certificates of such Class.

"Citizen of the United States" has the meaning specified in Section 40102(a)(15) of Title 49 of the United States Code or any similar legislation of the United States enacted in substitution or replacement therefor.

"Class" has the meaning specified in the recitals to this Agreement.

"Class C Certificateholder" means, at any time, any Certificateholder of one or more Class C Certificates.

"Class C Certificates" means the certificates issued by the Class C Trust, substantially in the form of Exhibit A to the Class C Trust Agreement, and authenticated by the Class C Trustee, representing Fractional Undivided Interests in the Class C Trust, and any certificates issued in exchange therefor or replacement thereof pursuant to the terms of the Class C Trust Agreement.

"Class C Primary Cash Collateral Account" means an Eligible Deposit Account in the name of the Subordination Agent maintained at an Eligible Institution, which shall be the Subordination Agent if it shall so qualify, into which amounts shall be deposited as referred to in Section 3.06(f).

"Class C Primary Liquidity Facility" means, initially, the Revolving Credit Agreement, dated as of the date hereof, between the Subordination Agent, as agent and trustee for the Class C Trustee, and the initial Class C Primary Liquidity Provider, and, from and after the replacement of such agreement pursuant hereto, the Replacement Primary Liquidity Facility therefor, if any, in each case as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Class C Primary Liquidity Provider" means WestLB or any Replacement Primary Liquidity Provider that has issued a Replacement Primary Liquidity Facility to replace the Class C Primary Liquidity Facility pursuant to Section 3.06(c)(i) or 3.06(e).

"Class C Trust" means the American Airlines Pass Through Trust 2002-1C created and administered pursuant to the Class C Trust Agreement.

"Class C Trust Agreement" means the Basic Agreement, as supplemented by Trust Supplement No. 2002-1C thereto, dated as of the date hereof, governing the creation and administration of the American Airlines Pass Through Trust 2002-1C and the issuance of the Class C Certificates, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Class C Trustee" means State Street Bank and Trust Company of Connecticut, National Association, not in its individual capacity except as expressly set forth in the Class C Trust Agreement, but solely as trustee under the Class C Trust Agreement, together with any successor trustee appointed pursuant thereto.

"Class D Certificateholder" means, at any time, any Certificateholder of one or more Class D Certificates.

"Class D Certificates" means the certificates issued by the Class D Trust, substantially in the form of Exhibit A to the Class D Trust Agreement, and authenticated by the Class D Trustee, representing Fractional Undivided Interests in the Class D Trust, and any certificates issued in exchange therefor or replacement thereof pursuant to the terms of the Class D Trust Agreement.

"Class D Trust" means the American Airlines Pass Through Trust 2002-1D created and administered pursuant to the Class D Trust Agreement.

"Class D Trust Agreement" means the Basic Agreement, as supplemented by Trust Supplement No. 2002-1D thereto, dated as of the date hereof, governing the creation and administration of the American Airlines Pass Through Trust 2002-1D and the issuance of the Class D Certificates, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Class D Trustee" means State Street Bank and Trust Company of Connecticut, National Association, not in its individual capacity except as expressly set forth in the Class D Trust Agreement, but solely as trustee under the Class D Trust Agreement, together with any successor trustee appointed pursuant thereto.

"Class E Certificateholder" means, at any time, any Certificateholder of one or more Class E Certificates, if and when issued.

"Class E Certificates" means any Certificates issued by the Class E Trust, if and when created, representing Fractional Undivided Interests in the Class E Trust.

"Class E Trust" means the American Airlines Pass Through Trust 2001-2E, if and when created, administered pursuant to the Basic Agreement and a Trust Supplement.

"Class E Trustee" means the trustee of the Class E Trust, if and when created.

"Class G Above-Cap Account" or "Above-Cap Account" means an Eligible Deposit Account in the name of the Subordination Agent maintained at an Eligible Institution, which shall be the Subordination Agent if it shall so qualify, into which all amounts paid under the Class G Above-Cap Liquidity Facility pursuant to Section 3.06(a) shall be deposited.

"Class G Above-Cap Liquidity Facility" or "Above-Cap Liquidity Facility" means, initially, the ISDA Master Agreement, dated as of the date hereof, between the Subordination Agent, as agent and trustee for the Class G Trust, and the initial Class G Above-Cap Liquidity Provider, together with the Schedule and Confirmation attached thereto, relating to the Class G Certificates, and, from and after the replacement of such

ISDA Master Agreement pursuant hereto, the Replacement Above-Cap Liquidity Facility therefor, if any, in each case as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Class G Above-Cap Liquidity Provider" or "Above-Cap Liquidity Provider" means CSFBI, or any Replacement Above-Cap Liquidity Provider that has issued a Replacement Above-Cap Liquidity Facility to replace any Class G Above-Cap Liquidity Facility pursuant to Section 3.06(c)(ii).

"Class G Above-Cap Reserve Account" or "Above-Cap Reserve Account" means an Eligible Deposit Account in the name of the Subordination Agent maintained at an Eligible Institution, which shall be the Subordination Agent if it shall so qualify, into which amounts shall be deposited as referred to in Section 3.06(f).

"Class G Certificateholder" means, at any time any Certificateholder of one or more Class G Certificates.

"Class G Certificates" means the certificates issued by the Class G Trust, substantially in the form of Exhibit A to the Class G Trust Agreement, and authenticated by the Class G Trustee, representing Fractional Undivided Interests in the Class G Trust, and any certificates issued in exchange therefor or replacement thereof pursuant to the terms of the Class G Trust Agreement.

"Class G Policy" or "Policy" means the Financial Guaranty Insurance Policy No. 37875, issued as of the Closing Date, by the Policy Provider in favor of the Subordination Agent, for the benefit of the Class G Certificateholders, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Class G Policy Account" means the Eligible Deposit Account established by the Subordination Agent pursuant to Section 2.02(a)(iii).

"Class G Primary Cash Collateral Account" means an Eligible Deposit Account in the name of the Subordination Agent maintained at an Eligible Institution, which shall be the Subordination Agent if it shall so qualify, into which amounts shall be deposited as referred to in Section 3.06(f).

"Class G Primary Liquidity Facility" means, initially, the Revolving Credit Agreement, dated as of the date hereof, between the Subordination Agent, as agent and trustee of the Class G Trustee, and the initial Class G Primary Liquidity Provider, and, from and after the replacement of such agreement pursuant hereto, the Replacement Primary Liquidity Facility therefor, if any, in each case as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Class G Primary Liquidity Provider" means WestLB or any Replacement Primary Liquidity Provider that has issued a Replacement Primary Liquidity Facility to replace the Class G Primary Liquidity Facility pursuant to Section 3.06(c)(i) or 3.06(e).

"Class G Trust" means the American Airlines Pass Through Trust 2002-1G created and administered pursuant to the Class G Trust Agreement.

"Class G Trust Agreement" means the Basic Agreement, as supplemented by Trust Supplement No. 2002-1G thereto, dated as of the date hereof, governing the creation and administration of the American Airlines Pass Through Trust 2002-1G and the issuance of the Class G Certificates, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Class G Trustee" means State Street Bank and Trust Company of Connecticut, National Association, not in its individual capacity except as expressly set forth in the Class G Trust Agreement, but solely as trustee under the Class G Trust Agreement, together with any successor trustee appointed pursuant thereto.

"Closing Date" means September 24, 2002.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and Treasury Regulations promulgated thereunder.

"Collateral" means, with respect to any Indenture, the "Collateral" referred to therein.

"Collection Account" means the Eligible Deposit Account established by the Subordination Agent pursuant to Section 2.02(a) in and from which the Subordination Agent shall make deposits and withdrawals in accordance with this Agreement.

"Consent Notice" has the meaning specified in Section 3.06(d).

"Consent Period" has the meaning specified in Section 3.06(d).

"Controlling Party" means the Person entitled to act as such pursuant to the terms of Section 2.06.

"Corporate Trust Office" means, with respect to any Trustee, the Subordination Agent or any Loan Trustee, the office of such Person in the city at which, at any particular time, its corporate trust business shall be principally administered.

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

"Current Distribution Date" means a Distribution Date specified as a reference date for calculating the Expected Distributions or the Adjusted Expected Distributions with respect to the Certificates of any Trust as of such Distribution Date.

"Defaulted Series G Equipment Note" has the meaning specified in Section 3.07(c).

"Designated Representatives" means the Subordination Agent Representatives, the Trustee Representatives, the LP Representatives and the Policy Provider Representatives identified under Section 2.05.

"Distribution Date" means a Regular Distribution Date or a Special Distribution Date.

"Dollars" means the lawful currency of the United States.

"Downgrade Drawing" has the meaning specified in Section 3.06(c).

"Downgraded Facility" has the meaning specified in Section 3.06(c)(i).

"Drawing" means an Interest Drawing, a Final Drawing, a Non-Extension Drawing or a Downgrade Drawing, as the case may be.

"Election Distribution Date" has the meaning specified in Section 3.07(c).

"Election Interest Payment" has the meaning specified in Section 3.07(c).

"Eligible Deposit Account" means either (a) a segregated account with an Eligible Institution or (b) a segregated trust account with the corporate trust department of a depository institution organized under the laws of the United States or any one of the states thereof or the District of Columbia (or any United States branch of a foreign bank), having corporate trust powers and acting as trustee for funds deposited in such account, so long as any of the securities of such depository institution has a long-term unsecured debt rating of at least A3 or its equivalent by Moody's or at least A- or its equivalent by S&P. An Eligible Deposit Account may be maintained with a Primary Liquidity Provider so long as such Primary Liquidity Provider is an Eligible Institution; provided that such Primary Liquidity Provider shall have waived all rights of set-off and counterclaim with respect to such account.

"Eligible Institution" means (a) the corporate trust department of the Subordination Agent or any Trustee, as applicable, or (b) a depository institution organized under the laws of the United States of America or any state thereof or the District of Columbia (or any U.S. branch of a foreign bank), which has a long-term unsecured debt rating of at least A3 or its equivalent by Moody's or at least A- or its equivalent by S&P.



"Eligible Investments" means investments in (a) obligations of the United States government or agencies thereof, or obligations guaranteed by the United States government, (b) open market commercial paper of any corporation incorporated under the laws of the United States or any state thereof rated at least P-1 or its equivalent by Moody's or at least A-1 or its equivalent by S&P, (c) certificates of deposit issued by commercial banks organized under the laws of the United States or of any political subdivision thereof (or any United States branch of a foreign bank) having a combined capital and surplus in excess of \$500,000,000 which banks or their holding companies have a rating of A or its equivalent by Moody's or A or its equivalent by S&P; provided, however, that the aggregate amount at any one time invested in certificates of deposit issued by any one bank shall not be in excess of 5% of such bank's capital and surplus, (d) Dollar denominated offshore certificates of deposit issued by, or offshore time deposits with, any commercial bank described in (c) or any subsidiary thereof, and (e) repurchase agreements with any financial institution having combined capital and surplus of at least \$500,000,000 with any of the obligations described in clauses (a) through (d) as collateral; provided further that if all of the above investments are unavailable, the entire amounts to be invested may be used to purchase Federal funds from an entity described in clause (c) above; and provided further that all Eligible Investments must be held in an Eligible Deposit Account. Any of the investments described herein may be made through or with, as applicable, the bank acting as Trustee or its Affiliates.

"Eligible Provider" has the meaning specified in Section 2.06(c).

"Equipment Notes" means, at any time, the Series G Equipment Notes, the Series C Equipment Notes and the Series D Equipment Notes collectively, and in each case, any Equipment Notes issued in exchange therefor or replacement thereof pursuant to the terms of the Indentures.

"Excess Reimbursement Obligations" means (a) in the event of any Policy Provider Election, the portion of the Policy Provider Obligations that represents interest on the Series G Equipment Notes in respect of which the Policy Provider Election has been made in excess of 21 months of interest at the interest rate applicable to such Series G Equipment Notes and (b) any interest on the Liquidity Obligations in respect of the Class G Liquidity Facility paid by the Policy Provider to the Liquidity Provider from and after the end of the 21-month period referred to in the last paragraph of Section 3.07(c) hereof.

"Expected Distributions" means, with respect to the Certificates of any Trust on any Current Distribution Date, the sum of (x) accrued and unpaid interest in respect of such Certificates and (y) the difference between (A) the Pool Balance of such Certificates as of the immediately preceding Distribution Date (or, if the Current Distribution Date is the first Distribution Date, the original aggregate face amount of the Certificates of such

Trust) and (B) the Pool Balance of such Certificates as of the Current Distribution Date calculated on the basis that (i) the principal of the Equipment Notes held in such Trust has been paid when due (whether at stated maturity or upon redemption, prepayment, purchase or Acceleration or otherwise) and such payments have been distributed to the holders of such Certificates and (ii) the principal of any Equipment Notes formerly held in such Trust that have been sold pursuant to the terms hereof has been paid in full and such payments have been distributed to the holders of such Certificates.

For purposes of calculating Expected Distributions with respect to the Certificates of any Trust, any Break Amount, Prepayment Premium or Make-Whole Amount paid on the Equipment Notes held in such Trust which has not been distributed to the Certificateholders of such Trust (other than such Break Amount, Prepayment Premium or Make-Whole Amount or a portion thereof applied to distributions of interest on the Certificates of such Trust or the reduction of the Pool Balance of such Trust) shall be added to the amount of such Expected Distributions.

"Expiry Date" with respect to any Primary Liquidity Facility, shall have the meaning specified in such Primary Liquidity Facility.

"Fee Letter" means the Fee Letter among WestLB, the Subordination Agent and American with respect to the Primary Liquidity Facilities and any fee letter entered into among the Subordination Agent, American and any Replacement Primary Liquidity Provider.

"Final Distributions" means, with respect to the Certificates of any Trust on any Distribution Date, the sum of (x) the aggregate amount of all accrued and unpaid interest in respect of such Certificates and (y) the Pool Balance of such Certificates as of the immediately preceding Distribution Date. For purposes of calculating Final Distributions with respect to the Certificates of any Trust, any Break Amount, Prepayment Premium or Make-Whole Amount paid on the Equipment Notes held in such Trust which has not been distributed to the Certificateholders of such Trust (other than such Break Amount, Prepayment Premium or Make-Whole Amount or a portion thereof applied to distributions of interest on the Certificates of such Trust or the reduction of the Pool Balance of such Trust) shall be added to the amount of such Final Distributions.

"Final Drawing" has the meaning specified in Section 3.06(i).

"Final Legal Distribution Date" means (i) with respect to the Class G Certificates, March 23, 2009, (ii) with respect to the Class C Certificates, March 23, 2009 and (iii) with respect to the Class D Certificates, September 23, 2007.

"Final Order" has the meaning specified in the Policy.

"Fractional Undivided Interest" means the fractional undivided interest in a Trust that is represented by a Certificate relating to such Trust.

"Indenture" means each of the Indenture and Security Agreements entered into by the Loan Trustee and American pursuant to the Participation Agreements, in each case as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Indenture Event of Default" means, with respect to any Indenture, any Event of Default (as such term is defined in such Indenture) thereunder.

"Interest Drawing" has the meaning specified in Section 3.06(a).

"Interest Payment Date" means, with respect to any Primary Liquidity Facility, each date on which interest is due and payable under Section 3.07(c) or (d) of such Primary Liquidity Facility on a Drawing thereunder.

"Interest Period" has the meaning specified in the Indentures.

"Investment Earnings" means investment earnings on funds on deposit in the Trust Accounts net of losses and the Subordination Agent's reasonable expenses in making such investments.

"Lending Office" has the meaning, with respect to any Primary Liquidity Facility, specified in such Primary Liquidity Facility.

"LIBOR" has the meaning assigned to such term in the Reference Agency Agreement.

"Lien" means any mortgage, pledge, lien, charge, claim, encumbrance, lease, sublease or security interest of any kind.

"Liquidity Event of Default", with respect to any Primary Liquidity Facility, has the meaning specified in such Primary Liquidity Facility.

"Liquidity Expenses" means, with respect to the Primary Liquidity Facilities, all Liquidity Obligations other than (i) the principal amount of any Drawings under the Primary Liquidity Facilities and (ii) any interest accrued on any Liquidity Obligations.

"Liquidity Facility" means, at any time, the Class G Primary Liquidity Facility, the Class G Above-Cap Liquidity Facility or the Class C Primary Liquidity Facility, as applicable.

"Liquidity Obligations" means all principal, interest, fees and other amounts owing to the Primary Liquidity Providers under the Primary Liquidity Facilities, the indemnity provisions of the Participation Agreements or the Fee Letter.

"Liquidity Provider" means, at any time, any Primary Liquidity Provider or the Above-Cap Liquidity Provider, as applicable.

"Loan Trustee" means, with respect to any Indenture, the bank, trust company or other financial institution designated as loan trustee thereunder, and any successor to such loan trustee.

"LP Incumbency Certificate" has the meaning specified in Section 2.05(c).

"LP Representatives" has the meaning specified in Section 2.05(c).

"LTV Appraisals" has the meaning specified in Section 4.01(a).

"LTV Collateral Amount" of any Aircraft for any Class of Certificates means, as of any Distribution Date, the lesser of (i)(x) with respect to any Aircraft other than an Aircraft referred to in the following clauses (y) and (z), the LTV Ratio for such Class of Certificates multiplied by the Appraised Current Market Value of such Aircraft or (y) with respect to any such Aircraft that has suffered an Event of Loss under and as defined in the relevant Indenture, the amount of the insurance proceeds paid to the related Loan Trustee in respect thereof to the extent then held by such Loan Trustee (and/or on deposit in the Special Payments Account) or payable to such Loan Trustee in respect thereof or (z) with respect to any such Aircraft that has been released from the applicable Indenture pursuant to the provisions of Section 10.01(b) thereof, the amount of money and U.S. Government Securities deposited with the Loan Trustee pursuant thereto as of such Distribution Date and (ii) the outstanding principal amount of the Equipment Notes secured by such Aircraft after giving effect to any principal payments of such Equipment Notes on or before such Distribution Date.

"LTV Ratio" means (i) for the Class G Certificates, 51.1%, (ii) for the Class C Certificates, 60.1% and (iii) for the Class D Certificates, 67.6%.

"Majority in Interest of Noteholders" has the meaning specified in each Indenture.

"Make-Whole Amount" has the meaning specified in the Indentures.

"Minimum Sale Price" means, with respect to any Aircraft or the Equipment Notes issued in respect of such Aircraft, at any time, the lesser of (a) 75% of the Appraised

Current Market Value of such Aircraft and (b) the aggregate outstanding principal amount of such Equipment Notes, plus accrued and unpaid interest thereon.

"Moody's" means Moody's Investors Service, Inc.

"New Class C Certificates" has the meaning specified in Exhibit A.

"New Class D Certificates" has the meaning specified in Exhibit A.

"New Series" has the meaning specified in Exhibit A.

"Non-Controlling Party" means, at any time, any Trustee, Primary Liquidity Provider or Policy Provider that is not the Controlling Party at such time.

"Non-Extended Facility" has the meaning specified in Section 3.06(d).

"Non-Extension Drawing" has the meaning specified in Section 3.06(d).

"Non-Performing Equipment Note" means an Equipment Note issued pursuant to an Indenture that is not a Performing Equipment Note.

"Notice of Avoided Payment", with respect to the Policy, has the meaning specified in the Policy.

"Notice of Nonpayment", with respect to the Policy, has the meaning specified in the Policy.

"Officer's Certificate" of any Person means a certification signed by a Responsible Officer of such Person.

"Operative Agreements" means this Agreement, the Liquidity Facilities, the Policy, the Policy Provider Agreement, the Policy Fee Letter, the Fee Letter, the Indentures, the Trust Agreements, the Participation Agreements, the Reference Agency Agreement, the Equipment Notes and the Certificates, together with all exhibits and schedules included with any of the foregoing.

"Outstanding" means, when used with respect to each Class of Certificates, as of the date of determination, all Certificates of such Class theretofore authenticated and delivered under the related Trust Agreement, except:

(i) Certificates of such Class theretofore canceled by the Registrar (as defined in such Trust Agreement) or delivered to the Trustee thereunder or such Registrar for cancellation;

(ii) all of the Certificates of such Class if money in the full amount required to make the final distribution with respect to such Class pursuant to Section 11.01 of such Trust Agreement has been theretofore deposited with the related Trustee in trust for the Certificateholders of the Certificates of such Class as provided in Section 4.01 of such Trust Agreement, pending distribution of such money to such Certificateholders pursuant to payment of such final distribution payment; and

(iii) Certificates of such Class in exchange for or in lieu of which other Certificates of such Class have been authenticated and delivered pursuant to such Trust Agreement;

provided, however, that in determining whether the holders of the requisite Fractional Undivided Interest of such Certificates have given any request, demand, authorization, direction, notice, consent or waiver hereunder, any Certificates owned by American or any of its Affiliates shall be disregarded and deemed not to be Outstanding. In determining whether such Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Certificates that such Trustee knows to be so owned shall be so disregarded. Notwithstanding the foregoing, (x) if American and its Affiliates own 100% of the Certificates of each Class, such Certificates shall not be so disregarded and (y) if any amount of such Certificates owned by American and its Affiliates have been pledged in good faith, such Certificates shall not be disregarded if the pledgee establishes to the satisfaction of the applicable Trustee the pledgee's right so to act with respect to such Certificates and that the pledgee is not American or any of its Affiliates.

"Overdue Scheduled Payment" means any Scheduled Payment which is not in fact received by the Subordination Agent within five days after the Scheduled Payment Date relating thereto.

"Participation Agreement" means, with respect to each Aircraft, the related Participation Agreement, dated as of September 24, 2002, among American, each Trustee, the Subordination Agent and the Loan Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Payees" has the meaning specified in Section 2.03(c).

"Performing Equipment Note" means an Equipment Note issued pursuant to an Indenture with respect to which no payment default has occurred and is continuing (without giving effect to any Acceleration); provided, that in the event of a bankruptcy proceeding involving American under Title 11 of the United States Code (the "Bankruptcy Code"), (i) any payment default occurring before the date of the order of relief in such proceeding will not be taken into account during the 60-day period under Section 1110(a)(2)(A) of the Bankruptcy Code (or such longer period as may apply under

Section 1110(b) of the Bankruptcy Code) (the "Section 1110 Period"), (ii) any payment default occurring after the date of the order of relief in such proceeding shall not be taken into consideration if such payment default is cured under Section 1110(a)(2)(B) of the Bankruptcy Code before the later of 30 days after the date of such default or the expiration of the Section 1110 Period and (iii) any payment default occurring after the Section 1110 Period will not be taken into consideration if such payment default is cured before the end of the grace period, if any, set forth in the related Indenture.

"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.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof.

"Policy Account" means the Class G Policy Account.

"Policy Drawing" means any payment of a claim under the Policy (but shall not include, for the avoidance of doubt, amounts payable directly by the Policy Provider to any Primary Liquidity Provider as contemplated by Section 2.06(c) and the last paragraph of Section 3.07(c)).

"Policy Expenses" means all amounts (including amounts in respect of expenses) owing to the Policy Provider under the Policy Provider Agreement or the Participation Agreements other than (i) any amounts due under the Policy Fee Letter, (ii) the amount of any Policy Drawing and any interest accrued thereon, (iii) reimbursement of and interest on the Liquidity Obligations paid to the Primary Liquidity Provider by the Policy Provider, (iv) any indemnity payments owed to the Policy Provider, (v) any amounts that the Policy Provider is entitled to receive by virtue of the subrogation rights of the Policy Provider hereunder, including, without limitation, fees and expenses incurred in connection with the enforcement of such rights and (vi) any Excess Reimbursement Obligations.

"Policy Fee Letter" means the fee letter, dated as of September 24, 2002 from the Policy Provider to American and the Subordination Agent setting forth the Policy Premium and certain other amounts payable in respect of the Policy.

"Policy Premium" has the meaning specified in the Policy Fee Letter.

"Policy Provider" means MBIA Insurance Corporation or any successor thereto, as issuer of the Policy.

"Policy Provider Agreement" means the Insurance and Indemnity Agreement, dated as of the date hereof, among the Subordination Agent, the Class G Trustee, American and the Policy Provider pursuant to which, among other things, the Subordination Agent agrees to reimburse the Policy Provider for amounts paid pursuant to claims made under the Policy.

"Policy Provider Default" means, with respect to the Policy, the occurrence of any of the following events: (a) the Policy Provider fails to make a payment required under the Policy in accordance with its terms and such failure remains unremedied for two Business Days following the delivery of Written Notice of such failure to the Policy Provider or (b) the Policy Provider (i) files any petition or commences any case or proceeding under any provisions of any federal or state law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization, (ii) makes a general assignment for the benefit of its creditors or (iii) has an order for relief entered against it under any federal or state law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization that is final and nonappealable, or (c) a court of competent jurisdiction, the New York Insurance Department or another competent regulatory authority enters a final and nonappealable order, judgment or decree (i) appointing a custodian, trustee, agent or receiver for the Policy Provider or for all or any material portion of its property or (ii) authorizing the taking of possession by a custodian, trustee, agent or receiver of the Policy Provider (or taking of possession of all or any material portion of the Policy Provider's property).

"Policy Provider Election" has the meaning specified in Section 3.07(c).

"Policy Provider Incumbency Certificate" has the meaning assigned to such term in Section 2.05(d).

"Policy Provider Obligations" means all reimbursement and other amounts, including fees and indemnities, due to the Policy Provider under the Policy Provider Agreement, but shall not include (i) any amounts due under the Policy Fee Letter or (ii) any interest on Policy Drawings except, if the Class G Primary Liquidity Provider has failed to honor its obligation to make a payment on any Interest Drawing in respect of the Class G Certificates, interest on the portion of any Policy Drawing made to cover the shortfall attributable to such failure by such Primary Liquidity Provider in an amount equal to the amount of interest that would have accrued on such Interest Drawing if such Interest Drawing had been made at the interest rate applicable to such Interest Drawing under the applicable Primary Liquidity Facility until such Policy Drawing has been repaid in full, up to a maximum of six such Policy Drawings under the Policy. For the avoidance of doubt, and subject to the effect of payment priorities with respect to Excess Reimbursement Obligations, Policy Provider Obligations include reimbursement of and



interest on the Liquidity Obligations in respect of the Primary Liquidity Facilities paid by the Policy Provider to the Primary Liquidity Provider.

"Policy Provider Representatives" has the meaning specified in Section 2.05(d).

"Pool Balance" means, with respect to the Certificates of any Class, as of any date, (i) the original aggregate face amount of the Certificates of such Class less (ii) the aggregate amount of all distributions made in respect of such Certificates relating to such Class other than distributions made in respect of interest or premium or reimbursement of any costs or expenses incurred in connection therewith. The Pool Balance as of any Distribution Date with respect to each Class shall be computed after giving effect to the payment of principal, if any, on the Equipment Notes or other Trust Property held in the related Trust and the distribution thereof to be made on such date and, with respect to the Class G Certificates, payments under the Policy made for the benefit of the Class G Certificateholders (other than payments in respect of the Class G Primary Liquidity Facility or interest on the Class G Certificates).

"Prepayment Premium" has the meaning specified in the Indentures.

"Primary Cash Collateral Account" means the Class G Primary Cash Collateral Account or the Class C Primary Cash Collateral Account, as applicable.

"Primary Liquidity Facility" means the Class G Primary Liquidity Facility or the Class C Primary Liquidity Facility, as applicable.

"Primary Liquidity Guarantee" means, with respect to any Primary Liquidity Facility, a guarantee executed and delivered by a Primary Liquidity Guarantor fully and unconditionally guaranteeing the obligations of the Primary Liquidity Provider under such Primary Liquidity Facility.

"Primary Liquidity Guarantee Event" means, with respect to any Primary Liquidity Guarantee, (i) such Primary Liquidity Guarantee ceasing to be in full force and effect or becoming invalid or unenforceable or (ii) the Primary Liquidity Guarantor under such Primary Liquidity Guarantee denying its liability thereunder.

"Primary Liquidity Guarantor" means, with respect to any Primary Liquidity Facility, any Person that shall execute and deliver a Primary Liquidity Guarantee and at the time of such execution and delivery shall meet the ratings requirements applicable to a Replacement Primary Liquidity Provider.

"Primary Liquidity Provider" means the Class G Primary Liquidity Provider or the Class C Primary Liquidity Provider, as applicable.

"Proceeding" means any suit in equity, action at law or other judicial or administrative proceeding.

"PTC Event of Default" means, with respect to each Trust Agreement, the failure to distribute within 10 Business Days after the applicable Distribution Date: (i) the outstanding Pool Balance of the applicable Class of Certificates on the Final Legal Distribution Date for such Class (unless, in the case of the Class G Certificates, the Subordination Agent shall have made a drawing under the Policy in an aggregate amount sufficient to pay such outstanding Pool Balance and shall have distributed such amount to the Class G Trustee) or (ii) interest scheduled for distribution on such Certificates on any Distribution Date (unless the Subordination Agent shall have made an Interest Drawing, or a withdrawal from the related Primary Cash Collateral Account, or, in the case of the Class G Certificates, a withdrawal from the Above-Cap Account or a drawing under the Policy, with respect thereto in an aggregate amount sufficient to pay such interest and shall have distributed such amount to the Trustee entitled thereto).

"Rating Agencies" means, collectively, at any time, each of two nationally recognized rating agencies that have been requested to rate the Certificates and that are then rating the Certificates. The initial Rating Agencies will be Moody's and S&P.

"Ratings Confirmation" means, with respect to any action proposed to be taken, a written confirmation from each of the Rating Agencies (without regard to the Policy in the case of the Class G Certificates) that such action would not result in (i) a reduction of the rating for any Class of Certificates below the then current rating for such Class of Certificates (without regard to the Policy in the case of the Class G Certificates) or (ii) a withdrawal or suspension of the rating of any Class of Certificates.

"Reference Agency Agreement" means the Reference Agency Agreement, dated as of September 24, 2002, among American and State Street Bank and Trust Company of Connecticut, National Association as Subordination Agent, Loan Trustee and reference agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Refunding" means a refunding of the Series C Equipment Notes, Series D Equipment Notes and/or New Series (as defined in Exhibit A) of Series D Equipment Notes in accordance with Exhibit A hereto.

"Register", with respect to any Trust, has the meaning ascribed to such term in the Trust Agreement for such Trust.

"Regular Distribution Dates" means each March 23, June 23, September 23 and December 23 commencing on December 23, 2002; provided, however, that, if any such

day shall not be a Business Day, the related distribution shall be made on the next succeeding Business Day and interest will be added for such additional period in the case of the Class G Certificates but not in the case of the Class C or Class D Certificates.

"Replacement Above-Cap Liquidity Facility" means, for the Above-Cap Liquidity Facility, an irrevocable interest rate cap agreement (or agreements) for the same term as the Above-Cap Liquidity Facility being replaced, in substantially the form of the replaced Above-Cap Liquidity Facility or in such other form (which may include a letter of credit, surety bond, financial insurance policy or guaranty) as shall permit the Rating Agencies to issue a Ratings Confirmation (before downgrading of such ratings on the applicable Class of Certificates, if any, as a result of the downgrading, if any, of the Above-Cap Liquidity Provider), issued by a Person (or Persons) having short-term unsecured debt ratings or issuer credit ratings, as the case may be, issued by both Rating Agencies that are equal to or higher than the applicable Threshold Rating (which Person shall have been consented to by the Policy Provider, which consent shall not be unreasonably withheld or delayed), provided that no prior Ratings Confirmation or consent of the Policy Provider shall be required under the circumstances specified in Part 5(i) of the Schedule to the ISDA Master Agreement forming a part of the Above-Cap Liquidity Facility.

"Replacement Above-Cap Liquidity Provider" means a Person (or Persons) who issues a Replacement Above-Cap Liquidity Facility.

"Replacement Liquidity Facility" means, as applicable, a Replacement Above-Cap Liquidity Facility or a Replacement Primary Liquidity Facility.

"Replacement Primary Liquidity Facility" means, for any Primary Liquidity Facility, an irrevocable revolving credit agreement (or agreements) in substantially the form of the replaced Primary Liquidity Facility, including reinstatement provisions, or in such other form (which may include a letter of credit, surety bond, financial insurance policy or guaranty) as shall permit the Rating Agencies to issue a Ratings Confirmation (before downgrading of the applicable ratings on the Certificates, if any, as a result of the downgrading, if any, of the applicable Primary Liquidity Provider, or, if applicable, the downgrading of the Primary Liquidity Guarantor or the occurrence of a Primary Liquidity Guarantee Event) in a face amount (or in an aggregate face amount) equal to the applicable Required Amount and issued by a Person (or Persons) (or whose obligations are guaranteed by a Primary Liquidity Guarantor) (i) having a short-term issuer credit rating (with respect to S&P) and a short-term unsecured debt rating (with respect to Moody's) that are equal to or higher than the Threshold Rating specified in clause (a) of the definition of Threshold Rating or (ii) if such Person (or Persons) or such Liquidity Guarantor does not have such a rating from a given Rating Agency, a long-term issuer credit rating (with respect to S&P) or a long-term unsecured debt rating (with respect to

Moody's) issued by such Rating Agency that is equal to or higher than the Threshold Rating specified in clause (b) of the definition of Threshold Rating. Without limitation of the form that a Replacement Primary Liquidity Facility otherwise may have pursuant to the preceding sentence, a Replacement Primary Liquidity Facility for any Class of Certificates may have a stated expiration date earlier than 15 days after the Final Legal Distribution Date of such Class of Certificates so long as such Replacement Primary Liquidity Facility provides for a Non-Extension Drawing as contemplated by Section 3.06(d) hereof.

"Replacement Primary Liquidity Provider" means a Person who issues a Replacement Primary Liquidity Facility.

"Required Amount" means, with respect to each Primary Liquidity Facility, or the Primary Cash Collateral Account, for any Class, for any day, the sum of the aggregate amount of interest, calculated at the rate per annum equal to the Capped Interest Rate (in the case of each of the Class G Primary Liquidity Facility and the Class G Primary Cash Collateral Account) or at the applicable Stated Interest Rate (in the case of the Class C Primary Liquidity Facility and the Class C Primary Cash Collateral Account) for the related Class of Certificates, that would be distributable on such Class of Certificates on each of the six successive Regular Distribution Dates immediately following such day or, if such day is a Regular Distribution Date, on such day and the succeeding five Regular Distribution Dates, in each case calculated on the basis of the Pool Balance of such Class of Certificates on such date and without regard to expected future distributions of principal on such Class of Certificates. The Pool Balance for purposes of the definition of Required Amount with respect to the Class G Primary Liquidity Facility shall, in the event of any Policy Provider Election, be deemed to be reduced by an amount (if positive) by which (a) the outstanding principal balance of the Series G Equipment Notes in respect of which such Policy Provider Election has been made shall exceed (b) the amount of any Policy Drawings previously paid by the Policy Provider in respect of principal on such Series G Equipment Notes.

"Responsible Officer" means (i) with respect to the Subordination Agent and each of the Trustees, any officer in the Corporate Trust Department or similar department of the Subordination Agent or such Trustee, as the case may be, or any other officer customarily performing functions similar to those performed by the persons who at the time shall be such officers or to whom any corporate trust matter is referred because of his knowledge of and familiarity with a particular subject, and (ii) with respect to each Liquidity Provider, any authorized officer of such Liquidity Provider.

"Scheduled Payment" means, with respect to any Equipment Note, (i) any payment of principal or interest on such Equipment Note (other than an Overdue Scheduled Payment)

or (ii) any distribution in respect of interest on such Equipment Note to the Certificateholders of Certificates of the corresponding Class of Certificates with funds drawn under the Primary Liquidity Facility for such Class or withdrawn from the Primary Cash Collateral Account for such Class of Certificates or, in the case of the Class G Certificates, from the Above-Cap Account or drawn under the Policy, which payment in the case of clause (i) or clause (ii) represents an installment of principal on such Equipment Note at the stated maturity of such installment, or the payment of regularly scheduled interest accrued on the unpaid principal amount of such Equipment Note, or both; provided, however, that any payment of principal, premium, if any, or interest resulting from the redemption or purchase of any Equipment Note shall not constitute a Scheduled Payment.

"Scheduled Payment Date" means, with respect to any Scheduled Payment, the date on which such Scheduled Payment is scheduled to be made.

"Series C Equipment Notes" means the Series C Equipment Notes issued pursuant to each Indenture by American and authenticated by the Loan Trustee thereunder, and any such Equipment Notes issued in exchange therefor or replacement thereof pursuant to the terms of such Indenture.

"Series D Equipment Notes" means the Series D Equipment Notes issued pursuant to each Indenture by American and authenticated by the Loan Trustee thereunder, and any such Equipment Notes issued in exchange therefor or replacement thereof pursuant to the terms of such Indenture.

"Series E Equipment Notes" means the equipment notes, if any, issued pursuant to any Indenture by American and authenticated by the Loan Trustee thereunder, and designated "Series E Equipment Notes" thereunder, and any such equipment notes issued in exchange therefor or replacement thereof pursuant to the terms of such Indenture.

"Series G Equipment Notes" means the Series G Equipment Notes issued pursuant to each Indenture by American and authenticated by the Loan Trustee thereunder, and any such Equipment Notes issued in exchange therefor or replacement thereof pursuant to the terms of such Indenture.

"Special Distribution Date" means (i) with respect to any Special Payment, the Business Day chosen by the Subordination Agent pursuant to Section 2.04(a) or Section 3.07(b) for the distribution of such Special Payment in accordance with this Agreement, (ii) an Election Distribution Date or (iii) each date designated as provided in Section 3.07(c) or Section 3.07(e) as a Special Distribution Date.

"Special Payment" means any payment (other than a Scheduled Payment or a distribution referred to in Section 2.03(c)) in respect of, or any proceeds of, any Equipment Note or Collateral (as defined in each Indenture). For the avoidance of doubt, Special Payments shall not include any payment by the Policy Provider or any Liquidity Provider.

"Special Payments Account" means the Eligible Deposit Account created pursuant to Section 2.02(a) as a sub-account to the Collection Account.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"State Street" has the meaning specified in the introductory paragraph to this Agreement.

"Stated Amount" with respect to any Primary Liquidity Facility, means the Maximum Commitment (as defined in such Primary Liquidity Facility) of the applicable Primary Liquidity Provider thereunder.

"Stated Expiration Date" has the meaning specified in Section 3.06(d).

"Stated Interest Rate" means (i) with respect to the Class G Certificates, for any Interest Period, LIBOR for such Interest Period plus 0.62% per annum, (ii) with respect to the Class C Certificates, 8.25% per annum and (iii) with respect to the Class D Certificates, 9.5% per annum.

"Subordination Agent" has the meaning specified in the introductory paragraph to this Agreement.

"Subordination Agent Incumbency Certificate" has the meaning specified in Section 2.05(a).

"Subordination Agent Representatives" has the meaning specified in Section 2.05(a).

"Tax" and "Taxes" means all governmental fees (including, without limitation, license, filing and registration fees) and all taxes (including, without limitation, franchise, excise, stamp, value added, income, gross receipts, sales, use and property taxes), withholdings, assessments, levies, imposts, duties or charges, of any nature whatsoever, together with any related penalties, fines, additions to tax or interest thereon imposed, withheld, levied or assessed by any country, taxing authority or governmental subdivision thereof or therein or by any international authority, including any taxes imposed on any

Person as a result of such Person being required to collect and pay over withholding taxes.

"Termination Amount", with respect to the Above-Cap Liquidity Facility, has the meaning specified in the Above-Cap Liquidity Facility.

"Termination Notice" with respect to any Primary Liquidity Facility has the meaning specified in such Primary Liquidity Facility.

"Threshold Rating" means (a) a short-term unsecured debt rating of P-1 in the case of Moody's and a short-term issuer credit rating of A-1 in the case of S&P, and (b) in the case of any Person who does not have a short-term unsecured debt rating from Moody's or a short-term issuer credit rating from S&P, then in lieu of such rating from such Rating Agency or Rating Agencies, a long-term unsecured debt rating of A1 in the case of Moody's and a long-term issuer credit rating of A in the case of S&P.

"Treasury Regulations" means regulations, including proposed or temporary regulations, promulgated under the Code. References herein to specific provisions of proposed or temporary regulations shall include analogous provisions of final Treasury Regulations or other successor Treasury Regulations.

"Triggering Event" means (x) the occurrence of an Indenture Event of Default under all of the Indentures resulting in a PTC Event of Default with respect to the most senior Class of Certificates then Outstanding, (y) the Acceleration of all of the outstanding Equipment Notes or (z) the occurrence of an American Bankruptcy Event.

"Trust" means any of the Class G Trust, the Class C Trust or the Class D Trust.

"Trust Accounts" has the meaning specified in Section 2.02(a).

"Trust Agreement" means any of the Class G Trust Agreement, the Class C Trust Agreement or the Class D Trust Agreement.

"Trust Property", with respect to any Trust, has the meaning specified in the Trust Agreement for such Trust.

"Trust Supplement" means an agreement supplemental to the Basic Agreement pursuant to which (i) a separate trust is created for the benefit of the holders of Certificates of a series, (ii) the issuance of the Certificates of a series representing fractional undivided interests in such trust is authorized and (iii) the terms of the

Certificates of such series are established, as such agreement may from time to time be supplemented, amended or otherwise modified.

"Trustee" means any of the Class G Trustee, the Class C Trustee or the Class D Trustee.

"Trustee Incumbency Certificate" has the meaning specified in Section 2.05(b).

"Trustee Representatives" has the meaning specified in Section 2.05(b).

"Underwriters" means the several Underwriters listed as such in the Underwriting Agreement.

"Underwriting Agreement" means the Underwriting Agreement dated September 17, 2002, among the Underwriters and American, relating to the purchase of the Class G Certificates by the Underwriters, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"United States" means the United States of America.

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

"Withdrawal Notice" has the meaning specified in Section 3.06(d).

"Written Notice" means, from the Subordination Agent, any Trustee, any Liquidity Provider or the Policy Provider, a written instrument executed by the Designated Representative of such Person. An invoice delivered by a Primary Liquidity Provider pursuant to Section 3.01 in accordance with its normal invoicing procedures shall constitute Written Notice under such Section.

## ARTICLE II

### TRUST ACCOUNTS; CONTROLLING PARTY

Section 2.01 Agreement to Terms of Subordination; Payments from Monies Received Only. (a) Each Trustee (i) hereby acknowledges and agrees to the terms of subordination and distribution set forth in this Agreement in respect of each Class of Certificates, (ii) agrees to enforce such provisions and cause all payments in respect of the Equipment Notes, the Liquidity Facilities and the Policy to be applied in accordance with the terms of this Agreement and (iii) with respect to payments in respect of the Equipment Notes received by it, agrees to allocate such payments first, to interest



distributable in respect of the Certificates of the related Class, second, to Prepayment Premium, Make-Whole Amount and Break Amount, if any, distributable in respect of the Certificates of the related Class, and third, to principal distributable in respect of the Certificates of the related Class. In addition, each Trustee hereby agrees to cause the Equipment Notes purchased by the related Trust to be registered in the name of the Subordination Agent or its nominee, as agent and trustee for such Trustee, to be held in trust by the Subordination Agent solely for the purpose of facilitating the enforcement of the subordination and other provisions of this Agreement.

(b) Except as otherwise expressly provided in the next succeeding sentence of this Section 2.01(b), all payments to be made by the Subordination Agent hereunder shall be made only from amounts received by it that constitute Scheduled Payments, Special Payments and other payments under the Operative Agreements, including payments under Section 4.02 of the Participation Agreements and Section 2.14 of the Indentures, and only to the extent that the Subordination Agent shall have received sufficient income or proceeds therefrom to enable it to make such payments in accordance with the terms hereof. Each of the Trustees and the Subordination Agent hereby agrees and each Certificateholder, by its acceptance of a Certificate, the Policy Provider, by entering into the Policy Provider Agreement, and each Liquidity Provider, by entering into the Liquidity Facility to which it is a party, has agreed to look solely to such amounts to the extent available for distribution to it as provided in this Agreement or the applicable Trust Agreement, as the case may be, and that none of the Trustees, Loan Trustees or the Subordination Agent is personally liable to any of them for any amounts payable or any liability under this Agreement, any Trust Agreement, any Liquidity Facility, the Policy Provider Agreement or such Certificate, except (in the case of the Subordination Agent) as expressly provided herein or (in the case of the Trustees) as expressly provided herein and in each Trust Agreement or (in the case of the Loan Trustees) as expressly provided in any Operative Agreement.

Notwithstanding anything to the contrary in this Agreement and in the other Operative Agreements, the Certificates do not represent indebtedness of the related Trust, and references in this Agreement and the Operative Agreements to accrued interest or principal amounts payable on the Certificates of any Class are included only for computational purposes. For purposes of such computations, the Certificates of any Class shall be deemed to be comprised of interest and principal components, with the principal component deemed to be the Pool Balance, and the interest component deemed to equal interest accruing at the Stated Interest Rate for such Class of Certificates from (i) the later of (1) the date of the issuance thereof and (2) the most recent but preceding Distribution Date to which such interest was distributed to, but excluding, (ii) the applicable date of determination, such interest to be considered payable in arrears and to be calculated on the basis of a 360-day year comprised of twelve 30-day months (in the case of the Class C

and Class D Certificates) or on the basis of the actual number of days elapsed over a 360-day year (in the case of the Class G Certificates).

Section 2.02 Trust Accounts. (a) Upon the execution of this Agreement, the Subordination Agent shall establish and maintain in its name (i) the Collection Account as an Eligible Deposit Account, bearing a designation clearly indicating that the funds deposited therein are held in trust for the benefit of the Trustees, the Certificateholders, the Primary Liquidity Providers and the Policy Provider, (ii) as a sub-account in the Collection Account, the Special Payments Account as an Eligible Deposit Account, bearing a designation clearly indicating that the funds deposited therein are held in trust for the benefit of the Trustees, the Certificateholders, the Primary Liquidity Providers and the Policy Provider, (iii) a Class G Policy Account as an Eligible Deposit Account bearing a designation clearly indicating that the funds deposited therein are held in trust for the benefit of the Class G Trustee and the Class G Certificateholders and (iv) a Class G Above-Cap Account as an Eligible Deposit Account bearing a designation clearly indicating that the funds deposited therein are held in trust for the benefit of the Class G Trustee and Class G Certificateholders. The Subordination Agent shall establish and maintain the Cash Collateral Accounts pursuant to and under the circumstances set forth in Section 3.06(f). Upon such establishment and maintenance under Section 3.06(f), the Cash Collateral Accounts shall, together with the Collection Account, the Policy Account and the Above-Cap Account, constitute the "Trust Accounts" hereunder. Without limiting the foregoing, all monies credited to the Trust Accounts shall be, and shall remain, the property of the relevant Trust(s).

(b) Funds on deposit in the Trust Accounts shall be invested and reinvested by the Subordination Agent in Eligible Investments selected by American or its designated representative if such investments are reasonably available and have maturities no later than the earlier of (i) 90 days following the date of such investment and (ii) the Business Day immediately preceding the Regular Distribution Date or the date of the related distribution pursuant to Section 2.04, as the case may be, next following the date of such investment; provided, however, that, (x) following the making of a Downgrade Drawing or a Non-Extension Drawing under any Primary Liquidity Facility, the Subordination Agent shall invest and reinvest the amounts in the applicable Primary Cash Collateral Account in Eligible Investments pursuant to the written instructions of American and (y) the Subordination Agent shall invest and reinvest funds on deposit in the Above-Cap Account and the Above-Cap Reserve Account in the manner specified in Schedule 2.02(b) attached hereto (subject to the foregoing limitation on the maturity of such investments), and provided further, however, that upon the occurrence and during the continuation of a Triggering Event, the Subordination Agent shall invest and reinvest such amounts (other than amounts in the Above-Cap Reserve Account, which shall be governed by the foregoing proviso) in Eligible Investments in accordance with the written

instructions of the Controlling Party. Unless otherwise expressly provided in this Agreement (including, without limitation, with respect to Investment Earnings on amounts on deposit in the Above-Cap Account and the Cash Collateral Accounts, in each case as provided in Section 3.06(f)), any Investment Earnings shall be deposited in the Collection Account when received by the Subordination Agent and shall be applied by the Subordination Agent in the same manner as the other amounts on deposit in the Collection Account are to be applied. The Subordination Agent's reasonable fees and expenses in making such investments and any losses incurred in such investments shall be charged against the principal amount invested. The Subordination Agent shall not be liable for any loss resulting from any investment, reinvestment or liquidation required to be made under this Agreement other than by reason of its willful misconduct or negligence. Eligible Investments and any other investment required to be made hereunder shall be held to their maturities except that any such investment may be sold (without regard to its maturity) by the Subordination Agent without instructions whenever such sale is necessary to make a distribution required under this Agreement. Uninvested funds held hereunder shall not earn or accrue interest.

(c) The Subordination Agent shall possess all right, title and interest in all funds on deposit from time to time in the Trust Accounts and in all proceeds thereof (including all income thereon, except as otherwise expressly provided herein with respect to Investment Earnings). The Trust Accounts shall be held in trust by the Subordination Agent under the sole dominion and control of the Subordination Agent for the benefit of the Trustees, the Certificateholders, the Liquidity Providers and the Policy Providers, as the case may be. If, at any time, any of the Trust Accounts ceases to be an Eligible Deposit Account, the Subordination Agent shall within 10 Business Days (or such longer period, not to exceed 30 calendar days, to which each Rating Agency may consent) establish a new Collection Account, Special Payments Account, Cash Collateral Account, Policy Account or Above-Cap Account, as the case may be, as an Eligible Deposit Account and shall transfer any cash and/or any investments to such new Collection Account, Special Payments Account, Cash Collateral Account, Policy Account or Above-Cap Account, as the case may be. So long as the Subordination Agent is an Eligible Institution, the Trust Accounts shall be maintained with it as Eligible Deposit Accounts.

Section 2.03 Deposits to the Collection Account and Special Payments Account; Certain Distributions. (a) The Subordination Agent shall, on each day when one or more Scheduled Payments (other than any Scheduled Payment which by the express terms hereof is to be deposited to the Policy Account or a Cash Collateral Account) are made to the Subordination Agent as holder of the Equipment Notes, deposit in the Collection Account the aggregate amount of such Scheduled Payments.

(b) The Subordination Agent shall, on each day when one or more Special Payments are made to the Subordination Agent as holder of the Equipment Notes, deposit in the Special Payments Account the aggregate amount of such Special Payments.

(c) In the event that a Loan Trustee distributes to the Subordination Agent pursuant to Section 3.04 or clause "first" of Section 3.03 of any Indenture any amounts payable under clause (c), (d) or (e) of Section 2.14 of any Indenture, the Subordination Agent shall promptly deposit such amounts in the Collection Account. The Subordination Agent will distribute promptly upon receipt thereof (or in the case of any such payment, compensation or reimbursement in respect of the Subordination Agent, will retain) (i) any indemnity payment received by it from American in respect of any Trustee, the Subordination Agent, the Policy Provider or any Liquidity Provider (collectively, the "Payees") and (ii) any compensation or reimbursement received by it from American or the Loan Trustee under any Operative Agreement in respect of any Payee (including, without limitation, any fees payable to any Liquidity Provider under Section 2.03 of any Liquidity Facility or other amounts referred to in clause (a), (b), (f) or (g) of Section 2.14 of any Indenture), in any such case directly to the Payee entitled thereto, provided that if such Payee has previously received from the Collection Account such payment, compensation or reimbursement, then the Subordination Agent shall deposit such amount in the Collection Account.

Section 2.04 Distributions of Special Payments. (a) Notice of Special Payment. Except as provided in Section 2.03(c), upon receipt by the Subordination Agent, as registered holder of the Equipment Notes, of any notice of a Special Payment (or, in the absence of any such notice, upon receipt by the Subordination Agent of a Special Payment), the Subordination Agent shall promptly give notice thereof to each Trustee, the Primary Liquidity Providers and the Policy Provider. The Subordination Agent shall promptly calculate the amount of the prepayment (including upon Acceleration), redemption or purchase of Equipment Notes or the amount of any Overdue Scheduled Payment, as the case may be, comprising such Special Payment under the applicable Indenture or Indentures and shall promptly send to each Trustee and the Primary Liquidity Providers a Written Notice of such amount and the amount allocable to each Trust. Such Written Notice shall also set the distribution date for such Special Payment (a "Special Distribution Date"), which shall be the first Business Day that follows the later to occur of (x) the 15th day after the date of such Written Notice or (y) the date the Subordination Agent has received or expects to receive such Special Payment. Amounts on deposit in the Special Payments Account shall be distributed in accordance with Sections 2.04(b) and 2.04(c) hereof, as applicable.

(b) Redemptions, Purchases and Prepayments of Equipment Notes. (i) So long as no Triggering Event shall have occurred (whether or not continuing), the Subordination

Agent shall make distributions pursuant to this Section 2.04(b) of amounts on deposit in the Special Payments Account on account of the redemption, purchase (including, without limitation, a purchase resulting from a sale of the Equipment Notes permitted by Article IV) or prepayment (including upon Acceleration) of all of the Equipment Notes issued pursuant to an Indenture on the Special Distribution Date for such Special Payment in the following order of priority:

first, such amount as shall be required to pay (A) all accrued and unpaid Liquidity Expenses and Policy Expenses then in arrears plus (B) the product of (x) the aggregate amount of all accrued and unpaid Liquidity Expenses and Policy Expenses not in arrears to such Special Distribution Date multiplied by (y) a fraction, the numerator of which is the aggregate outstanding principal amount of Equipment Notes being redeemed, purchased or prepaid on such Special Distribution Date and the denominator of which is the aggregate outstanding principal amount of all Equipment Notes, shall be distributed to the applicable Primary Liquidity Provider and Policy Provider, first, in satisfaction of any past due amounts, then, in satisfaction of the accrued amounts, in each case, pro rata on the basis of the amount of Liquidity Expenses owed to each Primary Liquidity Provider and Policy Expenses owed to the Policy Provider;

second, such amount as shall be required to pay (i) (A) all accrued and unpaid interest (including interest accrued and unpaid on any Interest Drawing or any Applied Provider Advance (as defined in any Primary Liquidity Facility)) then in arrears on all Liquidity Obligations (at the rate provided in the applicable Primary Liquidity Facility, determined after giving effect to payments made by the Policy Provider to each Primary Liquidity Provider, if any, in respect of interest on Drawings under the Primary Liquidity Facilities) plus (B) the aggregate amount of all accrued and unpaid interest on all Liquidity Obligations not in arrears to such Special Distribution Date (at the rate provided in the applicable Primary Liquidity Facility, determined after giving effect to payments made by the Policy Provider to each Primary Liquidity Provider, if any, in respect of interest on Drawings under the Primary Liquidity Facilities), (ii) if the Class G Primary Liquidity Provider has defaulted in its obligation to make a payment on any Interest Drawing in respect of the Class G Certificates, (A) the aggregate amount of interest accrued on the portion of any Policy Drawing made to cover the shortfall attributable to such default by the Primary Liquidity Provider at the rate provided in the "except" clause of clause (ii) of the definition of "Policy Provider Obligations" that is then in arrears plus (B) the aggregate amount of all accrued and unpaid interest on such Policy Drawings (at the rate specified in the immediately preceding clause (A)) not in arrears to such Special Distribution Date and (iii) if the Policy Provider has elected to pay to each Primary Liquidity Provider all outstanding Drawings and interest owing to such Primary Liquidity Provider under its Primary Liquidity Facility pursuant to Section 2.06(c), the amount of such payment made to the Primary Liquidity Providers attributable to such interest

accrued on such Drawings, shall be distributed in the case of clause (i) above to the Primary Liquidity Providers and in the case of clauses (ii) and (iii) above, to the Policy Provider pro rata (without duplication) on the basis of the amounts owing to each under this clause "second";

third, such amount as shall be required (A) if any Primary Cash Collateral Account has been previously funded as provided in Section 3.06(f), to fund such Primary Cash Collateral Account up to its Required Amount shall be deposited in such Primary Cash Collateral Account, (B) if any Primary Liquidity Facility shall have become a Downgraded Facility or a Non-Extended Facility at a time when unreimbursed Interest Drawings under such Primary Liquidity Facility have reduced the Available Amount thereunder to zero, to deposit into the related Primary Cash Collateral Account an amount equal to such Primary Cash Collateral Account's Required Amount shall be deposited in such Primary Cash Collateral Account, (C) if, with respect to any particular Primary Liquidity Facility, neither subclause (A) nor subclause (B) of this clause "third" is applicable, to pay or reimburse the Primary Liquidity Provider in respect of such Primary Liquidity Facility in an amount equal to the amount of any unreimbursed Interest Drawings under such Primary Liquidity Facility shall be distributed to such Primary Liquidity Provider (other than amounts payable pursuant to clauses "first" or "second" of this Section 2.04(b) and as determined after giving effect to payments made by the Policy Provider to such Primary Liquidity Provider in respect of principal of Drawings under its Primary Liquidity Facility), in each case pro rata with any amount distributable pursuant to subclause (D) of this clause "third" on the basis of the amount of unreimbursed Interest Drawings and the amount of unreimbursed Policy Provider Obligations payable to the Policy Provider under subclause (D) of this clause "third" and (D) if the Policy Provider has elected to pay to each Primary Liquidity Provider all outstanding Drawings and interest owing to such Primary Liquidity Provider under its Primary Liquidity Facility pursuant to Section 2.06(c), to reimburse the Policy Provider for the principal amount of such payment made to the Primary Liquidity Provider, but only after giving effect to the application of amounts, if any, under subclause (A) or (B) of this clause "third" and if any amount shall be distributable under subclause (C) of this clause "third", pro rata (without duplication) with any amount distributable pursuant to such subclause (C), on the basis of the amount of unreimbursed Interest Drawings and the amount of such unreimbursed Policy Provider Obligations payable to the Policy Provider under this clause "third";

fourth, if, with respect to any particular Primary Liquidity Facility, any amounts are to be distributed pursuant to either subclause (A) or (B) of clause "third" above, then the Primary Liquidity Provider with respect to such Primary Liquidity Facility shall be paid the excess of (x) the aggregate outstanding amount of unreimbursed Advances under such Primary Liquidity Facility (whether or not then due, and after giving effect to any payments to be made under Sections 3.06(f)(iv) and 3.06(f)(vi), as applicable), over (y)

the Required Amount for the relevant Class, pro rata on the basis of such amounts in respect of each Primary Liquidity Provider;

fifth, if the Above-Cap Reserve Account has been previously funded as provided in Section 3.06(f), such amount as shall be required to fund the Above-Cap Reserve Account up to an amount equal to the applicable Termination Amount (as recalculated on such Distribution Date) less any amount then on deposit in the Above-Cap Account shall be deposited in the Above-Cap Reserve Account;

sixth, if any Class G Certificates are Outstanding on such Special Distribution Date, such amount as shall be required to pay in full Expected Distributions to the holders of Class G Certificates on such Special Distribution Date shall be distributed to the Class G Trustee;

seventh, such amount as shall be required to pay all Policy Provider Obligations then due (other than amounts payable pursuant to the preceding clauses of this Section 2.04(b)(i) and other than any Excess Reimbursement Obligations) and any amounts due under the Policy Fee Letter shall be distributed to the Policy Provider;

eighth, if any Class C Certificates are Outstanding on such Special Distribution Date, such amount as shall be required to pay in full Expected Distributions to the holders of Class C Certificates on such Special Distribution Date shall be distributed to the Class C Trustee;

ninth, such amount as shall be required to pay in full Excess Reimbursement Obligations shall be distributed to the Policy Provider;

tenth, if any Class D Certificates are Outstanding on such Special Distribution Date, such amount as shall be required to pay in full Expected Distributions to the holders of Class D Certificates on such Special Distribution Date shall be distributed to the Class D Trustee, provided, however, that if all of the Class D Certificates are owned by one or more Persons that are not Affiliates of American and the sale or sales of such Class D Certificates to such Person or Persons occurred prior to the occurrence of an Indenture Event of Default under any Indenture, the Expected Distributions on the Class D Certificates shall be distributed immediately prior to the payment in clause "ninth" above;

eleventh, if the Class E Certificates have been issued and any Class E Certificates are Outstanding on such Special Distribution Date, such amount as shall be required to pay in full Expected Distributions to holders of Class E Certificates on such Special Distribution Date shall be distributed to the Class E Trustee;

twelfth, if the Above-Cap Reserve Account has been previously funded as provided in Section 3.06(f), to fund such Above-Cap Reserve Account up to an amount equal to the applicable Termination Amount (as recalculated on such Distribution Date) shall be deposited in the Above-Cap Reserve Account; and

thirteenth, the balance, if any, of such Special Payment shall be deposited in the Collection Account for distribution in accordance with Section 3.02 hereof.

For the purposes of this Section 2.04(b)(i), clause (x) of the definition of "Expected Distributions" shall be deemed to read as follows: "(x) accrued, due and unpaid interest in respect of such Certificates, together with (without duplication) accrued and unpaid interest in respect of a portion of such Certificates equal to the outstanding principal amount of Equipment Notes being redeemed, purchased or prepaid (immediately prior to such redemption, purchase or prepayment)".

(ii) Upon the occurrence of a Triggering Event (whether or not continuing), the Subordination Agent shall make distributions pursuant to this Section 2.04(b) of amounts on deposit in the Special Payments Account on account of the redemption, purchase or prepayment of the Equipment Notes issued pursuant to an Indenture on the Special Distribution Date for such Special Payment in accordance with Section 3.03.

(c) Other Special Payments. Any amounts on deposit in the Special Payments Account other than in respect of amounts to be distributed pursuant to Section 2.04(b) shall be distributed on the Special Distribution Date therefor in accordance with Article III.

(d) Investment of Amounts in Special Payments Account. Any amounts on deposit in the Special Payments Account prior to the distribution thereof pursuant to Section 2.04(b) or 2.04(c) shall be invested in accordance with Section 2.02(b). Investment Earnings on such investments shall be distributed in accordance with Section 2.04(b) or 2.04(c), as the case may be.

Section 2.05 Designated Representatives. (a) With the delivery of this Agreement, the Subordination Agent shall furnish to each Liquidity Provider, the Policy Provider and each Trustee, and from time to time thereafter may furnish to each Liquidity Provider, the Policy Provider and each Trustee, at the Subordination Agent's discretion, or upon any Liquidity Provider's, the Policy Provider's or any Trustee's request (which request shall not be made more than one time in any 12-month period), a certificate (a "Subordination Agent Incumbency Certificate") of a Responsible Officer of the Subordination Agent certifying as to the incumbency and specimen signatures of the officers of the Subordination Agent and the attorney-in-fact and agents of the Subordination Agent (the "Subordination Agent Representatives") authorized to give Written Notices on behalf of



the Subordination Agent hereunder. Until each Liquidity Provider, the Policy Provider and each Trustee receives a subsequent Subordination Agent Incumbency Certificate, it shall be entitled to rely on the last Subordination Agent Incumbency Certificate delivered to it hereunder.

(b) With the delivery of this Agreement, each Trustee shall furnish to the Subordination Agent, and from time to time thereafter may furnish to the Subordination Agent, at such Trustee's discretion, or upon the Subordination Agent's request (which request shall not be made more than one time in any 12-month period), a certificate (with respect to each such Trustee, a "Trustee Incumbency Certificate") of a Responsible Officer of such Trustee certifying as to the incumbency and specimen signatures of the officers of such Trustee and the attorney-in-fact and agents of such Trustee (with respect to each such Trustee, the "Trustee Representatives") authorized to give Written Notices on behalf of such Trustee hereunder. Until the Subordination Agent receives a subsequent Trustee Incumbency Certificate from a Trustee, it shall be entitled to rely on the last Trustee Incumbency Certificate with respect to such Trustee delivered to it hereunder.

(c) With the delivery of this Agreement, each Liquidity Provider shall furnish to the Subordination Agent, and from time to time thereafter may furnish to the Subordination Agent, at such Liquidity Provider's discretion, or upon the Subordination Agent's request (which request shall not be made more than one time in any 12-month period), a certificate (with respect to each such Liquidity Provider, an "LP Incumbency Certificate") of a Responsible Officer of such Liquidity Provider certifying as to the incumbency and specimen signatures of the officers of such Liquidity Provider and the attorney-in-fact and agents of such Liquidity Provider (with respect to each such Liquidity Provider, the "LP Representatives") authorized to give Written Notices on behalf of such Liquidity Provider hereunder. Until the Subordination Agent receives a subsequent LP Incumbency Certificate from a Liquidity Provider, it shall be entitled to rely on the last LP Incumbency Certificate with respect to such Liquidity Provider delivered to it hereunder.

(d) With the delivery of this Agreement, the Policy Provider shall furnish to the Subordination Agent, and from time to time thereafter may furnish to the Subordination Agent, at the Policy Provider's discretion, or upon the Subordination Agent's request (which request shall not be made more than one time in any 12-month period), a certificate (a "Policy Provider Incumbency Certificate") of any authorized signatory of the Policy Provider certifying as to the incumbency and specimen signatures of any officer, attorney-in-fact, agent or other designated representative of the Policy Provider (in each case, the "Policy Provider Representatives" and, together with, the Subordination Agent Representatives, the Trustee Representatives and the LP Representatives, the "Designated

Representatives") authorized to give Written Notices on behalf of the Policy Provider hereunder. Until the Subordination Agent receives a subsequent Policy Provider Incumbency Certificate, it shall be entitled to rely on the last Policy Provider Incumbency Certificate delivered to it hereunder.

Section 2.06 Controlling Party. (a) The Trustees, the Liquidity Providers and the Policy Provider hereby agree that, with respect to any Indenture at any given time, the Loan Trustee thereunder will be directed (i) in taking, or refraining from taking, any action under such Indenture or with respect to the Equipment Notes issued thereunder, so long as no Indenture Event of Default has occurred and is continuing thereunder, by a Majority in Interest of Noteholders of such Equipment Notes (provided that, for so long as the Subordination Agent is the registered holder of such Equipment Notes, the Subordination Agent shall act with respect to this clause (i) in accordance with the directions of the Trustees of Trusts for which the related Trust Properties include, in the aggregate, an outstanding principal amount of such Equipment Notes that, if held by such Trustees directly, would make such Trustees a Majority in Interest of Noteholders, except that so long as the Final Distributions on the Class G Certificates have not been made or any Policy Provider Obligations remain outstanding and no Policy Provider Default shall have occurred and be continuing, the Subordination Agent shall act with respect to this clause (i) in accordance with the directions of the Policy Provider rather than the Class G Trustee with respect to the Series G Equipment Notes), and (ii) after the occurrence and during the continuance of an Indenture Event of Default thereunder, in taking, or refraining from taking, any action under such Indenture or with respect to such Equipment Notes, including exercising remedies thereunder (including Accelerating the Equipment Notes issued thereunder or foreclosing the Lien created thereunder on the Aircraft securing such Equipment Notes), by the Subordination Agent as directed by the Controlling Party.

(b) Subject to paragraph (c) below, at any time prior to the time that Final Distributions have been fully paid to the holders of the Class G Certificates and/or at any time when any obligations payable to the Policy Provider hereunder remain outstanding, so long as no Policy Provider Default has occurred and is continuing, the Policy Provider shall be the Controlling Party; at any other time the Controlling Party shall be: (i) if Final Distributions have not been fully paid to the holders of the Class G Certificates, the Class G Trustee; (ii) if Final Distributions have been fully paid to the holders of Class G Certificates, but not to the holders of the Class C Certificates, the Class C Trustee; and (iii) if Final Distributions have been fully paid to the holders of the Class G Certificates and the Class C Certificates, the Class D Trustee. For purposes of giving effect to the foregoing, the Trustees (other than the Controlling Party) irrevocably agree (and the Certificateholders (other than the Certificateholders represented by the Controlling Party) shall be deemed to agree by virtue of their purchase of Certificates) that the Subordination

Agent, as record holder of the Equipment Notes, shall exercise its voting rights in respect of the Equipment Notes as directed by the Controlling Party and any vote so exercised shall be binding upon the Trustees and all Certificateholders.

The Subordination Agent shall give written notice to all of the other parties to this Agreement promptly upon a change in the identity of the Controlling Party. Each of the parties hereto agrees that it shall not exercise any of the rights of the Controlling Party at such time as it is not the Controlling Party hereunder; provided, however, that nothing herein contained shall prevent or prohibit any Non-Controlling Party from exercising such rights as shall be specifically granted to such Non-Controlling Party hereunder and under the other Operative Agreements.

(c) Notwithstanding the foregoing, at any time after 18 months from the earliest to occur of (i) the date on which the entire Available Amount under any Primary Liquidity Facility shall have been drawn (for any reason other than a Downgrade Drawing or a Non-Extension Drawing) and remain unreimbursed, (ii) the date on which the entire amount of any Downgrade Drawing or Non-Extension Drawing under any Primary Liquidity Facility shall have become and remain "Applied Downgrade Advances" or "Applied Non-Extension Advances" or has been converted into a Final Drawing, as the case may be, under and as defined in such Primary Liquidity Facility and (iii) the date on which all Equipment Notes shall have been Accelerated, the Primary Liquidity Provider with the greatest amount of unreimbursed Liquidity Obligations (but not including a Primary Liquidity Provider that has defaulted in its obligation to make any advance under its Primary Liquidity Facility) (the "Eligible Provider") shall have the right to elect, by Written Notice to the Subordination Agent, the Policy Provider and each of the Trustees given at any time on or after the fifteenth Business Day prior to the end of such 18-month period, to become the Controlling Party hereunder with respect to any Indenture at any time from and including the later of (x) the last day of such 18-month period and (y) the 15th Business Day after the date of receipt by the Policy Provider of such Written Notice, provided, however, that if, within 15 Business Days after its receipt of any such Written Notice from such Primary Liquidity Provider, the Policy Provider pays to each Primary Liquidity Provider an amount equal to all outstanding Drawings owing to each Primary Liquidity Provider in respect of its Primary Liquidity Facility, and interest accrued thereon to such date, the Policy Provider shall remain the Controlling Party so long as no Policy Provider Default has occurred and is continuing and the Policy Provider thereafter pays to the Primary Liquidity Providers with respect to the Class G Certificates an amount equal to all subsequent Drawings, together with accrued interest thereon, under the related Primary Liquidity Facility as and when such Drawings and such interest would otherwise be required to be paid under the relevant Primary Liquidity Facility (which payments shall be applied by the Primary Liquidity Provider as repayments of such Drawings and accrued interest thereon), provided, further, however, that upon any Policy

Provider Default the Eligible Provider, if it so elects and if Liquidity Obligations owing to it remain outstanding, shall become the Controlling Party.

(d) The exercise of remedies by the Controlling Party under this Agreement shall be expressly limited by Section 4.01(a)(ii).

(e) The Controlling Party shall not be entitled to require or obligate any Non-Controlling Party to provide funds necessary to exercise any right or remedy hereunder.

(f) Notwithstanding anything contained herein, neither the Controlling Party nor the Subordination Agent shall be authorized or empowered to do anything that would cause any Trust to fail to qualify as a "grantor trust" for federal income tax purposes.

### ARTICLE III

#### RECEIPT, DISTRIBUTION AND APPLICATION OF AMOUNTS RECEIVED

Section 3.01 Written Notice of Distribution. (a) No later than 3:00 P.M. (New York City time) on the Business Day immediately preceding each Regular Distribution Date (or Special Distribution Date for purposes of Section 2.04(b), as the case may be), each of the following Persons shall deliver to the Subordination Agent a Written Notice setting forth the following information as at the close of business on such Business Day:

(i) With respect to the Class G Certificates, if any are then Outstanding, the Class G Trustee shall separately set forth the amounts to be paid in accordance with clause "sixth" of Section 3.02 or 2.04(b), as the case may be;

(ii) With respect to the Class C Certificates, if any are then Outstanding, the Class C Trustee shall separately set forth the amounts to be paid in accordance with clause "eighth" of Section 3.02 or 2.04(b), as the case may be;

(iii) With respect to the Class D Certificates, if any are then Outstanding, the Class D Trustee shall separately set forth the amounts to be paid in accordance with clause "tenth" of Section 3.02 or 2.04(b), as the case may be;

(iv) With respect to each Primary Liquidity Facility, the Primary Liquidity Provider thereunder shall separately set forth the amounts to be paid in accordance with clauses "first", "second", "third" and "fourth" of Section 3.02 or 2.04(b), as the case may be;

(v) The Policy Provider shall set forth the amounts to be paid to it in accordance with clauses "first", "second", "third" and "ninth" of Section 2.04(b) or Section 3.02, as the case may be;

(vi) Each Trustee shall set forth the amounts to be paid in accordance with clause "twelfth" of Section 3.02.

The notices required under this Section 3.01(a) may be in the form of a schedule or similar document provided to the Subordination Agent by the parties referenced therein or by any one of them, which schedule or similar document may state that, unless there has been a redemption, purchase or prepayment of the Equipment Notes, such schedule or similar document is to remain in effect until any substitute notice or amendment shall be given to the Subordination Agent by the party providing such notice.

(b) Following the occurrence of a Triggering Event, the Subordination Agent shall request the following information from the following Persons, and may from time to time thereafter again request such information from such Persons, and each of the following Persons shall, within five Business Days of such request of the Subordination Agent, deliver a Written Notice to the Subordination Agent setting forth for such Person the following information:

(i) With respect to the Class G Certificates, if any are then Outstanding, the Class G Trustee shall separately set forth the amounts to be paid in accordance with clauses "first" (to reimburse payments made by the Class G Certificateholders pursuant to subclause (iv) of clause "first" of Section 3.03), "seventh" (to reimburse payments made by the Class G Certificateholders pursuant to subclause (iii) of clause "seventh" of Section 3.03) and "eighth" of Section 3.03;

(ii) With respect to the Class C Certificates, if any are then Outstanding, the Class C Trustee shall separately set forth the amounts to be paid in accordance with clauses "first" (to reimburse payments made by the Class C Certificateholders pursuant to subclause (iv) of clause "first" of Section 3.03), "seventh" (to reimburse payments made by the Class C Certificateholders pursuant to subclause (iii) of clause "seventh" of Section 3.03) and "tenth" of Section 3.03;

(iii) With respect to the Class D Certificates, if any are then Outstanding, the Class D Trustee shall separately set forth the amounts to be paid in accordance with clauses "first" (to reimburse payments made by the Class D Certificateholders pursuant to subclause (iv) of clause "first" of Section 3.03), "seventh" (to reimburse payments made by the Class D Certificateholders pursuant to subclause (iii) of clause "seventh" of Section 3.03) and "twelfth" of Section 3.03;

(iv) With respect to each Primary Liquidity Facility, the Primary Liquidity Provider thereunder shall separately set forth the amounts to be paid to it in accordance with subclause (iv) of clause "first" of Section 3.03 and clauses "second", "third", "fourth" and "fifth" of Section 3.03; and

(v) Each Trustee shall set forth the amounts to be paid in accordance with subclause (ii) of clause "first" of Section 3.03 and subclause (ii) of clause "seventh" of Section 3.03.

(vi) The Policy Provider shall separately set forth amounts to be paid to it in accordance with clauses "first", "second", "third", "fourth", "ninth" and "eleventh" of Section 3.03.

(c) At such time as a Trustee, a Primary Liquidity Provider or the Policy Provider shall have received all amounts owing to it (and, in the case of a Trustee, the Certificateholders for which it is acting) pursuant to Section 2.04, 3.02 or 3.03, as applicable, and, in the case of a Primary Liquidity Provider or the Policy Provider, its commitment under the related Primary Liquidity Facility or the Policy shall have terminated or expired, such Person shall, by a Written Notice, so inform the Subordination Agent and each other party to this Agreement.

(d) As provided in Section 6.05, the Subordination Agent shall be fully protected in relying on any of the information set forth in a Written Notice provided by any Trustee, any Primary Liquidity Provider or the Policy Provider pursuant to Sections 3.01(a), 3.01(b) and 3.01(c) above and shall have no independent obligation to verify, calculate or recalculate any amount set forth in any Written Notice delivered in accordance with such paragraphs.

(e) Any Written Notice delivered by a Trustee, a Primary Liquidity Provider or the Policy Provider, as applicable, pursuant to Section 3.01(a), 3.01(b) or 3.01(c), if made prior to 10:00 A.M. (New York City time) on a given date that is a Business Day shall be effective on the date delivered (or if delivered later on such date or on a day that is not a Business Day shall be effective as of the next Business Day). Subject to the terms of this Agreement, the Subordination Agent shall as promptly as practicable comply with any such instructions; provided, however, that, except as set forth in the Policy, any transfer of funds pursuant to any instruction received after 10:00 A.M. (New York City time) on any Business Day may be made on the next succeeding Business Day.

(f) In the event the Subordination Agent shall not receive from any Person any information set forth in Section 3.01(a) or 3.01(b) that is required to enable the Subordination Agent to make a distribution to such Person pursuant to Section 2.04(b), 3.02 or 3.03, the Subordination Agent shall not make such distribution(s) to such Person.

In such event, the Subordination Agent shall make distributions pursuant to clauses "first" through "thirteenth" of Section 2.04(b), clauses "first" through "fourteenth" of Section 3.02 and clauses "first" through "fifteenth" of Section 3.03 to the extent it shall have sufficient information to enable it to make such distributions, and shall continue to hold any funds remaining, after making such distributions, on the terms hereof (including Section 2.02(b)) until the Subordination Agent shall receive all necessary information to enable it to distribute any funds so withheld, and upon receipt of the information necessary to distribute any funds so withheld, the Subordination Agent shall distribute such funds.

(g) On such dates (but not more frequently than monthly) as any Liquidity Provider or any Trustee shall request, but in any event automatically at the end of each calendar quarter, the Subordination Agent shall send to such party a written statement (x) setting forth the Pool Balance of the Class G Certificates and Class C Certificates and (y) reflecting all amounts on deposit with the Subordination Agent pursuant to Section 3.01(f).

Section 3.02 Distribution of Amounts on Deposit in the Collection Account. Except as otherwise provided in Sections 2.04, 3.01(f), 3.03, 3.04, 3.06(b) and 3.07, amounts on deposit in the Collection Account (or, in the case of any amount described in Section 2.04(c), on deposit in the Special Payments Account) shall be promptly distributed on each Regular Distribution Date (or, in the case of any amount described in Section 2.04(c), on the Special Distribution Date thereof) in the following order of priority and in accordance with the information provided to the Subordination Agent pursuant to Section 3.01(a):

first, such amount as shall be required to pay in full (i) all accrued and unpaid Liquidity Expenses owed to each Primary Liquidity Provider and (ii) all accrued and unpaid Policy Expenses owed to the Policy Provider shall be distributed to the Primary Liquidity Providers and the Policy Provider pro rata on the basis of the amount of Liquidity Expenses owed to each Primary Liquidity Provider and Policy Expenses owed to the Policy Provider;

second, such amount as shall be required to pay in full (i) accrued and unpaid interest on the Liquidity Obligations (at the rate provided in the applicable Primary Liquidity Facility determined after giving effect to payments made by the Policy Provider to each Primary Liquidity Provider, if any, in respect of interest on Drawings under the Primary Liquidity Facilities), (ii) if the Class G Primary Liquidity Provider has defaulted in its obligation to make a payment on any Interest Drawing in respect of the Class G Certificates, the aggregate amount of interest accrued on the portion of any Policy Drawing made to cover the shortfall attributable to such default by such Primary

Liquidity Provider at the rate provided in the "except" clause of clause (ii) of the definition of the "Policy Provider Obligations" and (iii) if the Policy Provider has elected to pay to each Primary Liquidity Provider all outstanding Drawings and interest owing to such Primary Liquidity Provider under its Primary Liquidity Facility pursuant to Section 2.06(c), the amount of such payment made to the Primary Liquidity Providers attributable to such interest accrued on such Drawings, shall be distributed, in the case of clause (i) above to the Primary Liquidity Providers and in the case of clauses (ii) and (iii) above to the Policy Provider pro rata (without duplication) on the basis of the amounts owing to each under this clause "second";

third, such amount as shall be required (A) if any Primary Cash Collateral Account has been previously funded as provided in Section 3.06(f), to fund such Primary Cash Collateral Account up to its Required Amount shall be deposited in such Primary Cash Collateral Account, (B) if any Primary Liquidity Facility shall have become a Downgraded Facility or a Non-Extended Facility at a time when unreimbursed Interest Drawings under such Primary Liquidity Facility have reduced the Available Amount thereunder to zero, to deposit into the related Primary Cash Collateral Account an amount equal to such Primary Cash Collateral Account's Required Amount shall be deposited in such Primary Cash Collateral Account, (C) if, with respect to any particular Primary Liquidity Facility, neither subclause (A) nor subclause (B) of this clause "third" is applicable, to pay or reimburse the Primary Liquidity Provider in respect of such Primary Liquidity Facility in an amount equal to the amount of all Liquidity Obligations then due under such Primary Liquidity Facility, shall be distributed to such Primary Liquidity Provider (other than amounts payable pursuant to clause "first" or "second" of this Section 3.02 and as determined after giving effect to payments made by the Policy Provider to such Primary Liquidity Provider in respect of principal of Drawings under its Primary Liquidity Facility), in each case, pro rata with any amount distributable pursuant to subclause (D) of this clause "third" on the basis of the amount of unreimbursed Interest Drawings and the amount of the unreimbursed Policy Provider Obligations payable to the Policy Provider under subclause (D) of this clause "third" and (D) if the Policy Provider has elected to pay to each Primary Liquidity Provider all outstanding Drawings and interest owing to such Primary Liquidity Provider under its Primary Liquidity Facility pursuant to Section 2.06(c), to reimburse the Policy Provider for the principal amount of such payment made to the Primary Liquidity Provider, but only after giving effect to the application of amounts, if any, under subclause (A) or (B) of this clause "third" and if any amount shall be distributable under subclause (C) of this clause "third" pro rata (without duplication) with any amount distributable pursuant to such subclause (C), on the basis of the amount of unreimbursed Interest Drawings and the amount of such unreimbursed Policy Provider Obligations payable to the Policy Provider under this clause "third";



fourth, if, with respect to any particular Primary Liquidity Facility, any amounts are to be distributed pursuant to either subclause (A) or (B) of clause "third" above, then the Primary Liquidity Provider with respect to such Primary Liquidity Facility shall be paid the excess of (x) the aggregate outstanding amount of unreimbursed Advances under such Primary Liquidity Facility (whether or not then due, and after giving effect to any payments to be made under Sections 3.06(f)(iv) and 3.06(f)(iv), as applicable), over (y) the Required Amount for the relevant Class, pro rata on the basis of such amounts in respect of each Primary Liquidity Provider;

fifth, if the Above-Cap Reserve Account had been previously funded as provided in Section 3.06(f), such amount as shall be required to fund the Above-Cap Reserve Account up to an amount equal to the applicable Termination Amount (as recalculated on such Distribution Date) less any amount then on deposit in the Above-Cap Account shall be deposited in the Above-Cap Reserve Account;

sixth, if any Class G Certificates are Outstanding on such Distribution Date, such amount as shall be required to pay in full Expected Distributions to the holders of the Class G Certificates on such Distribution Date shall be distributed to the Class G Trustee;

seventh, such amount as shall be required to pay the Policy Provider all Policy Provider Obligations then due (other than amounts payable pursuant to the preceding clauses of this Section 3.02 and other than Excess Reimbursement Obligations) and any amounts due under the Policy Fee Letter;

eighth, if any Class C Certificates are Outstanding on such Distribution Date, such amount as shall be required to pay in full Expected Distributions to the holders of the Class C Certificates on such Distribution Date shall be distributed to the Class C Trustee;

ninth, such amount as shall be required to pay in full all Excess Reimbursement Obligations shall be distributed to the Policy Provider;

tenth, if any Class D Certificates are Outstanding on such Distribution Date, such amount as shall be required to pay in full Expected Distributions to the holders of the Class D Certificates on such Distribution Date shall be distributed to the Class D Trustee, provided, however, that if all of the Class D Certificates are owned by one or more Persons that are not Affiliates of American and the sale or sales of such Class D Certificates to such Person or Persons occurred prior to the occurrence of an Indenture Event of Default under any Indenture, the Expected Distributions on the Class D Certificates shall be distributed immediately prior to the payment in clause "ninth" above;

eleventh, if the Class E Certificates have been issued and any Class E Certificates are outstanding on such Distribution Date, such amount as shall be required to pay in full

Expected Distributions to holders of Class E Certificates on such Distribution Date shall be distributed to the Class E Trustee;

twelfth, such amount as shall be required to pay in full (without duplication of any amounts otherwise payable hereunder or under any Operative Agreement) the aggregate unpaid amount of fees and expenses payable as of such Distribution Date to the Subordination Agent and each Trustee pursuant to the terms of this Agreement and the Trust Agreements, as the case may be, shall be distributed to the Subordination Agent and such Trustee;

thirteenth, if the Above-Cap Reserve Account had been previously funded as provided in Section 3.06(f) such amount as shall be required to fund the Above-Cap Reserve Account up to an amount equal to the applicable Termination Amount (as recalculated on such Distribution Date) shall be deposited in the Above-Cap Reserve Account; and

fourteenth, the balance, if any, of any such amount remaining thereafter shall be held in the Collection Account for later distribution in accordance with this Article III.

Section 3.03 Distribution of Amounts on Deposit Following a Triggering Event. Except as otherwise provided in Sections 3.01(f), 3.06(b) and 3.07, upon the occurrence of a Triggering Event and at all times thereafter, all funds in the Collection Account or the Special Payments Account shall be promptly distributed by the Subordination Agent in the following order of priority:

first, such amount as shall be required to reimburse (i) the Subordination Agent for any out-of-pocket costs and expenses actually incurred by it (to the extent not previously reimbursed) in the protection of, or the realization of the value of, the Equipment Notes or any Collateral, shall be applied by the Subordination Agent in reimbursement of such costs and expenses, (ii) each Trustee for any amounts of the nature described in clause (i) above actually incurred by it under the applicable Trust Agreement (to the extent not previously reimbursed), shall be distributed to such Trustee, (iii) the Policy Provider for any amounts of the nature described in clause (i) above actually incurred by it (to the extent not previously reimbursed), shall be distributed to the Policy Provider, and (iv) any Primary Liquidity Provider, Policy Provider or Certificateholder for payments, if any, made by it to the Subordination Agent or any Trustee in respect of amounts described in clause (i) above, shall be distributed to such Primary Liquidity Provider, Policy Provider or to the applicable Trustee for the account of such Certificateholder, in each such case, pro rata on the basis of all amounts described in clauses (i) through (iv) above;

second, such amount as shall be required to pay (i) all accrued and unpaid Liquidity Expenses and (ii) all accrued and unpaid Policy Expenses shall be distributed to each

Primary Liquidity Provider and the Policy Provider pro rata on the basis of the amount of Liquidity Expenses owed to each Primary Liquidity Provider and Policy Expenses owed to the Policy Provider;

third, such amount as shall be required to pay in full (i) accrued and unpaid interest on the Liquidity Obligations (at the rate provided in the applicable Primary Liquidity Facility determined after giving effect to payments made by the Policy Provider to each Primary Liquidity Provider, if any, in respect of interest on Drawings under the Primary Liquidity Facilities), (ii) if the Class G Primary Liquidity Provider has defaulted in its obligation to make a payment on any Interest Drawing in respect of the Class G Certificates, the aggregate amount of interest accrued on the portion of any Policy Drawing made to cover the shortfall attributable to such default by such Primary Liquidity Provider at the rate provided in the "except" clause of clause (ii) of the definition of "Policy Provider Obligations" and (iii) if the Policy Provider has elected to pay to each Primary Liquidity Provider all outstanding Drawings and interest owing to such Primary Liquidity Provider under its Primary Liquidity Facility pursuant to Section 2.06.(c), the amount of such payment made to the Primary Liquidity Providers attributable to such interest accrued on such Drawings, shall be distributed, in the case of (i) above, to the Primary Liquidity Providers and, in the case of (ii) and (iii) above, to the Policy Provider pro rata (without duplication) on the basis of the amounts owing to each;

fourth, such amount as shall be required (A) if any Primary Cash Collateral Account has been previously funded as provided in Section 3.06(f), unless (i) a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing with respect to the relevant Primary Liquidity Facility or (ii) a Final Drawing shall have occurred with respect to such Primary Liquidity Facility, to fund such Primary Cash Collateral Account up to its Required Amount shall be deposited in such Primary Cash Collateral Account, (B) if any Primary Liquidity Facility shall have become a Downgraded Facility or a Non-Extended Facility at a time when unreimbursed Interest Drawings under such Primary Liquidity Facility have reduced the Available Amount thereunder to zero, unless (i) a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing with respect to the relevant Primary Liquidity Facility or (ii) a Final Drawing shall have occurred with respect to such Primary Liquidity Facility, to deposit into the related Primary Cash Collateral Account an amount equal to such Primary Cash Collateral Account's Required Amount shall be deposited in such Primary Cash Collateral Account, (C) if, with respect to any particular Primary Liquidity Facility, neither subclause (A) nor subclause (B) of this clause "fourth" is applicable, to pay or reimburse the Primary Liquidity Provider in respect of such Primary Liquidity Facility in an amount equal to the amount of all Liquidity Obligations then due under such Primary Liquidity Facility shall be distributed to such Primary Liquidity Provider (other than amounts payable pursuant to clause "second" or "third" of this

Section 3.03 and as determined after giving effect to payments made by the Policy Provider to such Primary Liquidity Provider in respect of principal of Drawings under its Primary Liquidity Facility), in each case pro rata with any amount distributable pursuant to subclause (D) of this clause "fourth" on the basis of the amount of unreimbursed Interests Drawings and unreimbursed Policy Provider Obligations payable to the Policy Provider under subclause (D) of this clause "fourth" and (D) if the Policy Provider has elected to pay to each Primary Liquidity Provider all outstanding Drawings and interest owing to such Primary Liquidity Provider under its Primary Liquidity Facility pursuant to Section 2.06(c), to reimburse the Policy Provider for the principal amount of such payment made to the Primary Liquidity Providers, but only after giving effect to the application of amounts, if any, under subclause (A) or (B) of this clause "fourth" and if any amount shall be distributable under subclause (C) of this clause "fourth", pro rata (without duplication) with any amount distributable pursuant to such subclause (C), on the basis of the amount of unreimbursed Interest Drawings and the amount of such unreimbursed Policy Provider Obligations payable to the Policy Provider under this clause "fourth";

fifth, if, with respect to any particular Primary Liquidity Facility, any amounts are to be distributed pursuant to either subclause (A) or (B) of clause "fourth" above, then the Primary Liquidity Provider with respect to such Primary Liquidity Facility shall be paid the excess of (x) the aggregate outstanding amount of unreimbursed Advances under such Primary Liquidity Facility (whether or not then due, and after giving effect to any payments to be made under Sections 3.06(f)(iv) and 3.06(f)(vi), as applicable), over (y) the Required Amount for the relevant Class (less the amount of any repayments of Interest Drawings under such Primary Liquidity Facility while subclause (A)(i) or (B)(i), as the case may be, of clause "fourth" above is applicable), pro rata on the basis of such amounts in respect of each Primary Liquidity Provider;

sixth, if the Above-Cap Reserve Account had been previously funded as provided in Section 3.06(f), unless (i) a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing with respect to the relevant Primary Liquidity Facility or (ii) a Final Drawing shall have occurred with respect to such Primary Liquidity Facility, such amount as shall be required to fund the Above-Cap Reserve Account up to an amount equal to the applicable Termination Amount (as recalculated on such Distribution Date) less any amount then on deposit in the Above-Cap Account shall be deposited in the Above-Cap Reserve Account;

seventh, such amount as shall be required to reimburse or pay (i) the Subordination Agent for any Tax (other than Taxes imposed on compensation paid hereunder), expense, fee, charge or other loss incurred by, or any other amount payable to, the Subordination Agent in connection with the transactions contemplated hereby (to the extent not

previously reimbursed), shall be applied by the Subordination Agent in reimbursement of such amount, (ii) each Trustee for any Tax (other than Taxes imposed on compensation paid under the applicable Trust Agreement), expense, fee, charge or other loss incurred by, or any other amount payable to, such Trustee under the applicable Trust Agreements (to the extent not previously reimbursed), shall be distributed to such Trustee, and (iii) each Certificateholder for payments, if any, made by it pursuant to Section 5.02 in respect of amounts described in clause (i) above (without duplication of any amounts distributed pursuant to subclause (iv) of clause "first" of this Section 3.03), shall be distributed to the applicable Trustee for the account of such Certificateholder, in each such case pro rata on the basis of all amounts described in clauses (i), (ii) and (iii) above;

eighth, if any Class G Certificates are Outstanding on such Distribution Date, such amount remaining as shall be required to pay in full Adjusted Expected Distributions on the Class G Certificates shall be distributed to the Class G Trustee;

ninth, such amount as shall be required to pay all Policy Provider Obligations then due (other than amounts payable pursuant to the preceding clauses of this Section 3.03 and other than any Excess Reimbursement Obligations) and any amounts due under the Policy Fee Letter shall be distributed to the Policy Provider;

tenth, if any Class C Certificates are Outstanding on such Distribution Date, such amount remaining as shall be required to pay in full Adjusted Expected Distributions on the Class C Certificates shall be distributed to the Class C Trustee;

eleventh, such amount as shall be required to pay in full all Excess Reimbursement Obligations shall be distributed to the Policy Provider;

twelfth, if any Class D Certificates are Outstanding on such Distribution Date, such amount remaining as shall be required to pay in full Adjusted Expected Distributions on the Class D Certificates shall be distributed to the Class D Trustee, provided, however, that if all of the Class D Certificates are owned by one or more Persons that are not Affiliates of American and the sale or sales of such Class D Certificates to such Person or Persons occurred prior to the occurrence of an Indenture Event of Default under any Indenture, the Adjusted Expected Distributions on the Class D Certificates shall be distributed immediately prior to the payment in clause "eleventh" above;

thirteenth, if the Above-Cap Reserve Account had been previously funded as provided in Section 3.06(f), unless (i) a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing with respect to the relevant Primary Liquidity Facility or (ii) a Final Drawing shall have occurred with respect to such Primary Liquidity, such amount necessary to fund the Above-Cap Reserve

Account up to an amount equal to the applicable Termination Amount (as recalculated on such Distribution Date) shall be deposited in such Above-Cap Reserve Account; and

fourteenth, if the Class E Certificates have been issued and any Class E Certificates are Outstanding on such Distribution Date, such amount remaining as shall be required to pay in full Adjusted Expected Distributions on the Class E Certificates shall be distributed to the Class E Trustee;

fifteenth, (i) if any Class G Certificates are Outstanding on such Distribution Date, such amount remaining as shall be required to pay Final Distributions on the Class G Certificates shall be distributed to the Class G Trustee; (ii) after giving effect to clause (i), if any Class C Certificates are Outstanding on such Distribution Date, such amount remaining as shall be required to pay Final Distributions on the Class C Certificates shall be distributed to the Class C Trustee; (iii) after giving effect to clauses (i) and (ii), if any Class D Certificates are Outstanding on such Distribution Date, such amount remaining as shall be required to pay Final Distributions on the Class D Certificates shall be distributed to the Class D Trustee; (iv) after giving effect to clauses (i), (ii) and (iii), if the Class E Certificates have been issued and any Class E Certificates are Outstanding on such Distribution Date, such amount remaining as shall be required to pay Final Distributions on the Class E Certificates shall be distributed to the Class E Trustee.

sixteenth, any amount remaining shall be distributed to the Class G, Class C, Class D and Class E Trustees (for distribution to the Certificateholders of the applicable Trusts) pro rata based upon the original aggregate principal amounts of the Equipment Notes held by the respective Trusts.

Section 3.04 Other Payments. (a) Any payments received by the Subordination Agent for which no provision as to the application thereof is made in this Agreement or any payments received or realized at any time after the Final Distributions for all Classes of Certificates have been made shall, in either case, be distributed by the Subordination Agent in the order of priority specified in Section 3.03.

(b) On any Interest Payment Date under each Primary Liquidity Facility which is not a Distribution Date, the Subordination Agent shall pay to the Primary Liquidity Provider under such Primary Liquidity Facility from, and to the extent of, amounts on deposit in the Collection Account, an amount equal to the amount of interest then due and payable to such Primary Liquidity Provider under such Primary Liquidity Facility.

(c) Except as otherwise provided in Section 3.03 or Sections 3.06(a) and 3.06(b), if the Subordination Agent receives any Scheduled Payment after the Scheduled Payment Date relating thereto, but prior to such payment becoming an Overdue Scheduled Payment, then the Subordination Agent shall deposit such Scheduled Payment in the

Collection Account and promptly distribute such Scheduled Payment in accordance with the priority of distributions set forth in Section 3.02; provided that, for the purposes of this Section 3.04(c) only, each reference in clause "twelfth" of Section 3.02 to "Distribution Date" shall be deemed to mean the actual date of payment of such Scheduled Payment and each reference in clause "sixth", "eighth", "ninth" or "eleventh" of Section 3.02 to "Distribution Date" shall be deemed to refer to such Scheduled Payment Date.

Section 3.05 Payments to the Trustees, the Primary Liquidity Providers and the Policy Provider. Any amounts distributed hereunder to any Primary Liquidity Provider or the Policy Provider shall be paid to such Primary Liquidity Provider or the Policy Provider, as applicable, by wire transfer of funds to the address such Primary Liquidity Provider or the Policy Provider shall provide to the Subordination Agent. The Subordination Agent shall provide a Written Notice of any such transfer to the applicable Primary Liquidity Provider or the Policy Provider, as the case may be, at the time of such transfer. Any amounts distributed hereunder by the Subordination Agent to any Trustee that is not the same institution as the Subordination Agent shall be paid to such Trustee by wire transfer of funds at the address such Trustee shall provide to the Subordination Agent.

Section 3.06 Liquidity Facilities. (a) Interest Drawings and Above-Cap Payments. If on any Distribution Date, after giving effect to the provisions of this Agreement (including the subordination provisions hereof) and any Election Interest Payment made by the Policy Provider pursuant to subclause (ii) of Section 3.07(c), the Subordination Agent shall not have sufficient funds for the payment of any amounts due and owing in respect of accrued interest on the Class G Certificates or the Class C Certificates (at the Stated Interest Rate for such Class of Certificates for the applicable Interest Period) then, prior to 1:00 p.m. (New York City time) on such Distribution Date, (i) the Subordination Agent shall request a drawing (each such drawing, an "Interest Drawing") under the Primary Liquidity Facility with respect to such Class of Certificates (and concurrently with the making of such request, the Subordination Agent shall give notice to the Policy Provider of such insufficiency of funds) in an amount equal to the lesser of (x) an amount sufficient to pay the amount of such accrued interest (at the Stated Interest Rate for each such Class of Certificates for the applicable Interest Period) and (y) the Available Amount under such Primary Liquidity Facility, and shall upon receipt of such amount pay such amount to the Trustee with respect to each such Class of Certificates in payment of such accrued interest as provided in Section 3.06(b) and (ii) in the case of the Class G Certificates only, if LIBOR for the Interest Period ending on such Distribution Date (or, if such Distribution Date is not the last day of an Interest Period, LIBOR for the Interest Period including such Distribution Date) exceeds Capped LIBOR, the Subordination Agent shall (if it can make the certification described in the last sentence of this Section

3.06(a)) request an interest rate cap payment (each such payment, an "Above-Cap Payment") under the Above-Cap Liquidity Facility, for credit to the Above-Cap Account in an amount equal to the product of (x) the difference between LIBOR for the Interest Period ending on such Distribution Date (or, if such Distribution Date is not the last day of an Interest Period, LIBOR for the Interest Period including such Distribution Date) and Capped LIBOR, multiplied by (y) the Pool Balance of such Class of Certificates as of such Distribution Date (and before giving effect to any distribution on such date), multiplied by (z) the actual number of days elapsed in the Interest Period ending on such Distribution Date divided by 360, and upon the receipt thereof the Subordination Agent shall immediately deposit such Above-Cap Payment into the Above-Cap Account. If an Interest Drawing with respect to the Class G Certificates on such Distribution Date pursuant to clause (i) above, together with all other amounts available to the Subordination Agent on such Distribution Date (after giving effect to the subordination provisions of this Agreement and any withdrawals from the Class G Primary Cash Collateral Account (if any)), is insufficient to pay accrued interest (at the Stated Interest Rate for the Class G Certificates for the applicable Interest Period) payable on the Class G Certificates on such Distribution Date (such deficiency, the "Deficiency Amount"), the Subordination Agent shall, prior to 4:00 p.m. (New York City time) on such Distribution Date, withdraw (each, an "Above-Cap Withdrawal") from the Above-Cap Account an amount equal to the lesser of (x) such Deficiency Amount and (y) the amount on deposit in the Above-Cap Account (including any amounts deposited, or to be deposited, on such Distribution Date pursuant to clause (ii) above), and shall upon receipt of such amount pay such amount to the Trustee with respect to the Class G Certificates in payment of such accrued interest as provided in Section 3.06(b). In connection with a request for an Above-Cap Payment under the Above-Cap Liquidity Facility pursuant to clause (ii) above, the Subordination Agent shall certify to the Above-Cap Liquidity Provider that at least one of the following statements is true as of such Distribution Date: (i) the Available Amount under the Class G Primary Liquidity Facility (prior to giving effect to any Interest Drawings to be made on such Distribution Date) is greater than zero; (ii) the amount on deposit in the Class G Primary Cash Collateral Account (prior to giving effect to any withdrawal to be made from such account on such Distribution Date) is greater than zero; or (iii) the amount on deposit in the Above-Cap Account (prior to giving effect to any withdrawal to be made from such account on such Distribution Date) is greater than zero.

(b) Application of Interest Drawings and Above-Cap Withdrawals. Notwithstanding anything to the contrary contained in this Agreement, (i) all payments received by the Subordination Agent in respect of an Interest Drawing under any Primary Liquidity Facility and all amounts withdrawn by the Subordination Agent from any Primary Cash Collateral Account, and payable in each case to the related Class of Certificateholders, shall be promptly distributed to the Trustee for such Class and, upon



receipt thereof by the Trustee, applied to the payment of interest in respect of which it was drawn, except that if (x) the Subordination Agent shall receive any amount in respect of an Interest Drawing under the Class G Primary Liquidity Facility or a withdrawal from the Class G Primary Cash Collateral Account to pay Accrued Class G Interest after such Accrued Class G Interest has been fully paid by a Policy Drawing under the Policy pursuant to Section 3.07(a), or (y) the Subordination Agent shall receive any amount in respect of a Policy Drawing under the Policy pursuant to Section 3.07(a), to pay Accrued Class G Interest after such Accrued Class G Interest has been paid (in full or in part) to the Class G Trustee by an Interest Drawing under the Class G Primary Liquidity Facility or a withdrawal from the Class G Primary Cash Collateral Account, the Subordination Agent, in either case, shall pay an amount equal to the amount of such Interest Drawing or Policy Drawing directly to the Policy Provider as reimbursement of such Policy Drawing rather than to the Class G Certificateholders or the Class G Trustee and (ii) all payments received by the Subordination Agent in respect of an Above-Cap Withdrawal from the Above-Cap Account, and payable to the Class G Certificateholders shall be promptly distributed to the Class G Trustee for the Class G Certificateholders and, upon receipt thereof by the Class G Trustee, applied to the payment of interest in respect of which it was withdrawn, except that if the Subordination Agent shall receive any amount in respect of such Above-Cap Withdrawal to pay Accrued Class G Interest after such Accrued Class G Interest has been fully paid by a Policy Drawing under the Policy pursuant to Section 3.07(a), the Subordination Agent shall pay an amount equal to the amount of such Above-Cap Withdrawal directly to the Policy Provider as reimbursement of such Policy Drawing rather than to the Class G Certificateholders or the Class G Trustee.

(c) Downgrade Drawings. (i) Each Primary Liquidity Provider shall promptly, but in any event within ten days of its receipt of notice thereof, deliver notice to the Subordination Agent and American of any downgrading below the applicable Threshold Rating of the short-term debt rating or issuer credit rating of such Primary Liquidity Provider or of any Primary Liquidity Guarantor issued by any Rating Agency (or, if such Primary Liquidity Provider or Primary Liquidity Guarantor does not have a short-term debt rating or issuer credit rating from either Rating Agency, the long-term debt rating or issuer credit rating of such Primary Liquidity Provider or Primary Liquidity Guarantor from such Rating Agency). If at any time (i) if there is no Primary Liquidity Guarantor, the short-term issuer credit rating (with respect to S&P) or short-term unsecured debt rating (with respect to Moody's) of any Primary Liquidity Provider (or, if such Primary Liquidity Provider does not have such a rating issued by a given Rating Agency, the long-term issuer credit rating (with respect to S&P) or long-term unsecured debt rating (with respect to Moody's) of such Primary Liquidity Provider issued by such Rating Agency) is lower than the applicable Threshold Rating or (ii) if there is a Primary Liquidity Guarantor, the short-term issuer credit rating (with respect to S&P) or short-term

unsecured debt rating (with respect to Moody's) of the Primary Liquidity Guarantor issued by either Rating Agency is lower than the applicable Threshold Rating or a Primary Liquidity Guarantee Event for such Primary Liquidity Facility has occurred and is continuing, within 10 days after the date of such downgrading or Primary Liquidity Guarantee Event (but not later than the expiration date of the Primary Liquidity Facility issued by the downgraded Primary Liquidity Provider (or guaranteed by the downgraded Primary Liquidity Guarantor or affected by a Primary Liquidity Guarantee Event) (the "Downgraded Facility")), such Primary Liquidity Provider or American may arrange for a Replacement Primary Liquidity Provider to issue and deliver a Replacement Primary Liquidity Facility to the Subordination Agent, subject to the Ratings Confirmation. If a Downgraded Facility has not been replaced in accordance with the terms of this paragraph, the Subordination Agent shall, on such 10th day (or if such 10th day is not a Business Day, on the next succeeding Business Day) (or, if earlier, on the expiration date of such Downgraded Facility), request a drawing in accordance with and to the extent permitted by such Downgraded Facility (such drawing, a "Downgrade Drawing") of all available and undrawn amounts thereunder. Amounts drawn pursuant to a Downgrade Drawing shall be maintained and invested as provided in Section 3.06(f). Subject to Section 3.06(e)(iii), the applicable Primary Liquidity Provider may also arrange for a Replacement Primary Liquidity Provider to issue and deliver a Replacement Primary Liquidity Facility at any time after such Downgrade Drawing so long as such Downgrade Drawing has not been reimbursed in full to such Primary Liquidity Provider.

(ii) If an "Illegality", "Credit Event Upon Merger" or "Credit Downgrade" (each as defined in the Class G Above-Cap Liquidity Facility and each such event, a "Mandatory Termination Event") shall occur under the Above-Cap Liquidity Facility, the Above-Cap Liquidity Provider under the Above-Cap Liquidity Facility shall provide notice of such Mandatory Termination Event in writing to American, the Subordination Agent and the Class G Trustee, and American or the Above-Cap Liquidity Provider may, in each case at its own expense, arrange for one or more Replacement Above-Cap Liquidity Providers to issue and deliver a Replacement Above-Cap Liquidity Facility for the Above-Cap Liquidity Facility to the Subordination Agent subject to Ratings Confirmation. In addition, if a "Tax Event" or "Tax Event Upon Merger" (as defined in the Above-Cap Liquidity Facility) shall occur under the Above-Cap Liquidity Facility, the Above-Cap Liquidity Provider shall have the right (but not the obligation) to transfer its rights and obligations under the Above-Cap Liquidity Facility to another Office (as defined in the Above-Cap Liquidity Facility), to deliver to the Subordination Agent a Replacement Above-Cap Liquidity Facility or to pay the applicable Termination Amount on an Early Termination Date (as defined in the Above-Cap Liquidity Facility) designated by the Above-Cap Liquidity Provider, all in accordance with the terms of the Above-Cap Liquidity Facility. In the event that the Above-Cap Liquidity Provider or American makes arrangements for a Replacement Above-Cap Liquidity Facility or for the rights and

obligations of the Above-Cap Liquidity Provider under the Above-Cap Liquidity Facility to be transferred, in either case, in accordance with the terms of the Above-Cap Liquidity Facility, (y) the Subordination Agent shall, if and to the extent so requested by the Above-Cap Liquidity Provider or American, execute and deliver any certificate or other instrument required to give effect to such replacement or transfer and (z) each of the parties hereto shall enter into any amendments to this Agreement necessary to give effect to such replacement or transfer. If the Above-Cap Liquidity Facility subject to a Mandatory Termination Event has not been replaced in accordance with its terms and the terms of this paragraph, and as a result an Early Termination Date is deemed to have occurred under the Above-Cap Liquidity Facility or if an Early Termination Date has been designated under the Above-Cap Liquidity Facility after the occurrence of an Event of Default (as defined in the Above-Cap Liquidity Facility) or "Tax Event" or "Tax Event Upon Merger," such Above-Cap Liquidity Provider shall, on such Early Termination Date, pay to the Subordination Agent, for the benefit of the Class G Trustee on behalf of the holders of the Class G Certificates, the applicable Termination Amount for credit to the Above-Cap Reserve Account relating to the Above-Cap Liquidity Facility to be applied as provided in Section 3.06(f) plus the amount of all other unpaid sums due and payable by the Above-Cap Liquidity Provider thereunder on or prior to such date, and upon such payment, the Above-Cap Liquidity Facility shall be terminated in accordance with its terms. Nothing contained herein shall limit the rights of the Above-Cap Liquidity Provider to transfer its rights and obligations under the Above-Cap Liquidity Facility or otherwise arrange for a Replacement Above-Cap Liquidity Facility, subject to and in accordance with the provisions of the Above-Cap Liquidity Facility.

(d) Non-Extension Drawings. If any Primary Liquidity Facility with respect to any Class of Certificates is scheduled to expire on a date (the "Stated Expiration Date") prior to the date that is 15 days after the Final Legal Distribution Date for such Class of Certificates, then no earlier than the 60th day and no later than the 40th day prior to the then applicable Stated Expiration Date, the Subordination Agent shall request in writing that the related Primary Liquidity Provider extend the Stated Expiration Date to the earlier of (i) the date that is 15 days after the Final Legal Distribution Date for such Class of Certificates and (ii) the date that is the day immediately preceding the 364th day after the last day of the Consent Period (unless the obligations of such Primary Liquidity Provider thereunder are earlier terminated in accordance with such Primary Liquidity Facility). Whether or not the applicable Primary Liquidity Provider has received such a request from the Subordination Agent, the Primary Liquidity Provider shall by notice (the "Consent Notice") to the Subordination Agent during the period commencing on the date that is 60 days prior to the then effective Stated Expiration Date and ending on the date that is 25 days prior to such Stated Expiration Date (the "Consent Period") advise the Subordination Agent whether, in its sole discretion, it agrees to so extend the Stated Expiration Date; provided, however, that such extension shall not be effective with

respect to such Primary Liquidity Provider if, by notice (the "Withdrawal Notice") to the Subordination Agent prior to the end of the Consent Period, the Primary Liquidity Provider revokes its Consent Notice. If the Primary Liquidity Provider advises the Subordination Agent in the Consent Notice that such Stated Expiration Date shall not be so extended or gives a Withdrawal Notice to the Subordination Agent prior to the end of the Consent Period, or fails to irrevocably and unconditionally advise the Subordination Agent on or before the end of the Consent Period that such Stated Expiration Date shall be so extended (and, in each case, if the Primary Liquidity Provider shall not have been replaced in accordance with Section 3.06(e)), the Subordination Agent shall, on the date on which the Consent Period ends (or as soon as possible thereafter but prior to the Stated Expiration Date), in accordance with and to the extent permitted by the terms of the expiring Primary Liquidity Facility (a "Non-Extended Facility"), request a drawing under such expiring Primary Liquidity Facility (such drawing, a "Non-Extension Drawing") of all available and undrawn amounts thereunder. Amounts drawn pursuant to a Non-Extension Drawing shall be maintained and invested in accordance with Section 3.06(f). If any amounts shall be drawn pursuant to a Non-Extension Drawing and, within 30 days thereafter, the Primary Liquidity Provider shall not have been replaced, then at any time following the 30th day after such Non-Extension Drawing, the Primary Liquidity Provider may, by written notice to the Subordination Agent, agree to reinstate the Primary Liquidity Facility on the terms of the existing Primary Liquidity Facility for a period ending on the 364th day after the end of the Consent Period; provided, however, that in such event the Primary Liquidity Provider shall reimburse the Subordination Agent for any costs actually incurred by or on behalf of the Subordination Agent in drawing pursuant to the Non-Extension Drawing and funding the Cash Collateral Account or otherwise in connection with the Non-Extension Drawing.

(e) Issuance of Replacement Primary Liquidity Facility. (i) Subject to Section 3.06(e)(iii) and the agreements, if any, in the Fee Letter, at any time, American may, at its option, with cause or without cause, arrange for a Replacement Primary Liquidity Facility to replace any Primary Liquidity Facility for any Class of Certificates (including any Replacement Primary Liquidity Facility provided pursuant to Section 3.06(e)(ii)). If such Replacement Primary Liquidity Facility is provided at any time after a Downgrade Drawing or a Non-Extension Drawing has been made, all funds on deposit in the relevant Primary Cash Collateral Account resulting from such Downgrade Drawing or Non-Extension Drawing will be returned to the Primary Liquidity Provider being replaced.

(ii) If any Primary Liquidity Provider shall determine not to extend its Primary Liquidity Facility in accordance with Section 3.06(d), then such Primary Liquidity Provider may, at its option, arrange for a Replacement Primary Liquidity Facility to replace such Primary Liquidity Facility during the period no earlier than 40 days and no later than 25 days prior to the then effective Stated Expiration Date of such Primary

Liquidity Facility. Subject to Section 3.06(e)(iii), the Primary Liquidity Provider may also arrange for a Replacement Primary Liquidity Provider to issue and deliver a Replacement Primary Liquidity Facility at any time after a Non-Extension Drawing so long as such Non-Extension Drawing has not been reimbursed in full to the Primary Liquidity Provider.

(iii) No Replacement Primary Liquidity Facility arranged by American or a Primary Liquidity Provider in accordance with Section 3.06(c) or clause (i) or (ii) of this Section 3.06(e) shall become effective and no such Replacement Primary Liquidity Facility shall be deemed a "Primary Liquidity Facility" under the Operative Agreements, unless and until (A) each of the conditions referred to in Section 3.06(e)(iv) below shall have been satisfied and (B) in the case of a Replacement Primary Liquidity Facility arranged by a Primary Liquidity Provider under Section 3.06(c) or Section 3.06(e)(ii), such Replacement Primary Liquidity Provider and such Replacement Primary Liquidity Facility (including the fees and compensation and interest payable thereunder to the Replacement Primary Liquidity Provider) are acceptable to American.

(iv) In connection with the issuance of each Replacement Primary Liquidity Facility, the Subordination Agent shall (x) prior to the issuance of such Replacement Primary Liquidity Facility, obtain written confirmation from each Rating Agency that such Replacement Primary Liquidity Facility will not cause a reduction of any rating then in effect for any Class of Certificates by such Rating Agency (without regard to any downgrading of any rating of any Primary Liquidity Provider being replaced pursuant to Section 3.06(c) and without regard to the Policy) and, in the case of the Class G Primary Liquidity Facility, the written consent of the Policy Provider (which consent shall not be unreasonably withheld or delayed), (y) pay all Liquidity Obligations then owing to the replaced Primary Liquidity Provider (which payment shall be made first from available funds in the applicable Primary Cash Collateral Account as described in Section 3.06(f)(vii), and thereafter from any other available source, including, without limitation, a drawing under the Replacement Primary Liquidity Facility) and (z) cause the issuer of the Replacement Primary Liquidity Facility to deliver the Replacement Primary Liquidity Facility to the Subordination Agent, together with a legal opinion addressed to the Subordination Agent, the Trustees, the Policy Provider and American opining that such Replacement Primary Liquidity Facility is an enforceable obligation of such Replacement Primary Liquidity Provider.

(v) Upon satisfaction of the conditions set forth in Sections 3.06(e)(iii) and 3.06(e)(iv), (w) the replaced Primary Liquidity Facility shall terminate, (x) the Subordination Agent shall, if and to the extent so requested by American or the Primary Liquidity Provider being replaced, execute and deliver any certificate or other instrument required in order to terminate the replaced Primary Liquidity Facility, shall surrender the

replaced Primary Liquidity Facility to the Primary Liquidity Provider being replaced and shall execute and deliver the Replacement Primary Liquidity Facility and any associated Fee Letter, (y) each of the parties hereto shall enter into any amendments to this Agreement necessary to give effect to (1) the replacement of the applicable Primary Liquidity Provider with the applicable Replacement Primary Liquidity Provider and (2) the replacement of the applicable Primary Liquidity Facility with the applicable Replacement Primary Liquidity Facility and (z) the applicable Replacement Primary Liquidity Provider shall be deemed to be a Primary Liquidity Provider with the rights and obligations of a Primary Liquidity Provider hereunder and under the other Operative Agreements and such Replacement Primary Liquidity Facility shall be deemed to be a Primary Liquidity Facility hereunder and under the other Operative Agreements.

(f) Cash Collateral Accounts; Above-Cap Account; Withdrawals; Investments. If the Subordination Agent shall draw all available amounts under any Primary Liquidity Facility pursuant to Section 3.06(c), 3.06(d) or 3.06(i), or in the event amounts are to be deposited in the Primary Cash Collateral Account pursuant to subclause (A) or (B) of clause "third" of Section 2.04(b), subclause (A) or (B) of clause "third" of Section 3.02 or subclause (A) or (B) of clause "fourth" of Section 3.03, amounts so drawn or to be deposited, as the case may be, shall be deposited by the Subordination Agent in the related or applicable Primary Cash Collateral Account. If the Above-Cap Liquidity Provider shall at any time make a Termination Amount payment under its Above-Cap Liquidity Facility, such Termination Amount payment shall be deposited by the Subordination Agent in the Above-Cap Reserve Account to be applied as specified below in this Section 3.06(f). All amounts on deposit in each Cash Collateral Account shall be invested and reinvested in Eligible Investments in accordance with Section 2.02(b). On each Interest Payment Date (or, in the case of any Special Distribution Date occurring prior to the occurrence of a Triggering Event, on such Special Distribution Date), Investment Earnings on amounts on deposit in each Primary Cash Collateral Account (or in the case of any Special Distribution Date occurring prior to the occurrence of a Triggering Event, an amount of such Investment Earnings on amounts of deposits in each Primary Cash Collateral Account equal to the product of such Investment Earnings multiplied by a fraction, the numerator of which is the aggregate outstanding principal amount of Equipment Notes being redeemed, purchased or prepaid on such Special Distribution Date and the denominator of which is the aggregate outstanding principal amount of all Equipment Notes) shall be deposited in the Collection Account (or, in the case of any Special Distribution Date occurring prior to the occurrence of a Triggering Event, the Special Payments Account) and applied on such Interest Payment Date (or Special Distribution Date, as the case may be) in accordance with Section 2.04(b), 3.02, 3.03 or 3.04(b) (as applicable). Investment Earnings on amounts on deposit in the Above-Cap Reserve Account shall be credited to such account and applied in the same manner as the Termination Amount payment credited thereto. Investment Earnings on amounts on

deposit in the Above-Cap Account shall be credited to such account and applied in the same manner as Above-Cap Payments credited thereto. The Subordination Agent shall deliver a written statement to American and each Liquidity Provider one day prior to each Interest Payment Date and Special Distribution Date setting forth the amount of Investment Earnings held in the Cash Collateral Accounts as of such date. The Subordination Agent shall also deliver a written statement to American and each Liquidity Provider one day after each Distribution Date on which amounts have been deposited in or withdrawn from the Above-Cap Account and/or withdrawn from the Above-Cap Reserve Account setting forth the amount of such deposit and/or withdrawal. In addition, from and after the date funds are so deposited, the Subordination Agent shall make withdrawals from such accounts as follows:

(i) on each Distribution Date, the Subordination Agent shall, to the extent it shall not have received funds to pay accrued and unpaid interest due and owing on the Class G Certificates (at the Stated Interest Rate for the Class G Certificates) after giving effect to the subordination provisions of this Agreement and any Election Interest Payment made by the Policy Provider, (A) withdraw from the Class G Primary Cash Collateral Account, and pay to the Class G Trustee, an amount equal to the lesser of (x) an amount necessary to pay accrued and unpaid interest (at the Stated Interest Rate for the Class G Certificates) on such Class G Certificates and (y) the amount on deposit in the Class G Primary Cash Collateral Account (so long as the aggregate amount of unreplenished withdrawals, including such withdrawal, does not exceed the Required Amount for such Distribution Date) and (B) if an Above-Cap Payment would have been required to be made on such Distribution Date pursuant to the terms of the Class G Above-Cap Liquidity Facility were the Above-Cap Liquidity Facility still in effect, withdraw from the Class G Above-Cap Reserve Account, and deposit into the Class G Above-Cap Account, an amount (if any) equal to the lesser of (x) an amount equal to such Above-Cap Payment and (y) the amount on deposit in the Class G Above-Cap Reserve Account;

(ii) [Reserved]

(iii) on each Distribution Date, the Subordination Agent shall, to the extent it shall not have received funds to pay accrued and unpaid interest due and owing on the Class C Certificates (at the Stated Interest Rate for the Class C Certificates) after giving effect to the subordination provisions of this Agreement, withdraw from the Class C Primary Cash Collateral Account, and pay to the Class C Trustee, an amount (if any) equal to the lesser of (x) an amount necessary to pay accrued and unpaid interest (at the Stated Interest Rate for the Class C Certificates) on such Class C Certificates and (y) the amount on deposit in the Class C Primary Cash Collateral Account;

(iv) on each date on which the Pool Balance of the Class G Trust shall have been reduced by payments made to the Class G Certificateholders pursuant to Section 2.04(b), 3.02 or 3.03, the Subordination Agent shall withdraw from the Class G Primary Cash Collateral Account such amount as is necessary so that, after giving effect to the reduction of such Pool Balance on such date (including any such reduction resulting from a prior withdrawal of amounts on deposit in the Class G Primary Cash Collateral Account on such date) and any transfer of Investment Earnings from such Class G Primary Cash Collateral Account to the Collection Account or the Special Payments Account on such date, an amount equal to the sum of the Required Amount (with respect to the Class G Primary Liquidity Facility) plus the remaining Investment Earnings on deposit in such Class G Primary Cash Collateral Account (if any) will be on deposit in the Class G Primary Cash Collateral Account and shall, first, pay such withdrawn amount to the Class G Primary Liquidity Provider until the Liquidity Obligations (with respect to the Class G Certificates) owing to the Class G Primary Liquidity Provider shall have been paid in full and, second, deposit any remaining amount in the Collection Account;

(v) [Reserved]

(vi) on each date on which the Pool Balance of the Class C Trust shall have been reduced by payments made to the Class C Certificateholders pursuant to Section 2.04(b), 3.02 or 3.03, the Subordination Agent shall withdraw from the Class C Primary Cash Collateral Account such amount as is necessary so that, after giving effect to the reduction of such Pool Balance on such date (including any such reduction resulting from a prior withdrawal of amounts on deposit in the Class C Primary Cash Collateral Account on such date) and any transfer of Investment Earnings from such Class C Primary Cash Collateral Account to the Collection Account or the Special Payments Account on such date, an amount equal to the sum of the Required Amount (with respect to the Class C Primary Liquidity Facility) plus the remaining Investment Earnings on deposit in such Class C Primary Cash Collateral Account (if any) will be on deposit in the Class C Primary Cash Collateral Account and shall, first, pay such withdrawn amount to the relevant Class C Primary Liquidity Provider until the Liquidity Obligations (with respect to the Class C Certificates) owing to such Class C Primary Liquidity Provider shall have been paid in full and, second, deposit any remaining amount in the Collection Account;

(vii) if a Replacement Primary Liquidity Facility for any Class of Certificates shall be delivered to the Subordination Agent following the date on which funds have been deposited into the Primary Cash Collateral Account for such Class of Certificates, the Subordination Agent shall withdraw all amounts remaining on deposit in such Primary Cash Collateral Account and shall pay such amounts to the replaced Primary Liquidity Provider until all Liquidity Obligations owed to such Person shall have been paid in full, and deposit any remaining amount in the Collection Account; and



(viii)(x) following the payment of Final Distributions with respect to any Class of Certificates, on the date on which the Subordination Agent shall have been notified by the Primary Liquidity Provider for such Class of Certificates that the Liquidity Obligations owed to such Primary Liquidity Provider have been paid in full, the Subordination Agent shall withdraw all amounts on deposit in the Primary Cash Collateral Account related to the Primary Liquidity Facility in respect of such Class of Certificates and deposit such amount in the Collection Account and (y) in the case of the Class G Certificates, on the first Business Day occurring immediately after the earlier of (1) the date of the payment of Final Distributions with respect to the Class G Certificates and (2) the Final Legal Distribution Date for the Class G Certificates (after giving effect to all distributions to be made on such date), the Subordination Agent shall pay to the Above-Cap Liquidity Provider an amount equal to the sum of the amounts (if any) on deposit in (A) the Above-Cap Account and (B) the Above-Cap Reserve Account.

(g) Reinstatement. With respect to any Interest Drawing under the Primary Liquidity Facility for any Trust, upon the reimbursement of the applicable Primary Liquidity Provider for all or any part of the amount of such Interest Drawing, together with any accrued interest thereon, the Available Amount of such Primary Liquidity Facility shall be reinstated by an amount equal to the amount of such Interest Drawing so reimbursed to the applicable Liquidity Provider but not to exceed the Stated Amount for such Primary Liquidity Facility; provided, however, that the Available Amount of such Primary Liquidity Facility shall not be so reinstated in part or in full at any time if (x) both a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing with respect to the relevant Primary Liquidity Facility or (y) a Final Drawing shall have occurred with respect to such Primary Liquidity Facility; provided, further, that any payment by the Policy Provider to any Primary Liquidity Provider of any amounts pursuant to the first proviso to Section 2.06(c) shall not reinstate the related Primary Liquidity Facility, but such Primary Liquidity Facility (so long as such Primary Liquidity Facility is in effect) shall be reinstated, pro tanto, to the extent the Policy Provider receives any reimbursement in respect of such payment under clause "third" of Section 2.04(b), clause "third" of Section 3.02 or clause "fourth" of Section 3.03 unless (x) both a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred with respect to such Primary Liquidity Facility or (y) a Final Drawing shall have occurred with respect to such Primary Liquidity Facility. In the event that, with respect to any particular Primary Liquidity Facility, (i) funds are withdrawn from the related Primary Cash Collateral Account pursuant to clause (i), (ii), or (iii) of Section 3.06(f) or (ii) such Primary Liquidity Facility shall become a Downgraded Facility or a Non-Extended Facility at a time when unreimbursed Interest Drawings under such Primary Liquidity Facility have reduced the Available Amount thereunder to zero, then funds received by the Subordination Agent at any time, other than (x) any time when both a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred

and be continuing with respect to such Primary Liquidity Facility or (y) any time after a Final Drawing shall have occurred with respect to such Primary Liquidity Facility, shall be deposited in such Primary Cash Collateral Account as and to the extent provided in clause "third" of Section 2.04(b), clause "third" of Section 3.02 or clause "fourth" of Section 3.03, as applicable, and applied in accordance with Section 3.06(f).

(h) Reimbursement. The amount of each drawing under the Primary Liquidity Facilities shall be due and payable, together with interest thereon, on the dates and at the rates, respectively, provided in the Primary Liquidity Facilities. The Subordination Agent shall have no obligation to reimburse the Above-Cap Liquidity Provider for any Above-Cap Payments and the Above-Cap Liquidity Provider shall have no interest in any monies credited to any Trust Account except as provided in Section 3.06(f)(viii) hereof.

(i) Final Drawing. Upon receipt from a Primary Liquidity Provider of a Termination Notice with respect to any Primary Liquidity Facility, the Subordination Agent shall, not later than the date specified in such Termination Notice, in accordance with and to the extent permitted by the terms of such Primary Liquidity Facility, request a drawing under such Primary Liquidity Facility of all available and undrawn amounts thereunder (a "Final Drawing"). Amounts drawn pursuant to a Final Drawing shall be maintained and invested in accordance with Section 3.06(f).

(j) Reduction of Stated Amount. Promptly following each date on which the Required Amount of the Primary Liquidity Facility for a Class of Certificates is reduced as a result of a reduction in the Pool Balance with respect to such Certificates (including, in the case of the Class G Certificates, by reason of a Policy Provider Election with respect to one or more Series G Equipment Notes), the Subordination Agent shall, if any such Primary Liquidity Facility provides for reductions of the Stated Amount of such Primary Liquidity Facility and if such reductions are not automatic, request such Primary Liquidity Provider for such Class of Certificates to reduce such Stated Amount to an amount equal to the Required Amount with respect to such Primary Liquidity Facility (as calculated by the Subordination Agent after giving effect to such payment). Each such request shall be made in accordance with the provisions of the applicable Primary Liquidity Facility.

(k) Relation to Subordination Provisions. Interest Drawings under the Primary Liquidity Facilities and withdrawals from the Primary Cash Collateral Accounts relating to such Primary Liquidity Facilities and the Above-Cap Account, in each case, in respect of interest on the Certificates of any Class, will be distributed to the Trustee for such Class of Certificates, notwithstanding Sections 2.04(b), 3.02, 3.03 and 3.06(f).

(l) Assignment of Primary Liquidity Facility. The Subordination Agent agrees not to consent to the assignment by any Primary Liquidity Provider of any of its rights or

obligations under any Primary Liquidity Facility or any interest therein unless (i) American and the Policy Provider shall have consented to such assignment and (ii) each Rating Agency shall have provided a Ratings Confirmation in respect of such assignment; provided that the consent right of the Policy Provider shall be in respect of an assignment of the Class G Primary Liquidity Facility only, and such consent of the Policy Provider shall not be unreasonably withheld or delayed.

#### Section 3.07 The Policy.

(a) Interest Drawings. If on any Regular Distribution Date (other than the Final Legal Distribution Date) after giving effect to the application of available funds in accordance with the priorities specified in Section 2.04 and Article III, and taking into account any Drawing paid under the Class G Primary Liquidity Facility in respect of accrued interest and any withdrawal of funds from the Class G Primary Cash Collateral Account and the Class G Above-Cap Account in respect of such interest, the Subordination Agent does not then have sufficient funds available for the payment of Accrued Class G Interest, then, prior to 1:00 p.m. (New York City time) on such Regular Distribution Date, the Subordination Agent (i) shall deliver a Notice of Nonpayment, as provided in the Policy to the Policy Provider or its fiscal agent, requesting a Policy Drawing under the Policy (for payment into the Policy Account) in an amount sufficient to enable the Subordination Agent to pay such Accrued Class G Interest and (ii) shall pay such amount, when received, from the Policy Account to the Class G Trustee in payment of such Accrued Class G Interest on such Distribution Date.

(b) Proceeds Deficiency Drawing. If on any Special Distribution Date (other than a Special Distribution Date established pursuant to the last sentence of the second paragraph of Section 3.07(c)) established by the Subordination Agent by reason of its receipt of a Special Payment (a "Disposition Payment") constituting the proceeds of any Series G Equipment Note or related Collateral, as the case may be, there exists a shortfall in the amounts available to the Subordination Agent (after giving effect to the application of available funds, including, without limitation, the amount of such Disposition Payment) in accordance with the priorities specified in Section 2.04 and Article III, and (if the receipt of the Special Payment from the disposition of such Series G Equipment Note or related Collateral occurs prior to a Policy Provider Election with respect to such Series G Equipment Note) taking into account any Drawing paid under the Class G Primary Liquidity Facility in respect of accrued interest and any withdrawal of funds in the Class G Primary Cash Collateral Account and the Class G Above-Cap Account in respect of such interest) required to reduce the outstanding Pool Balance of the Class G Certificates by an amount equal to the outstanding principal amount of the applicable Series G Equipment Note (determined immediately prior to the receipt of such Disposition Payment and less the amount of any Policy Drawing previously paid by the

Policy Provider in respect of principal of such Series G Equipment Note) plus accrued and unpaid interest on the amount of such reduction accrued at the Stated Interest Rate for the Class G Certificates for the period from the immediately preceding Regular Distribution Date to such Special Distribution Date, then, prior to 1:00 p.m. (New York City time) on such Special Distribution Date, the Subordination Agent (x) shall deliver a Notice of Nonpayment, as provided in the Policy, to the Policy Provider or its fiscal agent, requesting a Policy Drawing under the Policy (for payment into the Policy Account) in an amount equal to the amount of such shortfall and (y) shall pay such amount, when received, from the Policy Account to the Class G Trustee in payment of such reduction in the outstanding Pool Balance of the Class G Certificates plus such accrued and unpaid interest on such Special Distribution Date. The Subordination Agent shall promptly, but not less than 20 days prior to the Special Distribution Date established pursuant to this Section 3.07(b), send to American, the Trustees, the Primary Liquidity Provider for the Class G Primary Liquidity Facility and the Policy Provider, a Written Notice of such Special Distribution Date.

(c) No Proceeds Drawing. On the first Business Day (which shall be a Special Distribution Date) that is 21 months after the last date on which full payment was made on any Series G Equipment Note (a "Defaulted Series G Equipment Note") as to which there has subsequently been a failure to pay principal or that has subsequently been Accelerated, if the Subordination Agent has not theretofore made a drawing under the Policy pursuant to Section 3.07(b), the Subordination Agent shall deliver a Notice of Nonpayment, as provided in the Policy, to the Policy Provider or its fiscal agent, requesting a Policy Drawing under the Policy (for payment into the Policy Account) in an amount equal to the then outstanding principal amount of such Defaulted Series G Equipment Note plus accrued and unpaid interest thereon from the immediately preceding Regular Distribution Date to such Special Distribution Date. The Subordination Agent shall promptly, but not less than 25 days prior to such Business Day, send to American, the Trustees, the Primary Liquidity Provider for the Class G Primary Liquidity Facility and the Policy Provider a Written Notice establishing such Business Day as the date for the distribution of the proceeds of such Policy Drawing, which date shall constitute a Special Distribution Date. No later than 1:00 p.m. (New York City time) on the specified Special Distribution Date the Subordination Agent shall make the specified Policy Drawing and upon its receipt of the proceeds thereof pay the amount thereof from the Policy Account to the Class G Trustee in reduction of the outstanding Pool Balance of the Class G Certificates together with such accrued and unpaid interest on the amount of such reduction. For the avoidance of doubt, after the payment by the Policy Provider in full of such amount under this Section 3.07(c), the Subordination Agent shall have no right to make any further Policy Drawings under Section 3.07(c) in respect of such Defaulted Series G Equipment Note except for a drawing under Section 3.07(e).

Notwithstanding the foregoing, the Policy Provider has the right, so long as no Policy Provider Default shall have occurred and be continuing, upon notice to the Subordination Agent given at least five days prior to the Special Distribution Date established by the Subordination Agent pursuant to the first paragraph of this Section 3.07(c), to elect instead (the "Policy Provider Election") to pay (i) on such Special Distribution Date an amount equal to the scheduled principal and interest that came due on such Defaulted Series G Equipment Note (without regard to the Acceleration thereof) but was not paid during such 21-month period (after giving effect to the application of funds received from the Class G Primary Liquidity Facility and withdrawals of funds from the Class G Primary Cash Collateral Account and the Class G Above-Cap Account, in each case in respect of such interest) and (ii) thereafter, on each Regular Distribution Date, an amount equal to the scheduled principal and interest that becomes due on such Defaulted Series G Equipment Note on the related payment date (without regard to any Acceleration thereof or to any funds available under any Liquidity Facility or any Cash Collateral Account) until the establishment of an Election Distribution Date or a Special Distribution Date established as provided in the immediately following sentence (each such interest payment, an "Election Interest Payment"). Following a Policy Provider Election with respect to a Defaulted Series G Equipment Note, on any Business Day (which shall be a Special Distribution Date) elected by the Policy Provider upon 20 days' Written Notice to the Subordination Agent and the Class G Trustee, the Policy Provider may, notwithstanding the Policy Provider Election, request the Subordination Agent to, and the Subordination Agent shall, make a Policy Drawing for an amount equal to the then outstanding principal balance of such Defaulted Series G Equipment Note (less any Policy Drawings previously paid by the Policy Provider in respect of principal of such Defaulted Series G Equipment Note) and accrued and unpaid interest thereon at the Stated Interest Rate for the Class G Certificates from the previous Regular Distribution Date to such Special Distribution Date.

Further, following a Policy Provider Election with respect to a Defaulted Series G Equipment Note, upon the occurrence and continuance of a Policy Provider Default, the Subordination Agent shall on any Business Day (an "Election Distribution Date", which shall be a Special Distribution Date) elected by the Subordination Agent upon 20 days' Written Notice to the Class G Trustee and the Policy Provider, make a Policy Drawing for an amount equal to the then outstanding principal balance of such Defaulted Series G Equipment Note (less any Policy Drawings previously paid by the Policy Provider in respect of principal of such Equipment Note) and accrued and unpaid interest thereon at the Stated Interest Rate for the Class G Certificates from the immediately preceding Regular Distribution Date to such Election Distribution Date. The Subordination Agent shall make each such Policy Drawing referred to in this subparagraph (c) under the Policy (for payment into the Policy Account) no later than 1:00 p.m. (New York City time) on the relevant Special Distribution Date and upon its receipt of the proceeds thereof pay the

amount thereof from the Policy Account to the Class G Trustee in reduction of the outstanding Pool Balance of the Class G Certificates together with such accrued and unpaid interest thereon.

In addition, regardless of whether or not the Policy Provider makes a Policy Provider Election, the Policy Provider shall, at the end of the first occurring 21-month period described in Section 3.07(c), endorse the Policy (if not already endorsed to so provide) to provide for the payment to the Primary Liquidity Provider with respect to the Class G Certificates of interest accruing on the outstanding Drawings in respect of the Class G Primary Liquidity Facility from and after the end of such 21-month period as and when such interest becomes due in accordance with the Class G Primary Liquidity Facility. The Policy Provider hereby agrees not to otherwise amend or modify the Policy without the consent of the Primary Liquidity Provider if such amendment or modification would adversely affect the rights of the Primary Liquidity Provider.

(d) Final Policy Drawing. If on the Final Legal Distribution Date of the Class G Certificates after giving effect to the application of available funds in accordance with the priorities specified in Section 2.04 and Article III, and taking into account any Drawing paid under the Class G Primary Liquidity Facility in respect of interest included in the Final Distribution and any withdrawal of funds in the Class G Primary Cash Collateral Account and the Class G Above-Cap Account in respect of interest included in the Final Distribution, the Subordination Agent does not then have sufficient funds available on such date for the payment in full of the Final Distribution (calculated as of such date but excluding any accrued and unpaid Break Amount or Prepayment Premium) on the Class G Certificates then, prior to 1:00 p.m. (New York City time) on such date, the Subordination Agent shall: (i) deliver a Notice of Nonpayment, as provided in the Policy, to the Policy Provider or its fiscal agent, requesting a Policy Drawing under the Policy (for payment into the Policy Account) in an amount equal to the minimum amount sufficient to enable the Subordination Agent to pay the Final Distribution (calculated as of such date but excluding any accrued and unpaid Break Amount or Prepayment Premium) on the Class G Certificates, and (ii) shall pay such amount, when received, from the Policy Account to the Class G Trustee in payment of such amount on such date.

(e) Avoidance Drawings. If at any time the Subordination Agent shall have actual knowledge of the issuance of any Final Order, the Subordination Agent shall promptly give notice thereof to American, each Trustee, the Liquidity Providers and the Policy Provider. The Subordination Agent shall thereupon calculate the relevant Avoided Payments resulting therefrom and shall promptly: (a) send to the Class G Trustee a Written Notice of such amount and (b) deliver to the Policy Provider, or its fiscal agent, a Notice of Avoided Payment, together with a copy of the documentation required by the Policy with respect thereto, requesting a Policy Drawing (for payment to the receiver,

conservator, debtor-in-possession or trustee in bankruptcy and/or the Subordination Agent for deposit into the Policy Account) in an amount equal to the amount of relevant Avoided Payment. Such Written Notice shall also set the date for the distribution of the proceeds of such Policy Drawing, which date shall constitute a Special Distribution Date and shall be the earlier of the third Business Day that immediately precedes the expiration of the Policy and the Business Day that immediately follows the 25th day after the date of such Written Notice. No later than 1:00 p.m. (New York City time) on the specified Special Distribution Date, the Subordination Agent shall make the specified Policy Drawing and, upon its receipt of the proceeds thereof, pay the amount thereof from the Policy Account to the Class G Trustee in reinstatement of the Avoided Payment.

(f) Application of Policy Drawings. Notwithstanding anything to the contrary contained in this Agreement (including, without limitation, Sections 2.04, 3.02 and 3.03), all payments received by the Subordination Agent in respect of a Policy Drawing shall be promptly paid from the Policy Account to the Class G Trustee for distribution to the related Class G Certificateholders. Each Policy Drawing shall be applied to the purpose for which it was made, including, without limitation, the application of that portion of a Policy Drawing relating (i) to accrued interest with respect to a Series G Equipment Note to the payment of interest on the Class G Certificates and (ii) to principal of a Series G Equipment Notes to the reduction of the Pool Balance of the Class G Certificates.

(g) Reduction of Outstanding Pool Balance. Promptly following each date on which the Pool Balance of the Class G Certificates is reduced as a result of a payment under this Agreement, the Subordination Agent shall inform the Policy Provider of such reduction. Anything contained herein to the contrary notwithstanding, (i) no Policy Drawing for payment in respect of the Class G Certificates under clause (a) of this Section 3.07 shall be in excess of Accrued Class G Interest and (ii) no Policy Drawing under clauses (b)-(d) of this Section 3.07 shall be for an amount in excess of the outstanding Pool Balance of the Class G Certificates plus accrued and unpaid interest thereon at the Stated Interest Rate for the Class G Certificates. Nothing contained in this Intercreditor Agreement shall be deemed to alter or amend the liabilities, obligations, requirements or procedures of the Policy Provider under the Policy and the Policy Provider shall not be obligated to make payment except at the times and in the amounts and under the circumstances expressly set forth in the Policy.

(h) Resubmission of Notice for Payment. If the Policy Provider at any time informs the Subordination Agent in accordance with the Policy that a Notice of Nonpayment or Notice of Avoided Payment submitted by the Subordination Agent does not satisfy the requirements of the Policy, the Subordination Agent shall, as promptly as possible after being so informed, submit to the Policy Provider an amended and revised Notice of Nonpayment or Notice of Avoided Payment, as the case may be, and shall pay

to the Class G Trustee out of the Policy Account the amount received pursuant to such amended or revised Notice of Nonpayment or Notice of Avoided Payment, as the case may be, when received.

Section 3.08 Subrogation. Subject to Section 3.06(b), the Policy Provider will be subrogated to all of the rights of the holders of the Class G Certificates to payment on the Class G Certificates to the extent of the payments made under the Policy as set forth herein, the exercise of such subrogation rights to be subject to the other provisions of this Agreement.

#### ARTICLE IV EXERCISE OF REMEDIES

Section 4.01 Directions from the Controlling Party. (a) (i) Following the occurrence and during the continuation of an Indenture Event of Default under any Indenture, the Controlling Party shall direct the Subordination Agent, which in turn shall direct the Loan Trustee under such Indenture, in the exercise of remedies available to the holders of the Equipment Notes issued pursuant to such Indenture, including, without limitation, the ability to vote all such Equipment Notes in favor of Accelerating such Equipment Notes in accordance with the provisions of such Indenture. If the Equipment Notes issued pursuant to any Indenture have been Accelerated following an Indenture Event of Default with respect thereto, the Controlling Party may direct the Subordination Agent to sell, assign, contract to sell or otherwise dispose of and deliver all (but not less than all) of such Equipment Notes to any Person at public or private sale, at any location at the option of the Controlling Party, all upon such terms and conditions as it may reasonably deem advisable and in accordance with applicable law.

(ii) So long as any Certificates remain Outstanding, during the period ending on the date which is nine months after the earlier of (x) the Acceleration of the Equipment Notes issued pursuant to any Indenture or (y) the occurrence of an American Bankruptcy Event, without the consent of each Trustee (other than the Trustee of a Trust all of the Certificates of which are held or beneficially owned by American and/or its affiliates), no Aircraft subject to the Lien of such Indenture or such Equipment Notes may be sold if the net proceeds from such sale would be less than the Minimum Sale Price for such Aircraft or such Equipment Notes.

(iii) At the request of the Controlling Party, the Subordination Agent may from time to time during the continuance of an Indenture Event of Default (and before the occurrence of a Triggering Event) commission an appraisal with respect to the Aircraft subject to such Indenture.



(iv) After a Triggering Event occurs and any Equipment Note becomes a Non-Performing Equipment Note, the Subordination Agent shall obtain Appraisals with respect to all of the Aircraft (the "LTV Appraisals") as soon as practicable and additional LTV Appraisals on or prior to each anniversary of the date of such initial LTV Appraisals; provided that, if the Controlling Party reasonably objects to the appraised value of the Aircraft shown in such LTV Appraisals, the Controlling Party shall have the right to obtain or cause to be obtained substitute LTV Appraisals (including any LTV Appraisals based upon physical inspection of the Aircraft).

(b) To the extent permitted by applicable law, the Subordination Agent, at the direction of the Controlling Party, shall take such actions as it may reasonably deem most effectual to complete the sale or other disposition of such Equipment Notes. In addition, in lieu of any sale, assignment, contract to sell or other disposition, if the Subordination Agent is so directed by the Controlling Party, the Subordination Agent may maintain possession of such Equipment Notes and continue to apply monies received in respect of such Equipment Notes in accordance with Section 2.04(b) and Article III. In addition, in lieu of such sale, assignment, contract to sell or other disposition, or in lieu of such maintenance of possession, the Controlling Party may direct the Subordination Agent to, subject to the terms and conditions of the related Indenture, instruct the Loan Trustee under such Indenture to foreclose on the Lien on the related Aircraft or take any other remedial action permitted by such Indenture or applicable law.

Section 4.02 Remedies Cumulative Each and every right, power and remedy given to the Trustees, the Liquidity Providers, the Policy Provider, the Controlling Party or the Subordination Agent specifically or otherwise in this Agreement shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may, subject always to the terms and conditions hereof, be exercised from time to time and as often and in such order as may be deemed expedient by any Trustee, any Liquidity Provider, the Policy Provider, the Controlling Party or the Subordination Agent, as appropriate, and the exercise or the beginning of the exercise of any right, power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by any Trustee, any Liquidity Provider, the Policy Provider, the Controlling Party or the Subordination Agent in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right, power or remedy or be construed to be a waiver of any default or to be an acquiescence therein.

Section 4.03 Discontinuance of Proceedings. In case any party to this Agreement (including the Controlling Party in such capacity) shall have instituted any Proceeding to enforce any right, power or remedy under this Agreement by foreclosure, entry or

otherwise, and such Proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Person instituting such Proceeding, then and in every such case each such party shall, subject to any determination in such Proceeding, be restored to its former position and rights hereunder, and all rights, remedies and powers of such party shall continue as if no such Proceeding had been instituted.

Section 4.04 Right of Certificateholders to Receive Payments Not to Be Impaired. Subject to the provisions of this Agreement and each Trust Agreement, the right of any Certificateholder, any Primary Liquidity Provider or the Policy Provider, respectively, to receive payments hereunder (including, without limitation, pursuant to Section 2.04, 3.02 or 3.03) when due, or to institute suit for the enforcement of any such payment on or after the applicable Distribution Date, shall not be impaired or affected without the consent of such Certificateholder, such Liquidity Provider or the Policy Provider, respectively.

#### ARTICLE V

##### DUTIES OF THE SUBORDINATION AGENT; AGREEMENTS OF TRUSTEES, ETC.

Section 5.01 Notice of Indenture Event of Default or Triggering Event. (a) If the Subordination Agent shall have knowledge of an Indenture Event of Default or a Triggering Event, the Subordination Agent shall promptly give notice thereof to the Rating Agencies, American, the Liquidity Providers, the Policy Provider and the Trustees by telegram, cable, facsimile or telephone (to be promptly confirmed in writing), unless such Indenture Event of Default or Triggering Event shall have been cured or waived. For all purposes of this Agreement, in the absence of actual knowledge, the Subordination Agent shall not be deemed to have knowledge of any Indenture Event of Default or Triggering Event unless notified in writing by American, one or more Trustees, one or more Liquidity Providers, the Policy Provider or one or more Certificateholders; and "actual knowledge" (as used in the foregoing clause) of the Subordination Agent shall mean actual knowledge of an officer in the Corporate Trust Office of the Subordination Agent.

(b) Other Notices. The Subordination Agent will furnish to each Liquidity Provider, the Policy Provider and Trustee, promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and other instruments furnished to the Subordination Agent as registered holder of the Equipment Notes or otherwise in its capacity as Subordination Agent to the extent the same shall not have been otherwise directly distributed to such Liquidity Provider, the Policy Provider or Trustee, as applicable, pursuant to any other Operative Agreement.

Section 5.02 Indemnification. The Subordination Agent shall not be required to take any action or refrain from taking any action under Article IV unless the Subordination Agent shall have received indemnification against any risks incurred in connection therewith in form and substance reasonably satisfactory to it, including, without limitation, adequate advances against costs that may be incurred by it in connection therewith. The Subordination Agent shall not be required to take any action under Article IV, nor shall any other provision of this Agreement or any other Operative Agreement be deemed to impose a duty on the Subordination Agent to take any action, if the Subordination Agent shall have been advised by outside counsel that such action is contrary to the terms hereof or is otherwise contrary to law.

Section 5.03 No Duties Except as Specified in Intercreditor Agreement. The Subordination Agent shall not have any duty or obligation to take or refrain from taking any action under, or in connection with, this Agreement, except as expressly provided by the terms of this Agreement; and no implied duties or obligations shall be read into this Agreement against the Subordination Agent. The Subordination Agent agrees that it will, in its individual capacity and at its own cost and expense (but without any right of indemnity in respect of any such cost or expense) promptly take such action as may be necessary duly to discharge all Liens on any of the Trust Accounts or any monies deposited therein that are attributable to the Subordination Agent in its individual capacity and that are unrelated to the transaction contemplated hereby and by the other Operative Agreements.

Section 5.04 Notice from the Liquidity Providers and Trustees. If any Liquidity Provider, the Policy Provider or any Trustee has notice of an Indenture Event of Default or a Triggering Event, such Person shall promptly give notice thereof to all other Liquidity Providers and Trustees and to the Subordination Agent; provided, however, that no such Person shall have any liability hereunder as a result of its failure to deliver any such notice.

Section 5.05 Agreements Relating to Above-Cap Liquidity Facility. Each of the Subordination Agent and the Class G Trustee agrees at the request of the Class G Above-Cap Liquidity Provider to use reasonable efforts (consistent with applicable legal and regulatory restrictions) to take any action that would avoid the need for, or reduce the amount of, any payment under Section 2(d) of the ISDA Master Agreement forming part of the Class G Above-Cap Liquidity Facility; provided that any such action would not, in the reasonable judgment of such Person, be materially disadvantageous to it. Notwithstanding anything to the contrary contained herein, but without limiting, and subject to, the rights of the Subordination Agent hereunder, the obligation of the Above-Cap Liquidity Provider to make any Above-Cap Payment or pay any Termination Amount shall be governed exclusively by the Above-Cap Liquidity Facility.

## ARTICLE VI

### THE SUBORDINATION AGENT

Section 6.01 Authorization; Acceptance of Trusts and Duties. Each of the Class G Trustee and the Class C Trustee hereby designates and appoints the Subordination Agent as the agent and trustee of such Trustee under the applicable Liquidity Facility and authorizes the Subordination Agent to enter into the applicable Liquidity Facility as agent and trustee for such Trustee. Each of the Liquidity Providers and the Trustees hereby designates and appoints the Subordination Agent as the Subordination Agent under this Agreement. State Street accepts the trusts and duties hereby created and applicable to it and agrees to perform such duties, but only upon the terms of this Agreement and agrees to receive, handle and disburse all monies received by it in accordance with the terms hereof. The Subordination Agent shall have no liability hereunder except (a) for its own willful misconduct or negligence, (b) as provided in Section 2.02 and the last sentence of Section 5.03, (c) for liabilities that may result from the inaccuracy of any representation or warranty of the Subordination Agent made in its individual capacity in any Operative Agreement and (d) as otherwise expressly provided herein or in the other Operative Agreements.

Section 6.02 Absence of Duties. The Subordination Agent shall have no duty to see to any recording or filing of this Agreement or any other document, or to see to the maintenance of any such recording or filing.

Section 6.03 No Representations or Warranties as to Documents. The Subordination Agent shall not be deemed to have made any representation or warranty as to the validity, legality or enforceability of this Agreement or any other Operative Agreement or as to the correctness of any statement contained herein or therein (other than the representations and warranties of the Subordination Agent made in its individual capacity under any Operative Agreement), except that the Subordination Agent hereby represents and warrants that each of said specified documents to which it is a party has been or will be duly executed and delivered by one of its officers who is and will be duly authorized to execute and deliver such document on its behalf. The Certificateholders, the Trustees, the Policy Provider and the Liquidity Providers make no representation or warranty hereunder whatsoever.

Section 6.04 No Segregation of Monies; No Interest. Any monies paid to or retained by the Subordination Agent pursuant to any provision hereof and not then required to be distributed to any Trustee, the Policy Provider or any Liquidity Provider as provided in Articles II and III or deposited into one or more Trust Accounts need not be segregated in any manner except to the extent required by such Articles II and III and by law, and the Subordination Agent shall not (except as otherwise provided in Section 2.02)

be liable for any interest thereon; provided, however, that any payments received or applied hereunder by the Subordination Agent shall be accounted for by the Subordination Agent so that any portion thereof paid or applied pursuant hereto shall be identifiable as to the source thereof.

Section 6.05 Reliance; Agents; Advice of Counsel. The Subordination Agent shall not incur any liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties. As to the Pool Balance of any Trust as of any date, the Subordination Agent may for all purposes hereof rely on a certificate signed by any Responsible Officer of the applicable Trustee, and such certificate shall constitute full protection to the Subordination Agent for any action taken or omitted to be taken by it in good faith in reliance thereon. As to any fact or matter relating to the Liquidity Providers, the Trustees or the Policy Provider, the manner of ascertainment of which is not specifically described herein, the Subordination Agent may for all purposes hereof rely on a certificate, signed by any Responsible Officer of the applicable Liquidity Provider, Trustee, or the Policy Provider, as the case may be, as to such fact or matter, and such certificate shall constitute full protection to the Subordination Agent for any action taken or omitted to be taken by it in good faith in reliance thereon. In the administration of the trusts hereunder, the Subordination Agent may (a) execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents or attorneys and (b) consult with counsel, accountants and other skilled Persons to be selected and retained by it. The Subordination Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled Persons acting within such counsel's, accountants' or Person's area of competence (so long as the Subordination Agent shall have exercised reasonable care and judgment in selecting such Persons).

Section 6.06 Capacity in Which Acting. The Subordination Agent acts hereunder solely as agent and trustee herein and not in its individual capacity, except as otherwise expressly provided in the Operative Agreements.

Section 6.07 Compensation. The Subordination Agent shall be entitled to such compensation, including reasonable expenses and disbursements, for all services rendered hereunder as American and the Subordination Agent may agree from time to time in writing and shall have a priority claim to the extent set forth in Article III on all monies collected hereunder for the payment of such compensation, to the extent that such compensation shall not be paid by others. The Subordination Agent agrees that it shall have no right against any Trustee or Liquidity Provider or the Policy Provider for any fee

as compensation for its services as agent under this Agreement. The provisions of this Section 6.07 shall survive the termination of this Agreement.

Section 6.08 May Become Certificateholder. The institution acting as Subordination Agent hereunder may become a Certificateholder and have all rights and benefits of a Certificateholder to the same extent as if it were not the institution acting as the Subordination Agent.

Section 6.09 Subordination Agent Required; Eligibility. There shall at all times be a Subordination Agent hereunder that is a Citizen of the United States, a bank, trust company or other financial institution organized and doing business under the laws of the United States or any state thereof and eligible to act as a trustee under Section 310(a) of the Trust Indenture Act of 1939, as amended, and that has a combined capital and surplus of at least \$75,000,000 (or a combined capital and surplus in excess of \$5,000,000 and the obligations of which, whether now in existence or hereafter incurred, are fully and unconditionally guaranteed by a corporation organized under the laws of the United States or any State or territory thereof or the District of Columbia and having a combined capital and surplus of at least \$75,000,000). If such bank, trust company or other financial institution or such corporation publishes reports of conditions at least annually, pursuant to law or to the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 6.09 the combined capital and surplus of such bank, trust company or other financial institution or such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of conditions so published.

In case at any time the Subordination Agent shall cease to be eligible in accordance with the provisions of this Section 6.09, the Subordination Agent shall resign immediately in the manner and with the effect specified in Section 7.01.

Section 6.10 Money to Be Held in Trust. All Equipment Notes, monies and other property deposited with or held by the Subordination Agent pursuant to this Agreement shall be held in trust for the benefit of the parties entitled to such Equipment Notes, monies and other property.

## ARTICLE VII

### SUCCESSOR SUBORDINATION AGENT

Section 7.01 Replacement of Subordination Agent; Appointment of Successor.  
(a) The Subordination Agent or any successor thereto must resign if at any time it fails to comply with Section 6.09 and may resign at any time without cause by giving 60 days' prior written notice to American, the Trustees, the Policy Provider and the Liquidity Providers.

The Controlling Party (or the party that would be the Controlling Party if an Indenture Event of Default had occurred) shall remove the Subordination Agent if:

- (1) the Subordination Agent fails to comply with Section 6.09;
- (2) the Subordination Agent is adjudged bankrupt or insolvent;
- (3) a receiver of the Subordination Agent shall be appointed or any public officer shall take charge or control of the Subordination Agent or its property or affairs for the purpose of rehabilitation, conservation or liquidation; or
- (4) the Subordination Agent otherwise becomes incapable of acting.

If the Subordination Agent resigns or is removed or if a vacancy exists in the office of Subordination Agent for any reason (the Subordination Agent in such event being referred to herein as the retiring Subordination Agent), the Controlling Party (or the party that would be the Controlling Party if an Indenture Event of Default had occurred) shall in consultation with American promptly appoint a successor Subordination Agent. If a successor Subordination Agent shall not have been appointed within 60 days after such notice of resignation or removal, the retiring Subordination Agent, one or more of the Trustees, one or more of the Liquidity Providers or the Policy Provider may petition any court of competent jurisdiction for the appointment of a successor Subordination Agent to act until such time, if any, as a successor shall have been appointed as provided above.

A successor Subordination Agent shall deliver (x) a written acceptance of its appointment as Subordination Agent hereunder to the retiring Subordination Agent and (y) a written assumption of its obligations hereunder and under each Liquidity Facility to each party hereto, upon which the resignation or removal of the retiring Subordination Agent shall become effective, and the successor Subordination Agent shall have all the rights, powers and duties of the Subordination Agent under this Agreement. The successor Subordination Agent shall mail a notice of its succession to the Policy Provider, the Liquidity Providers and the Trustees. The retiring Subordination Agent shall promptly transfer its rights under each of the Policy, Liquidity Facilities and all of the property and all books and records, or true, complete and correct copies thereof, held by it as Subordination Agent to the successor Subordination Agent.

If the Subordination Agent fails to comply with Section 6.09 (to the extent applicable), one or more of the Trustees, one or more of the Liquidity Providers or the Policy Provider may petition a court of competent jurisdiction for the removal of the Subordination Agent and the appointment of a successor Subordination Agent.

Notwithstanding the foregoing, no resignation or removal of the Subordination Agent shall be effective unless and until a successor has been appointed. No appointment of a successor Subordination Agent shall be effective unless and until the Rating Agencies shall have delivered a Ratings Confirmation.

(b) Any corporation, bank, trust company or other financial institution into which the Subordination Agent may be merged or converted or with which it may be consolidated, or any corporation, bank, trust company or other financial institution resulting from any merger, conversion or consolidation to which the Subordination Agent shall be a party, or any corporation, bank, trust company or other financial institution succeeding to all or substantially all of the corporate trust business of the Subordination Agent, shall be the successor of the Subordination Agent hereunder, provided that such corporation, bank, trust company or financial institution shall be otherwise qualified and eligible under Section 6.09, without the execution or filing of any paper or any further act on the part of any of the parties hereto, except that such corporation, bank, trust company or financial institution shall give prompt subsequent notice of such transaction to each Liquidity Provider, American and the Policy Provider.

#### ARTICLE VIII

##### SUPPLEMENTS AND AMENDMENTS

Section 8.01 Amendments, Waivers, Etc. (a) This Agreement may not be supplemented, amended or modified without the consent of each Trustee (acting, except in the case of any amendment pursuant to Section 3.06(e)(v)(y) with respect to any Replacement Primary Liquidity Facility, any amendment pursuant to Section 3.06(c)(ii) hereof with respect to any Replacement Above-Cap Liquidity Facility or any amendment contemplated by the penultimate sentence of this Section 8.01(a), with the consent of holders of Certificates of the related Class evidencing Fractional Undivided Interests in the related Trust aggregating not less than a majority in interest in such Trust or as otherwise authorized pursuant to the relevant Trust Agreement (including, without limitation, without the consent of the Certificateholders to the extent permitted thereby, Section 9.01 of the Basic Agreement)), the Subordination Agent, the Policy Provider and each Liquidity Provider; provided, however, that this Agreement may be supplemented, amended or modified without the consent of any Trustee in order (i) to cure any ambiguity or omission or to correct any mistake, (ii) to correct or supplement any provision, or (iii) to make any other provision in regard to matters or questions arising hereunder that will not materially adversely affect the interests of any Trustee or the holders of the related Class of Certificates, and without the consent of any Liquidity Provider if such supplement, amendment or modification is in accordance with Section 8.01(c) or Section 8.01(d) and Exhibit A hereto; provided further, however, that, if such



supplement, amendment or modification (x) would directly or indirectly amend, modify or supersede, or otherwise conflict with, Section 2.02(b), 3.06(c), 3.06(e), 3.06(f) (other than the last sentence thereof), 3.06(l), this proviso of 8.01(a), the last sentence of 8.01(a), 8.01(c), 8.01(d) or 9.06 (collectively, the "American Provisions"), (y) would otherwise affect the interests of a potential Replacement Primary Liquidity Provider or of American with respect to its ability to replace any Liquidity Facility or with respect to its payment obligations under any Operative Agreement or (z) is made pursuant to the penultimate sentence of this Section 8.01(a) or pursuant to Section 8.01(c) or 8.01(d), then such supplement, amendment or modification shall not be effective without the additional written consent of American. Notwithstanding the foregoing, without the consent of each Certificateholder affected thereby, the Policy Provider and each Primary Liquidity Provider, no supplement, amendment or modification of this Agreement may (i) reduce the percentage of the interest in any Trust evidenced by the Certificates issued by such Trust necessary to consent to modify or amend any provision of this Agreement or to waive compliance therewith or (ii), except as provided in the penultimate sentence of this Section 8.01(a) or Section 8.01(d), modify Section 2.04, 3.02 or 3.03 hereof relating to the distribution of monies received by the Subordination Agent hereunder from the Equipment Notes or pursuant to the Liquidity Facilities or the Policy. Notwithstanding any provision to the contrary contained herein, any modification to (x) Section 2.04(b), 3.02 or 3.03 hereof that would change the priority of payments to the Above-Cap Reserve Account, or (y) any provision herein that would materially adversely affect the rights or materially increase the obligations of the Above-Cap Liquidity Provider under its Above-Cap Liquidity Facility shall also require the consent of the Above-Cap Liquidity Provider. Nothing contained in this Section 8.01(a) shall require the consent of a Trustee at any time following the payment of Final Distributions with respect to the related Class of Certificates. Each of the Liquidity Providers and the Policy Provider hereby agrees and confirms (except, with respect to the Above-Cap Liquidity Provider, as provided in the second immediately preceding sentence) that (i) it shall be deemed to consent to the issuance of the New Class C Certificates, New Class D Certificates, Class E Certificates, New Series of Series C Equipment Notes, New Series of Series D Equipment Notes, Series E Equipment Notes and the amendments to this Agreement made in connection therewith in accordance with Section 8.01(c) or Section 8.01(d), as the case may be, and (ii) any such issuance shall not affect any of its respective obligations under its Liquidity Facility or the Policy, as applicable. The parties hereto agree that no amendments shall be made to this Agreement pursuant to Section 8.01(c), 8.01(d) or Exhibit A hereto unless each Rating Agency shall have provided written confirmation that the issuance of the New Class C Certificates, the New Class D Certificates or the Class E Certificates, as the case may be, will not cause the rating then in effect by such Rating Agency for any Class of Certificates (without regard, in the case of the Class G Certificates, to the Policy), to be withdrawn, suspended or downgraded. If the Replacement Liquidity Facility for any Liquidity Facility is to be comprised of more than one instrument as contemplated by the

definition of the term "Replacement Above-Cap Liquidity Facility" or "Replacement Primary Liquidity Facility", as the case may be, then each party hereto agrees to amend this Agreement and the other Operative Agreements to incorporate appropriate mechanics for multiple Liquidity Facilities for a single Trust. The Policy Provider agrees and confirms that (i) its consent shall not be required in connection with a transfer of the obligations of the Above-Cap Liquidity Provider or the replacement of the Above-Cap Liquidity Facility under the circumstances specified in Part 5(i) of the Schedule to the ISDA Master Agreement forming a part of the Above-Cap Liquidity Facility and (ii) any such transfer or replacement shall not affect any of its obligations under its Policy.

(b) Subject to Section 2.06, if the Subordination Agent, as the registered holder of any Equipment Notes, receives a request for its consent to any amendment, modification, consent or waiver under such Equipment Notes, the Indenture pursuant to which such Equipment Notes were issued or the related Participation Agreement or other related document, (i) if no Indenture Event of Default shall have occurred and be continuing with respect to such Indenture, the Subordination Agent shall request directions with respect to each series of such Equipment Notes from the Trustee of the Trust which holds such Equipment Notes and shall vote or consent in accordance with the directions of such Trustee except that, so long as the Final Distributions on the Class G Certificates have not been made or any Policy Provider Obligations remain outstanding and no Policy Provider Default shall have occurred and be continuing, the Subordination Agent shall act with respect to this clause (i) in accordance with the directions of the Policy Provider rather than the Class G Trustee with respect to the Class G Equipment Notes held in the Class G Trust, and (ii) if any Indenture Event of Default shall have occurred and be continuing with respect to such Indenture, the Subordination Agent will exercise its voting rights as directed by the Controlling Party, subject to Sections 4.01 and 4.04; provided that no such amendment, modification, consent or waiver shall, without the consent of each Liquidity Provider and the Policy Provider, (i) reduce the amount of principal or interest payable by American under any Equipment Note, (ii) create any Lien with respect to any Collateral prior to or pari passu with the Lien of the related Indenture or deprive any holder of an Equipment Note issued under such Indenture of the benefit of the Lien of such Indenture upon the related Collateral or (iii) deprive such Liquidity Provider or the Policy Provider, as the case may be, of any benefits provided to it under Section 2.14 of any Indenture.

(c) If Class E Certificates are issued, this Agreement shall be amended by written agreement of the Subordination Agent and the Trustees to provide for the subordination of such Class E Certificates to the Class G Certificates, the Class C Certificates and the Class D Certificates substantially in the same manner as the Class D Certificates are subordinated hereunder to the Class G Certificates and the Class C Certificates. No such amendment shall materially adversely affect any Trustee or the

Policy Provider. The amendment to this Agreement to give effect to the issuance of any Class E Certificates shall, without limitation:

(i) add the Class E Trustee as a party to this Agreement;

(ii) revise the definitions of "Cash Collateral Account", "Certificate", "Class", "Controlling Party", "Equipment Notes", "Final Legal Distribution Date", "Liquidity Facility", "Liquidity Provider", "LTV Ratio", "Stated Interest Rate", "Trust", "Trust Agreement" and "Trustee", as appropriate, to reflect the issuance of the Class E Certificates (and the subordination thereof); and

(iii) revise the provisions of this Agreement governing distributions with respect to Certificates and related notices, including, without limitation, Sections 2.04, 3.01, 3.02, 3.03 and 3.06, if necessary, to provide for distributions on the Class E Certificates after payment of all relevant distributions on the Class D Certificates.

If, with respect to any Aircraft, Series E Equipment Notes are issued to any Person other than the Class E Trust, this Agreement shall be amended by written agreement of the indenture trustees of the Series E Equipment Notes, the Trustees and the Subordination Agent to (i) provide for each holder of a Series E Equipment Note to be bound by the provisions of Section 2.06(a) so that the Controlling Party, among other things, shall be entitled to direct the Loan Trustee under the applicable Indenture as provided in such Section 2.06(a) (and such Series E Equipment Notes shall make effective provision therefor so as to bind each holder thereof to such provisions of Section 2.06(a)) and (ii) to revise the definitions of "Controlling Party" and "Equipment Notes", as appropriate, to reflect the issuance of the Series E Equipment Notes (and the prior rights, as against the holders of such Series E Equipment Notes, of the Class G Trustee, the Class C Trustee and the Class D Trustee to be such "Controlling Party"). No such amendment shall materially adversely affect any Trustee.

(d) If there is a Refunding, this Agreement shall be amended by written agreement of the Subordination Agent, the Trustees of the continuing Trusts, the Trustees of the newly created Trusts and, if applicable, the new Class C Primary Liquidity Provider. Such amendment shall comply with the provisions of Exhibit A hereto, shall substitute the new class C trustee and/or the new class D trustee for the Class C Trustee or Class D Trustee of the Trusts being prepaid and shall make other Permitted Refunding Changes (as defined in such Exhibit A) including without limitation:

(i) revise the definitions as appropriate of: Class C Primary Liquidity Facility (if a new Primary Liquidity Facility is arranged for the new Class C Trust as contemplated in Exhibit A hereto), Class C Primary Liquidity Provider, Class C Trust Agreement, Class D Trust Agreement, Fee Letter, Series C Equipment Notes, and Series D Equipment Notes,

including without limitation, to reflect the new date and other identifying characteristics of any substituted agreement; and

(ii) revise the definitions of Stated Interest Rate and Final Legal Distribution Date to reflect the terms of the new Certificates.

No Refunding shall adversely affect any right or obligation of the Class G Primary Liquidity Provider or the Class G Above-Cap Liquidity Provider, except to the extent expressly provided in paragraph 2 of Exhibit A. Prior to the termination or replacement of the Class C Primary Liquidity Provider in connection with a Refunding, all of the Liquidity Obligations owed or payable to such Class C Primary Liquidity Provider must be paid in full.

Section 8.02 Subordination Agent Protected. If, in the reasonable opinion of the institution acting as the Subordination Agent hereunder, any document required to be executed by it pursuant to the terms of Section 8.01 adversely affects any right, duty, immunity or indemnity with respect to such institution under this Agreement or any Liquidity Facility, the Subordination Agent may in its discretion decline to execute such document.

Section 8.03 Effect of Supplemental Agreements. Upon the execution of any amendment, consent or supplement hereto pursuant to the provisions hereof, this Agreement shall be and shall be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Agreement of the parties hereto and beneficiaries hereof shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental agreement shall be and be deemed to be part of the terms and conditions of this Agreement for any and all purposes. In executing or accepting any supplemental agreement permitted by this Article VIII, the Subordination Agent shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel stating that the execution of such supplemental agreement is authorized or permitted by this Agreement.

Section 8.04 Notice to Rating Agencies. Promptly following its receipt of each amendment, consent, modification, supplement or waiver contemplated by this Article VIII, the Subordination Agent shall send a copy thereof to each Rating Agency.

ARTICLE IX

MISCELLANEOUS

Section 9.01 Termination of Intercreditor Agreement. Upon (or at any time after) payment of Final Distributions with respect to each Class of Certificates and the payment in full of all Liquidity Obligations to the Primary Liquidity Providers and all Policy Provider Obligations to the Policy Provider and provided that there shall then be no other amounts due to the Certificateholders, the Trustees, the Liquidity Providers, the Policy Provider and the Subordination Agent hereunder or under the Trust Agreements, and that the commitment of the Liquidity Providers under the Liquidity Facilities and of the Policy Provider under the Policy shall have expired or been terminated, this Agreement shall terminate and shall be of no further force or effect. Except as aforesaid or otherwise provided, this Agreement and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof.

Section 9.02 Intercreditor Agreement for Benefit of Trustees, Liquidity Providers, Policy Provider and Subordination Agent. Subject to the second sentence of Section 9.06 and the provisions of Section 4.04, nothing in this Agreement, whether express or implied, shall be construed to give to any Person other than the Trustees, the Liquidity Providers, the Policy Provider and the Subordination Agent any legal or equitable right, remedy or claim under or in respect of this Agreement.

Section 9.03 Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices required or permitted under the terms and provisions of this Agreement shall be in English and in writing, and any such notice may be given by United States mail, courier service or facsimile or any other customary means of communication, and any such notice shall be effective when delivered (or if mailed, three Business Days after deposit, postage prepaid in the first class United States mail and, 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),

if to the Subordination Agent, to:

State Street Bank And Trust Company of Connecticut,  
National Association  
225 Asylum Street  
Goodwin Square  
Hartford, Connecticut 06103  
Attention: Corporate Trust Division  
Telephone: (860) 244-1844  
Telecopy: (860) 244-1881

if to any Trustee, to:

State Street Bank and Trust Company of Connecticut,  
National Association  
225 Asylum Street  
Goodwin Square  
Hartford, Connecticut 06103  
Attention: Corporate Trust Division  
Telephone: (860) 244-1844  
Telecopy: (860) 244-1881

if to the Policy Provider, to:

MBIA Insurance Corporation  
113 King Street  
Armonk, New York 10504  
Attention: Insured Portfolio Management, Structured  
Fax: (917) 765-3163

if to any Primary Liquidity Provider, at the address set forth in the respective Liquidity Facility.

if to the initial Above-Cap Liquidity Provider, addressed to it at its office at:

Credit Suisse First Boston International  
One Cabot Square  
London, E14 4Q3  
England

Attention:

- (a) Head of Credit Risk Management
- (b) Managing Director - Operations Department
- (c) Managing Director - Legal Department

Fax: (44) (20) 7888-2028

Telephone: (44) (20) 7888-2686

Any party hereto, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

Section 9.04 Severability. 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 9.05 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 party or other Person against whom enforcement of the change, waiver, discharge or termination is sought and any other party or other Person whose consent is required pursuant to this Agreement and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

Section 9.06 Successors and Assigns. All covenants and agreements contained herein shall bind and inure to the benefit of, and be enforceable by, each of the parties hereto and the successors and permitted assigns of each, all as herein provided. In addition, the American Provisions shall inure to the benefit of American and its successors and permitted assigns, and (without limitation of the foregoing) American is hereby constituted, and agreed to be, an express third party beneficiary of the American Provisions.

Section 9.07 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 9.08 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 constitute one instrument.

Section 9.09 Subordination. (a) As among the Trustees, and as between the Liquidity Providers and the Policy Provider, on the one hand, and the Trustees and the Certificateholders, on the other hand, this Agreement shall be a subordination agreement for purposes of Section 510 of the United States Bankruptcy Code, as amended from time to time. In addition, as among the Trustees and the Certificateholders of each Class, this Agreement shall be a subordination agreement for purposes of such Section 510.

(b) Notwithstanding the provisions of this Agreement, if prior to the payment in full to (i) the Primary Liquidity Providers of all Liquidity Obligations then due and payable and (ii) Policy Provider of all Policy Provider Obligations, or prior to the distribution in full of any other amount distributable hereunder, any party hereto shall have received any payment or distribution in respect of Equipment Notes or any other amount under the Indentures or other Operative Agreements which, had the subordination provisions of this Agreement been properly applied to such payment, distribution or other amount, would not have been distributed to such Person, then such payment, distribution or other amount shall be received and held in trust by such Person and paid over or delivered to the Subordination Agent for application as provided herein.

(c) If any Trustee, any Liquidity Provider, the Policy Provider or the Subordination Agent receives any payment in respect of any obligations owing or amounts distributable hereunder (or, in the case of the Primary Liquidity Providers or the Policy Provider, in respect of the Liquidity Obligations or the Policy Provider Obligations, as the case may be), which is subsequently invalidated, declared preferential, set aside and/or required to be repaid to a trustee, receiver or other party, then, to the extent of such payment, such obligations or amounts (or, in the case of the Primary Liquidity Providers or the Policy Provider, such Liquidity Obligations or the Provider Policy Obligations, as the case may be) intended to be satisfied shall be revived and continue in full force and effect as if such payment had not been received.

(d) The Trustees (on behalf of themselves and the holders of Certificates), the Liquidity Providers, the Policy Provider and the Subordination Agent expressly confirm and agree that the payment priorities and subordination specified in Articles II and III shall apply in all circumstances, notwithstanding (x) the fact that the obligations owed to the Trustees are secured by certain assets and the Liquidity Obligations and the Policy Provider Obligations are not so secured and (y) the occurrence of an American Bankruptcy Event or any similar event or occurrence relating to any other Person (it being expressly agreed that the payment priorities and subordination specified in Articles II and III shall apply whether or not a claim for post-petition or post-filing interest is allowed in the proceedings resulting from such American Bankruptcy Event or other event or occurrence). The Trustees expressly agree (on behalf of themselves and the holders of Certificates) not to assert priority over the holders of Liquidity Obligations or Policy



Provider Obligations due to their status as secured creditors in any bankruptcy, insolvency or other legal proceeding.

(e) Each of the Trustees (on behalf of themselves and the holders of Certificates), the Liquidity Providers and the Subordination Agent may take any of the following actions without impairing its rights under this Agreement:

(i) obtain a Lien on any property to secure any amounts owing to it hereunder, including, in the case of the Primary Liquidity Providers and the Policy Provider, the Liquidity Obligations or the Policy Provider Obligations, as the case may be;

(ii) obtain the primary or secondary obligation of any other obligor with respect to any amounts owing to it hereunder, including, in the case of the Primary Liquidity Providers and the Policy Provider, any of the Liquidity Obligations or the Policy Provider Obligations, as the case may be;

(iii) renew, extend, increase, alter or exchange any amounts owing to it hereunder, including, in the case of the Primary Liquidity Providers and the Policy Provider, any of the Liquidity Obligations or the Policy Provider Obligations, as the case may be, or release or compromise any obligation of any obligor with respect thereto;

(iv) refrain from exercising any right or remedy, or delay in exercising any right or remedy, which it may have; or

(v) take any other action which might discharge a subordinated party or a surety under applicable law;

provided, however, that the taking of any such actions by any of the Trustees, the Liquidity Providers, the Policy Provider or the Subordination Agent shall not prejudice the rights or adversely affect the obligations of any other party under this Agreement.

Section 9.10 Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 9.11 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 and of all other Operative Agreements hereby (a) 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 and (b) 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.

(b) EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS 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. Each of the parties warrants and represents 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. 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) Each Liquidity Provider and the Policy Provider hereby waives any immunity it may have from the jurisdiction of the courts of the United States or of any state thereof and waives any immunity any of its properties located in the United States may have from attachment or execution upon a judgment entered by any such court under the United States Foreign Sovereign Immunities Act of 1976 or any similar successor legislation.

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

STATE STREET BANK AND TRUST  
COMPANY OF CONNECTICUT, NATIONAL  
ASSOCIATION,  
as Trustee for each of the Trusts

By:/s/ Alison D.B. Nadeau  
-----  
Name: Alison D.B. Nadeau  
Title: Vice President

WESTLB AG, NEW YORK BRANCH,  
Class G Primary Liquidity as Provider  
and Class C Primary Liquidity Provider

By:/s/ Brigitte Thieme  
-----  
Name: Brigitte Thieme  
Title: Managing Director

By:/s/ Michael P. Sassos  
-----  
Name: Michael P. Sassos  
Title: Director

CREDIT SUISSE FIRST BOSTON  
INTERNATIONAL, as  
Class G Above-Cap Liquidity Provider

By:/s/ Priscilla Morales  
-----  
Name: Priscilla Morales  
Title: Authorized Signatory

By:/s/ Steven Reis  
-----  
Name: Steven Reis  
Title: Authorized Signatory

STATE STREET BANK AND TRUST  
COMPANY OF CONNECTICUT, NATIONAL  
ASSOCIATION,  
as Subordination Agent

By: /s/ Alison D.B. Nadeau

-----  
Name: Alison D.B. Nadeau  
Title: Vice President

MBIA INSURANCE CORPORATION,

By: /s/ Lisa A. Wilson

-----  
Name: Lisa A. Wilson  
Title: Assistant Secretary

SCHEDULE 2.02(b)

Upon the funding of the Above-Cap Account or Above-Cap Reserve Account or the maturity or redemption of any investment of funds in any such account (such funds, the "Funds"), Credit Suisse First Boston International shall send a notice to the Subordination Agent containing a list of Eligible Investments (the "Specified Investments") which shall contain at least 10 investments in open market commercial paper of corporations incorporated under the laws of the United States of America or any state thereof.

Following receipt of such notice, the Subordination Agent shall use its best efforts to invest or reinvest the Funds in any of the investments identified as a Specified Investment. If no Specified Investment is then available, the Subordination Agent shall use the Funds to purchase overnight Federal funds from any institution described in clause (c) of the definition of "Eligible Investments"; provided, that, promptly upon any of the investments identified as a Specified Investment becoming available, the Subordination Agent shall invest or reinvest the Funds in such investments.

Any investments made by the Subordination Agent pursuant to this Schedule 2.02(b) shall be subject to the provisions of Section 2.02 (including, without limitation, the limitations on liability of the Subordination Agent).

Following such investment or reinvestment of the Funds by the Subordination Agent in any Specified Investment or other Eligible Investment, the Subordination Agent shall deliver a written statement to Credit Suisse First Boston International setting forth for each such Specified Investment or Eligible Investment the CUSIP number or other similar number for such obligation (or, if such obligation does not have such a number, (i) the name of the issuer, (ii) its maturity date, (iii) its yield or rate of return, and (iv) its rating, if rated by any nationally recognized rating agency).

REFUNDING TERMS

American shall have the option to prepay (each such prepayment and the related transactions contemplated by this Exhibit A, a "Refunding") at any time without premium all outstanding Series C Equipment Notes and all outstanding Series D Equipment Notes, provided that all the following conditions are complied with:

1. Ratings Confirmation with respect to the Refunding shall have been received with respect to any then-rated Class of Certificates not undergoing such Refunding.
2. American shall have issued, pursuant to each Indenture, new Series C Equipment Notes and Series D Equipment Notes (each, a "New Series"). The economic terms of either New Series (the "Specified Economic Terms") may not differ in any material respect from the economic terms of the corresponding series of Equipment Notes being prepaid (a "Prepaid Series"), except that:
  - (a) the interest rates of either New Series or both may be changed, and either New Series or both may provide for specified increases and decreases in the stated interest rate under stated circumstances or, solely in the case of a New Series of Series D Equipment Notes, floating rate interest;
  - (b) the principal amount of either New Series or both issued under any Indenture may be increased or decreased; provided that the principal amount of a New Series issued under any Indenture may not change by more than 20% of the principal amount of the corresponding Prepaid Series issued under such Indenture;
  - (c) the maturity date of either New Series or both may be made earlier or later by not more than one year before or after the original maturity date of the corresponding Prepaid Series; and
  - (d) the amount of premium on prepayment on either New Series or both may be changed.
3. Each New Series shall be substantially in the form of the respective series of Equipment Notes being prepaid, with only Permitted Refunding Changes thereto.

"Permitted Refunding Changes," with respect to any instrument, agreement or other document, means only such changes, amendments and modifications to such instrument, agreement or other document as may be necessary or advisable to implement (x) the Specified Economic Terms and (y) conforming and clarifying changes to reflect the transactions contemplated by this Exhibit A.

4. Following a Refunding, if a New Series has been purchased by a New Trust (as defined below) with proceeds of New Class C Certificates (as defined below) or New Class D Certificates (as defined below) that were sold to Persons unaffiliated with American, such new Series may only be prepaid if all series of Equipment Notes issued under the underlying related Indenture that are senior to such New Series are also prepaid.
5. American and a Trustee (a "New Trustee") shall have entered into a Trust Supplement for a new Class C Trust and a new Class D Trust (each, a "New Trust") (providing for the issuance of new Class C Certificates and new Class D Certificates respectively) substantially in the form of the Trust Supplements of the Trusts holding the corresponding Prepaid Series (the "Terminating Trusts"), in each case, with Permitted Refunding Changes.
6. In the case of the new Class C Trust, American may arrange for a Primary Liquidity Facility for the new Class C Trust substantially in the form of the Class C Primary Liquidity Facility or any Replacement Primary Liquidity Facility, or for a continuation of the existing Class C Primary Liquidity Facility in favor of the New Trustee, in either case, with Permitted Refunding Changes. There shall be no Liquidity Facility for any new Class D Trust.
7. [RESERVED].
8. Pursuant to amendments to reflect Permitted Refunding Changes, each New Trustee, in substitution of the corresponding Trustee of the relevant Terminating Trust, shall become a party to this Intercreditor Agreement and to the Participation Agreements, in each case, as they may be amended as provided in the last paragraph of this Exhibit A.
9. New Class C Certificates ("New Class C Certificates") shall have been sold to one or more Persons unaffiliated with American, other than the original registered holder (or the named beneficiary of such original registered holder or any person who holds Class C Certificates for the benefit of such named beneficiary) of definitive trust certificates of the Terminating Trusts, and from the proceeds thereof there shall have been purchased the relevant series of New Notes by the relevant New Trustee.

Concurrently with the sale of New Class C Certificates, new Class D Certificates ("New Class D Certificates") may be sold to one or more Persons affiliated with American or unaffiliated with American (other than, in each case, the original registered holder (or the named beneficiary of such original holder or any person who holds Class D Certificates for the benefit of such named beneficiary) of definitive trust certificates of the Terminating Trusts), and from the proceeds thereof there shall have been purchased the relevant series of New Notes by the relevant New Trustee. If the Series D Equipment Notes are the subject of such a Refunding, and if the New Series of Series D Equipments issued in such Refunding is purchased by a New Trust with proceeds of New Class D Certificates that are sold to one or more Persons affiliated with American, such New Series of Series D Equipment Notes may, at American's option, be prepaid as part of a second Refunding in which additional new Class D Certificates are sold to one or more Persons unaffiliated with American as provided in this Exhibit A.

10. Each New Series of Equipment Notes shall be issued to the Subordination Agent as agent of the New Trustee of the applicable New Trust.
11. American shall have paid or made provision for the payment of all costs of implementing the foregoing.
12. American shall provide the Policy Provider with prior notice of its intention to effect a Refunding as promptly as practicable, but in no event less than 5 business days in advance of such Refunding.

In lieu of prepaying both the Series C Equipment Notes and Series D Equipment Notes, American shall have the right to prepay only the Series C Equipment Notes, in which case the conditions relating to Series D Equipment Notes and Class D Certificates (the "Class D Conditions") shall not be applicable. American may thereafter prepay the Series D Equipment Notes in which case the Class D Conditions above will be applicable and the Ratings Confirmation in respect of the related Refunding shall also be in respect of the Class C Certificates.

Each party to this Intercreditor Agreement agrees for the benefit of American to cooperate with American at American's reasonable request to carry out the purpose of the foregoing provisions on the terms and conditions set forth above. Notwithstanding anything to the contrary set forth in this Intercreditor Agreement, any Operative Agreement, or any Operative Document or Pass Through Document (as such terms are defined in each Indenture), any Permitted Refunding Changes to this Intercreditor Agreement or any such other agreement or instrument may be made without the consent of any Certificateholder;



provided that each of the following instruments, agreements or specified provisions of instruments or agreements may only be amended, modified or supplemented in connection with a Refunding to make conforming or clarifying changes resulting from the consummation of the transactions described in this Exhibit A (or otherwise in accordance with the terms of such instrument or agreement):

Series G Equipment Notes,  
Class G Trust Agreement,  
Class G Certificate,  
Class G Primary Liquidity Facility,  
Class G Above-Cap Liquidity Facility,  
The Policy  
the granting clause and Sections 3.02, 3.02 and 3.04 of the Indentures, and  
Sections 3.02 and 3.03 of the Intercreditor Agreement.

EXECUTION COPY

=====

REVOLVING CREDIT AGREEMENT  
(2002-1G)

Dated as of September 24, 2002

between

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
as Subordination Agent,  
as agent and trustee for the trustee of  
American Airlines Pass Through Trust 2002-1G

as Borrower

and

WESTLB AG, NEW YORK BRANCH,

as Primary Liquidity Provider

American Airlines Pass Through Trust 2002-1G  
American Airlines

Pass Through Certificates,  
Series 2002-1G

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REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT, dated as of September 24, 2002, is made by and between STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association, 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 agent and trustee for the Class G Trustee (in such capacity, together with its successors in such capacity, the "Borrower"), and WESTLB AG, a joint stock company organized under German law, acting through its New York Branch (the "Primary Liquidity Provider").

W I T N E S S E T H:

WHEREAS, pursuant to the Class G Trust Agreement, the Class G Trust is issuing the Class G Certificates; and

WHEREAS, the Borrower, in order to support the timely payment of a portion of the interest on the Class G Certificates in accordance with their terms, has requested the Primary 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) For the purposes of this Agreement, unless the context otherwise requires, the following capitalized terms shall have the following meanings:

"Advance" means an Interest Advance, a Final Advance, a Provider Advance or an Applied Provider 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 (i) with respect to any Unpaid Advance or Applied Provider Advance, 2.50% and (ii) with respect to any Unapplied Provider Advance, 0.00%.

"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" means an Applied Downgrade Advance or an Applied Non-Extension Advance.

"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 Primary 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, Dallas, Texas, or, so long as any Class G Certificate is outstanding, the city and state in which the Class G 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 by the United States or any political subdivision or taxing authority thereof or therein required by law to be deducted or withheld from any amounts payable to the Primary 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 Primary Liquidity Provider and the United States or such political subdivision or taxing authority, other than a connection arising solely from the Primary 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 Primary 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 or document furnished by the Primary Liquidity Provider pursuant thereto, (iv) any withholding Taxes imposed by the United States except to the extent such withholding Taxes would not have been required to be deducted or withheld from payments hereunder but for a change after the date hereof in the income tax treaty between the United States and a Relevant Country in which the Liquidity Provider is organized and resident for tax purposes or a change in the Code that overrides the provisions of such treaty or (v) any Taxes caused by any change in the Lending Office without the prior written consent of American (such consent not to be unreasonably withheld). "Relevant Country" means any of Germany, France, the United Kingdom, Switzerland, The Netherlands and Ireland.

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

"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.

"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 September 22, 2003, initially, or any date to which the Expiry Date is extended pursuant to Section 2.10, or if any such day is not a Business Day, the preceding Business Day.

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

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



"Intercreditor Agreement" means the Intercreditor Agreement, dated as of the date hereof, among the Trustees, the Primary Liquidity Provider, the liquidity provider under each Primary Liquidity Facility (other than this Agreement), the Above-Cap Liquidity Provider, the Policy Provider 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).

"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 Primary 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 G Primary Cash Collateral Account for the purpose of paying interest on the Class G Certificates as contemplated by Section 2.06(a) hereof and, in each case, ending on the next Regular Distribution Date (or, if such Regular Distribution Date is not a Business Day, the next succeeding Business Day); and

(ii) each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the next Regular Distribution Date (or, if such Regular Distribution Date is not a Business Day, the next succeeding Business Day);

provided, however, that if (x) the Final Advance shall have been made pursuant to Section 2.02(d) or (y) other outstanding Advances shall have been converted into the Final Advance pursuant to Section 6.01, then the Interest Periods shall be successive periods of one month beginning on the third Business Day following the Primary Liquidity Provider's receipt of the Notice of Borrowing for such Final Advance (in the case of clause (x) above) or the Regular Distribution Date following such conversion (in the case of clause (y) above), each such one month period to be subject to the "following business day" methodology set forth in clauses (i) and (ii) above.

"Lending Office" means the lending office of the Primary Liquidity Provider presently located at New York, New York, or such other lending office as the Primary Liquidity Provider from time to time shall notify the Borrower as its lending office hereunder; provided that the Primary 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" means, with respect to any Interest Period, (a) the rate per annum appearing on display page 3750 (British Bankers Association - LIBOR) of the Dow Jones Markets Service (or any successor or substitute therefor) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period as the rate for dollars deposits with a maturity comparable to such Interest Period, or (b) if the rate specified in clause (a) above is not available, the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates per annum

at which deposits in Dollars are offered by the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the London interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (c) if none of the Reference Banks is quoting a rate for deposits in Dollars in the London interbank market for such a period and amount, the interest rate per annum equal to the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates at which deposits in Dollars are offered by the principal New York offices of the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (New York time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the New York interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (d) if none of the principal New York offices of the Reference Banks is quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, the Base Rate.

"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 Primary Liquidity Provider, its directors, officers, employees and agents, and its successors and permitted assigns.

"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 following a Provider Advance or a Final Advance, the Maximum Available Commitment shall be zero.

"Maximum Commitment" means initially \$83,046,486.11 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).

"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.

"Permitted Transferee" means any Person that:

(a) is not a commercial air carrier, American or any affiliate of American;  
and

(b) is any one of:

(1) a commercial banking institution organized under the laws of the United States or any state thereof or the District of Columbia;

(2) a commercial banking institution that (x) is organized under the laws of France, Germany, The Netherlands, Switzerland, or the United Kingdom, (y) is entitled on the date it acquires any Participation to a complete exemption from United States federal income taxes for all income derived by it from the transactions contemplated by the Operative Agreements under an income tax treaty, as in effect on such date, between the United States and such jurisdiction of its organization and (z) is engaged in the active conduct of a banking business in such jurisdiction of its organization, holds its Participation in connection with such banking business in such jurisdiction and is regulated as a commercial banking institution by the appropriate regulatory authorities in such jurisdiction; or

(3) a commercial banking institution that (x) is organized under the laws of Canada, France, Germany, Ireland, Japan, Luxembourg, The Netherlands, Sweden, Switzerland or the United Kingdom and (y) is entitled on the date it acquires any Participation to a complete exemption from withholding of United States federal income taxes for all income derived by it from the transactions contemplated by the Operative Agreements under laws as in effect on such date by reason of such income being effectively connected with the conduct of a trade or business within the United States.

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

"Prospectus Supplement" means the Prospectus Supplement, dated September 17, 2002, relating to the Certificates, as such Prospectus Supplement may be amended or supplemented.

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

"Reference Banks" means the principal London offices of: WestLB AG; JP Morgan Chase; Citibank, N.A.; and such other or additional banking institutions as may be designated from time to time by mutual agreement of American and the Primary Liquidity Provider.

"Regulatory Change" means 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 the government of the Primary Liquidity Provider's jurisdiction of organization, 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 the Primary

Liquidity Provider's jurisdiction of organization charged with responsibility for the administration or application thereof, that shall impose, modify or deem applicable (a) any reserve, special deposit or similar requirement against extensions of credit or other assets of, or deposits with or other liabilities of, the Primary Liquidity Provider including, or by reason of, the Advances or (b) any capital adequacy requirement requiring the maintenance by the Primary Liquidity Provider of capital or additional capital in respect of any Advances or the Primary Liquidity Provider's obligation to make any such Advances.

"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 Capped Interest Rate for the Class G Certificates on the basis of the actual number of days elapsed over a 360-day year, that would be payable on the Class G Certificates on each of the six successive Regular Distribution Dates immediately following such day or, if such day is a Regular Distribution Date, on such day and the succeeding five Regular Distribution Dates, in each case calculated on the basis of the Pool Balance of the Class G Certificates on such day and without regard to expected future distributions of principal on the Class G Certificates; provided, that if a Policy Provider Election has been made, for purposes of this definition, the Pool Balance shall be deemed to be reduced by an amount (if positive) by which (a) the then outstanding principal balance of the Series G Equipment Notes in respect of which the Policy Provider Election has been made exceeds (b) the amount of any policy drawings previously paid by the Policy Provider in respect of principal on such Series G Equipment Notes.

"Termination Date" means the earliest to occur of the following: (i) the Expiry Date; (ii) the date on which the Borrower delivers to the Primary Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that (x) all of the Class G Certificates have been paid in full (or provision has been made for such payment in accordance with the Intercreditor Agreement and the Class G Trust Agreement), (y) each of the Indentures has been terminated with respect to all of the Equipment Notes issued thereunder as contemplated by clause (i) of Section 10.01(a) of such Indenture or (z) the Class G Certificates are otherwise no longer entitled to the benefits of this Agreement; (iii) the date on which the Borrower delivers to the Primary Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that a Replacement Primary Liquidity Facility has been substituted for this Agreement in full pursuant to Section 3.06(e) of the Intercreditor Agreement; (iv) the fifth Business Day following the receipt by the Borrower of a Termination Notice from the Primary Liquidity Provider pursuant to Section 6.01; 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 V to this Agreement.

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

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

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

"Above-Cap Liquidity Provider", "Acceleration", "American", "American Bankruptcy Event", "Capped Interest Rate", "Certificate", "Class C Certificates", "Class G Certificates", "Class G Certificateholders", "Class G Primary Cash Collateral Account", "Class G Trust", "Class G Trust Agreement", "Class G Trustee", "Closing Date", "Collection Account", "Controlling Party", "Corporate Trust Office", "Distribution Date", "Dollars", "Downgraded Facility", "Equipment Notes", "Fee Letter", "Final Drawing", "Final Legal Distribution Date", "Indenture", "Interest Payment Date", "Investment Earnings", "Liquidity Obligations", "Loan Trustee", "Moody's", "Non-Extended Facility", "Operative Agreements", "Participation Agreement", "Performing Equipment Notes", "Person", "Policy Provider", "Policy Provider Election", "Pool Balance", "Primary Liquidity Facility", "Rating Agencies", "Ratings Confirmation", "Regular Distribution Dates", "Replacement Primary Liquidity Facility", "Responsible Officer", "Scheduled Payment", "Series G Equipment Notes", "Special Payment", "S&P", "Stated Interest Rate", "Subordination Agent", "Taxes", "Threshold Rating", "Trust Agreement", "Trustee", "Underwriters", "Underwriting Agreement", "United States" and "Written Notice".

## ARTICLE II

### AMOUNT AND TERMS OF THE COMMITMENT

Section 2.01 The Advances. The Primary 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 12:00 noon (New York City time) on the Expiry Date (unless the obligations of the Primary 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) Each Interest Advance shall be made by the Primary Liquidity Provider upon delivery to the Primary 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 G Certificates at the Stated Interest Rate therefor in accordance with Section 3.06(a) and 3.06(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). Subject to the

provisions of Section 3.06(g) of the Intercreditor Agreement, upon repayment to the Primary 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 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 Drawing shall have occurred.

(b) Subject to Section 2.10, a Non-Extension Advance shall be made by the Primary Liquidity Provider if this Agreement is not extended in accordance with Section 3.06(d) of the Intercreditor Agreement (unless a Replacement Primary Liquidity Facility to replace this Agreement shall have been delivered to the Borrower as contemplated by said Section 3.06(d) within the time period specified in such Section 3.06(d)) upon delivery to the Primary 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 G Primary Cash Collateral Account in accordance with Sections 3.06(d) and 3.06(f) of the Intercreditor Agreement.

(c) If at any time the short-term issuer credit rating (with respect to S&P) or short-term unsecured debt rating (with respect to Moody's) of the Primary Liquidity Provider issued by either Rating Agency (or if the Primary Liquidity Provider does not have such a rating issued by a given Rating Agency, the long-term issuer credit rating (with respect to S&P) or long-term unsecured debt rating (with respect to Moody's) of the Primary Liquidity Provider) is lower than the Threshold Rating (as provided for in Section 3.06(c) of the Intercreditor Agreement), a Downgrade Advance shall be made by the Primary Liquidity Provider on the 10th day following such downgrade (or, if such 10th day is not a Business Day, on the next succeeding Business Day), unless a Replacement Primary Liquidity Facility to replace this Agreement shall have been previously delivered to the Borrower in accordance with said Section 3.06(c), upon delivery to the Primary 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 G Primary Cash Collateral Account in accordance with Sections 3.06(c) and 3.06(f) of the Intercreditor Agreement.

(d) A Final Advance shall be made by the Primary Liquidity Provider following the receipt by the Borrower of a Termination Notice from the Primary Liquidity Provider pursuant to Section 6.01 upon delivery to the Primary 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 G Primary Cash Collateral Account in accordance with Sections 3.06(f) and 3.06(i) of the Intercreditor Agreement.

(e) Each Borrowing shall be made on 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 Primary Liquidity Provider. Each Notice of Borrowing shall be effective upon delivery of a copy thereof to the Primary Liquidity Provider's office at the address specified in Section 7.02. If a Notice of Borrowing is delivered by the Borrower in respect of any Borrowing no later than 1:00 p.m. (New York City time) on a Business Day, upon satisfaction of the conditions precedent set forth in Section 4.02 with respect to a requested Borrowing, the Primary 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 1:00 p.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 1:00 p.m. (New York City time) on a Business Day, upon satisfaction of the conditions precedent set forth in Section 4.02 with respect to a requested Borrowing, the Primary 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 Primary Liquidity Provider for such purpose. Each Notice of Borrowing shall be irrevocable and binding on the Borrower.

(f) Upon the making of any Advance requested pursuant to a Notice of Borrowing in accordance with the Borrower's payment instructions, the Primary Liquidity Provider shall be fully discharged of its obligation hereunder with respect to such Notice of Borrowing, and the Primary 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 Trustee or any Class G Certificateholder). If the Primary Liquidity Provider makes an Advance requested pursuant to a Notice of Borrowing before 12:00 noon (New York City time) on the second Business Day after the date of payment specified in Section 2.02(e), the Primary 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 G Primary Cash Collateral Account, the Primary Liquidity Provider shall have no interest in or rights to the Class G Primary Cash Collateral Account, such Advance or any other amounts from time to time on deposit in the Class G Primary 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 3.06(e) or 3.06(f) of the Intercreditor Agreement and provided further, that the foregoing shall not affect or impair the rights of the Primary Liquidity Provider to provide written instructions with respect to the investment and reinvestment of amounts in the Class G Primary 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 Primary

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 Primary 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 G Certificates (including by reason of a Policy Provider Election with respect to one or more Series G Equipment Notes) 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 Primary 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 or Final Advance hereunder or the occurrence of the Termination Date, the obligation of the Primary 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.

Section 2.05 Repayments of Interest Advances 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 Primary Liquidity Provider (which notice and demand are hereby waived by the Borrower), to pay, or to cause to be paid, to the Primary Liquidity Provider (a) on each date on which the Primary Liquidity Provider shall make an Interest 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"), 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 Primary 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 Agreement 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 Primary Liquidity Provider in accordance with Section 2.06 and for the purposes of Section 2.06(b)). The Borrower and the Primary Liquidity Provider agree that the repayment in full of each Interest 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 Primary Liquidity Provider. For the avoidance of doubt, interest



payable on an Interest 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 G Primary Cash Collateral Account and invested and withdrawn from the Class G Primary Cash Collateral Account as set forth in Sections 3.06(c), 3.06(d), 3.06(e) and 3.06(f) of the Intercreditor Agreement. Subject to Sections 2.07 and 2.09, the Borrower agrees to pay to the Primary 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 G Primary Cash Collateral Account for the purpose of paying interest with respect to the Class G Certificates in accordance with Section 3.06(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 all purposes hereunder, including for purposes of determining the Applicable Liquidity Rate for interest payable thereon and the dates on which such interest is payable; provided further, however, that if, following the making of a Provider Advance, the Primary Liquidity Provider delivers a Termination Notice to the Borrower pursuant to Section 6.01, 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 and the dates on which such interest is payable. Subject to Sections 2.07 and 2.09 hereof, immediately upon the withdrawal of any amounts from the Class G Primary Cash Collateral Account on account of a reduction in the Required Amount, the Borrower shall repay to the Primary Liquidity Provider a portion of the Provider Advances in a principal amount equal to such reduction, plus interest on the principal amount prepaid as provided in Section 3.07.

(b) At any time when an Applied Provider Advance (or any portion thereof) is outstanding, upon the deposit in the Class G Primary Cash Collateral Account of any amount pursuant to clause "third" of Section 2.04(b) of the Intercreditor Agreement, clause "third" of Section 3.02 of the Intercreditor Agreement or clause "fourth" of Section 3.03 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 of Provider Advances treated as an Interest Advance 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 Primary Liquidity Facility in replacement of this Agreement in accordance with Section 3.06(e) of the Intercreditor Agreement, as provided in Section 3.06(f) of the Intercreditor Agreement, amounts remaining on deposit in the Class G Primary Cash Collateral Account after giving effect to any Applied Provider Advance on the date of such replacement shall be reimbursed to the Primary Liquidity Provider, but only to the extent such amounts are necessary to repay in full to the Primary Liquidity Provider all amounts owing to it hereunder.

Section 2.07 Payments to the Primary Liquidity Provider Under the Intercreditor Agreement. In order to provide for payment or repayment to the Primary 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 Primary Liquidity Provider pursuant to the terms of the Intercreditor Agreement (including, without limitation, Section 3.06(f) of the Intercreditor Agreement), shall be paid to the Primary 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 Primary Liquidity Provider shall be applied by the Primary Liquidity Provider in the order of priority required by the applicable provisions of Articles II and III of the Intercreditor Agreement and shall discharge in full the corresponding obligations of the Borrower hereunder.

Section 2.08 Book Entries. The Primary 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 Primary 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 Primary 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 G Primary 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 3.06(f) of the Intercreditor Agreement.

Section 2.10 Extension of the Expiry Date; Non-Extension Advance. At any time during the period no later than the 25th day and no earlier than the 60th day prior to the then-effective Expiry Date, the Borrower may provide notice to the Primary Liquidity Provider and the Primary Liquidity Provider may provide notice to the Borrower of the then-effective Expiry Date. If the Expiry Date is prior to the date that is 15 days after the Final Legal Distribution Date for the Class G Certificates, by written agreement between the Borrower and the Primary Liquidity Provider, entered into at any time prior to the 25th day prior to the then-effective Expiry Date, the then-effective Expiry Date may be extended, effective on such 25th day, to the earlier of (i) the date that is 15 days after the Final Legal Distribution Date for the Class G Certificates and (ii) the date that is the last day of the 364 day period immediately following such then-effective Expiry Date (unless in either case the obligations of the Primary Liquidity Provider are earlier terminated in accordance with the terms hereof). If the Borrower and the Primary Liquidity Provider do not so agree to extend the then-effective Expiry Date prior to such 25th day (and if the Primary Liquidity Provider shall not have been replaced in accordance with Section 3.06(e) of the Intercreditor Agreement), the Borrower shall be entitled on and after such 25th day (but prior to such Expiry Date) to request a Non-Extension Advance in accordance with Section 2.02(b) hereof and Section 3.06(d) of the Intercreditor Agreement.

### ARTICLE III

#### OBLIGATIONS OF THE BORROWER

Section 3.01 Increased Costs. If as a result of any Regulatory Change there shall be any increase by an amount reasonably deemed by the Primary Liquidity Provider to be material in the actual cost to the Primary 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 Primary Liquidity Provider to be material in (x) its return on capital or equity or (y) the amount receivable by the Primary Liquidity Provider under this Agreement or the Intercreditor Agreement in respect thereof, and in the case of any such increase or reduction, such event does not arise from the gross negligence or willful misconduct of the Primary 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 the Borrower shall from time to time pay to the Primary Liquidity Provider an amount equal to such Increased Cost within 15 Business Days after delivery to the Borrower and American of a certificate of an officer of the Primary 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 45 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 for purposes of this Agreement; provided that any determinations and allocations by the Primary Liquidity Provider of the effect of any Regulatory Change on the costs of maintaining the

Advances are made on a reasonable basis. The Primary Liquidity Provider shall not be entitled to assert any claim under this Section 3.01 in respect of or attributable to Taxes. The Primary 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 Primary Liquidity Provider to compensation under this Section 3.01. The Primary Liquidity Provider agrees to investigate all commercially reasonable alternatives for reducing any Increased Costs and to use all commercially reasonable efforts to avoid or reduce, to the 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 Primary Liquidity Provider to take any action that would, in its reasonable judgment, cause the Primary Liquidity Provider to incur any material loss or cost, unless the Borrower or American agrees to reimburse the Primary Liquidity Provider therefor. If no such designation or other action is effected, or, if effected, fails to avoid the need for any claim in respect of Increased Costs, American may arrange for a Replacement Primary Liquidity Facility in accordance with Section 3.06(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 Primary Liquidity Provider's jurisdiction of organization and pending as of the date of this Agreement (it being agreed that the consultative document issued by the Basel Committee on Banking Supervision entitled "The New Basel Capital Accord" shall not be considered a Regulatory Change proposed as of the date of this Agreement); (b) if a claim hereunder in respect of an Increased Cost arises through circumstances peculiar to the Primary Liquidity Provider and that do not affect similar banking institutions organized 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 Primary Liquidity Provider shall fail to comply with its obligations under this Section 3.01; or (d) if the Primary Liquidity Provider is not also seeking payment for similar increased costs in other similarly situated transactions.

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 Primary Liquidity Provider under this Agreement, the Borrower shall pay to the relevant authorities the full amount so required to be deducted or withheld and, if such Taxes are Covered Taxes, pay to the Primary Liquidity Provider such additional amounts as shall be necessary to ensure that the net amount actually received by the Primary Liquidity Provider (after deduction or

withholding of all Covered Taxes) shall be equal to the full amount that would have been received by the Primary Liquidity Provider had no withholding or deduction of Covered Taxes been required. The Primary Liquidity Provider agrees to use 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 Primary Liquidity Provider, be otherwise materially disadvantageous to the Primary Liquidity Provider. If the Primary 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 Primary Liquidity Provider shall pay to the Borrower (for deposit into the Collection Account) the amount of such refund (and any interest thereon) or net benefit utilized.

The Primary 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 copies of Internal Revenue Service Form W8-BEN or Form W-8ECI, as applicable, including thereon a valid U.S. taxpayer identification number (or, with respect to any such participant, such 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 Primary Liquidity Provider and (ii) provide timely notice to the Borrower if any such form or documentation is or becomes inaccurate. The Primary 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.

(b) All payments (including, without limitation, Advances) made by the Primary 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 Primary 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. Whenever any Tax is payable with respect to a payment hereunder, as promptly as possible thereafter, the Primary 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. If any exemption from, or reduction in the rate of, any Taxes required to be borne by the Primary 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 Primary 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 Primary 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. The Borrower shall, for federal income tax purposes, treat any Advances as a loan to the Subordination Agent on behalf of the Class G Trust, unless otherwise required by law.

Section 3.04 Payments. The Borrower shall make or cause to be made each payment to the Primary Liquidity Provider under this Agreement so as to cause the same to be received by the Primary Liquidity Provider not later than 1:00 P.M. (New York City time) on the day when due. The Borrower shall make all such payments in Dollars, to the Primary Liquidity Provider in immediately available funds, by wire transfer to: JP Morgan Chase, ABA #021 000 021 for the account of WestLB AG New York Branch, Account Number: 920-1-060663, Reference: American Airlines, Inc. EETC 2002-1 LF-GSF Transportation (69170); or to such other account as the Primary Liquidity Provider may from time to time direct the Subordination Agent.

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, from and including the date on which the amount thereof was withdrawn from the Class G Primary Cash Collateral Account to pay interest on the Class G Certificates) to but excluding the date such principal amount shall be paid in full (or, in the case of an Applied Provider Advance, the date on which the Class G Primary Cash Collateral Account is fully replenished in respect of such Advance) and (ii) any other amount due hereunder (whether fees, commissions, expenses or other amounts or, to the extent permitted

by law, 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 equal to the Applicable Liquidity Rate (as defined below) for such Advance or such other amount, as the case may be, as in effect for such day, but in no event 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 Primary Liquidity Provider's receipt of the Notice of Borrowing for such Advance. Thereafter, such Advance shall 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) [Reserved.]

(f) Each amount not paid when due hereunder (whether fees, commissions, expenses or other amounts or, to the extent permitted by applicable law, installments of interest on Advances but excluding Advances) shall bear interest at a rate per annum equal to the Base Rate plus 4.5% per annum until paid, but in no event 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(f) 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(f) below the maximum rate permitted

by law until the 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(f) had at all relevant times been in effect.

(g) 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 VI ("Notice of Replacement Subordination Agent") delivered to the Primary 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 Primary Liquidity Provider, upon the request of the Primary Liquidity Provider, such amount or amounts as shall be sufficient (in the reasonable opinion of the Primary 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 Primary 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 Primary 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 Primary 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 Primary Liquidity Provider to maintain or fund its LIBOR Advances, then upon notice to the Borrower and American by the Primary Liquidity Provider, the outstanding principal amount of the LIBOR Advances shall be converted to Base Rate Advances (a) immediately upon demand of the Primary Liquidity Provider, if such change or compliance with such request, in the reasonable judgment of the Primary 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 Primary Liquidity Provider will notify the Borrower and American as promptly as practicable of any



event that will lead to the conversion of LIBOR Advances to Base Rate Advances under this Section 3.10. The Primary Liquidity Provider agrees to investigate all commercially reasonable alternatives to avoid 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 Primary Liquidity Provider to take any action that would, in its reasonable judgment, cause the Primary Liquidity Provider to incur any material loss or cost, unless the Borrower or American agrees to reimburse the Primary 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 3.06(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 Primary Liquidity Provider shall have received on or before the Closing Date each of the following, and in the case of each document delivered pursuant to paragraphs (i), (ii), (iii) and (iv), each in form and substance satisfactory to the Primary Liquidity Provider:

(i) This Agreement duly executed on behalf of the Borrower;

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

(iii) Fully executed copies of each of the Operative Agreements executed and delivered on or before the Closing Date (other than this Agreement and the Intercreditor Agreement);

(iv) A fully executed copy of the Fee Letter;

(v) A copy of the Prospectus Supplement and specimen copies of the Class G Certificates; and

(vi) An executed copy of each document, instrument, certificate and opinion delivered on or before the Closing Date pursuant to the Class G Trust Agreement, the Intercreditor Agreement and the other Operative Agreements (in the case of each such opinion, either addressed to the Primary Liquidity Provider or accompanied by a letter from

the counsel rendering such opinion to the effect that the Primary Liquidity Provider is entitled to rely on such opinion as of its date as if it were addressed to the Primary Liquidity Provider).

(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 that constitutes a Liquidity Event of Default.

(c) The Primary 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 Primary 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 Agreement shall have been satisfied or waived, all conditions precedent to the effectiveness of the other Primary Liquidity Facilities shall have been satisfied or waived, and all conditions precedent to the purchase of the 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 a certificate, dated the Effective Date signed by a duly authorized representative of the Primary Liquidity Provider, certifying that all conditions precedent specified in this Section 4.01 have been satisfied or waived by the Primary Liquidity Provider.

Section 4.02 Conditions Precedent to Borrowing. The obligation of the Primary 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.

#### ARTICLE V

#### COVENANTS

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

(a) Performance of Agreements. 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 Primary 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 Primary Liquidity Provider; and permit the Primary 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 the transactions contemplated by this Agreement and the related Operative Agreements.

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

Section 5.02 Negative Covenants of the Borrower. Subject to the first and second sentences and the fourth paragraph of Section 7.01(a) of the Intercreditor Agreement and subject to Section 7.01(b) of the Intercreditor Agreement, so long as any Advance shall remain unpaid or the Primary Liquidity Provider shall have any Maximum Commitment hereunder or the Borrower shall have any obligation to pay any amount to the Primary 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 Primary Liquidity Provider, which consent shall not be unreasonably withheld or delayed.

Section 5.03 Covenants Regarding Certain Notices. Promptly following any time that (x) the Class G Certificates have been paid in full (or provision has been made for such payment in accordance with the Intercreditor Agreement and the Class G Trust Agreement) (y) each of the Indentures has been terminated with respect to all of the Equipment Notes issued thereunder as contemplated by clause (i) of Section 10.01(a) of such Indenture or (z) the Class G Certificates are otherwise no longer entitled to the benefits of this Agreement, the Borrower shall deliver to the Primary Liquidity Provider the certificate referred to in clause (ii) of the definition of Termination Date. Promptly following any time that a Replacement Primary Liquidity Facility has been substituted for this Agreement pursuant to Section 3.06(e) of the Intercreditor Agreement, the Borrower shall deliver to the Primary Liquidity Provider the certificate referred to in clause (iii) of the definition of Termination Date.

## ARTICLE VI

### LIQUIDITY EVENTS OF DEFAULT

Section 6.01 Liquidity Events of Default. If (a) any Liquidity Event of Default has occurred and is continuing and (b) there is a Performing Note Deficiency, the Primary 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 Primary Liquidity Provider to promptly make, a Final Advance in accordance with Section 2.02(d) hereof and Section 3.06(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 Primary Liquidity Provider.

#### 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 Primary 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 without its 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 required or permitted under the terms and provisions of this Agreement shall be in English and in writing, and any such notice may be given by United States mail, courier service or facsimile or any other customary means of communication, and any such notice shall be effective when delivered (or, if mailed, three Business Days after deposit, postage prepaid, in the first class United States mail and, 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 the transmission was received),

If to the Borrower, to:

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION  
225 Asylum, Goodwin Square  
Hartford, Connecticut 06103  
Attention: Corporate Trust Division

Telephone: (860) 244-1844  
Telecopy: (860) 244-1881

If to the Primary Liquidity Provider, to:

WESTLB AG, NEW YORK BRANCH  
1211 Avenue of the Americas  
New York, New York 10036  
Attention: Transportation Finance

Telephone: (212) 852-6111  
Telecopy: (212) 869-7634

The Borrower or the Primary Liquidity Provider, by notice to the other, may designate additional or different addresses for subsequent notices or communications.

Section 7.03 No Waiver; Remedies. No failure on the part of the Primary 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 Primary Liquidity Provider such additional assignments, agreements, powers and instruments as the Primary 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 Primary Liquidity Provider its rights, powers and remedies hereunder and under the other Operative Agreements.

Section 7.05 Indemnification; Survival of Certain Provisions. The Primary 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 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 hereof 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 Primary Liquidity Provider.

(a) Neither the Primary 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 Primary 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 Primary Liquidity Provider, and the Primary 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 Primary Liquidity Provider's willful misconduct or negligence in determining whether documents presented hereunder comply with the terms hereof or (B) any breach by the Primary Liquidity Provider of any of the terms of this Agreement or the Intercreditor Agreement, including, but not limited to, the Primary 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.

(b) Neither the Primary 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 negligence (in which event the extent of the Primary 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 Vedder, Price, Kaufman & Kammholz, special counsel for the Primary 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 and (b) if a Liquidity Event of Default occurs, all out-of-pocket expenses incurred by the Primary 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. 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 Primary 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 Primary Liquidity Provider and their respective successors and permitted assigns, except that neither the Primary 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 Primary Liquidity Provider's right to grant Participations pursuant to Section 7.08(b).

(b) The Primary 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: (i) such Participation is to a Permitted Transferee, (ii) 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 and (iii) 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. Notwithstanding any such Participation, the Primary Liquidity Provider agrees that (1) the Primary 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 Primary Liquidity Provider shall remain solely responsible to the other parties to the Operative Agreements for the performance of such obligations, (3) the Primary 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 Primary Liquidity Provider in connection with the Advances and the Primary Liquidity Provider's rights and obligations under the Operative Agreements, (4) the Primary 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 Primary 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 Primary Liquidity Provider. The Primary 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 Primary Liquidity Provider thereunder or in connection therewith and permitted to be disclosed by the Primary 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).

(c) Notwithstanding the other provisions of this Section 7.08, the Primary 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 Primary 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 Primary Liquidity Provider from its obligations hereunder.

Section 7.09 Severability. 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, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

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 and (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.

(b) THE BORROWER AND THE PRIMARY 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 Primary 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. 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) The Primary Liquidity Provider hereby waives any immunity it may have from the jurisdiction of the courts of the United States or of any state thereof and waives any immunity any of its properties located in the United States may have from attachment or execution upon a judgment entered by any such court under the United States Foreign Sovereign Immunities Act of 1976 or any similar successor legislation.

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 Primary Liquidity Provider's Obligation to Make Advances. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE OBLIGATIONS OF THE PRIMARY 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.

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.

STATE STREET BANK AND TRUST  
COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
not in its individual capacity but solely as  
Subordination Agent, as agent and trustee for  
the Class G Trust, as Borrower

By: /s/ Alison D.B. Nadeau

-----  
Name: Alison D.B. Nadeau  
Title: Vice President

WESTLB AG, acting through its New York Branch,  
as Primary Liquidity Provider

By: /s/ Brigitte Thieme

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Name: Brigitte Thieme  
Title: Managing Director

By: /s/ Michael P. Sassos

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Name: Michael P. Sassos  
Title: Director

INTEREST ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to WestLB AG, acting through its New York Branch (the "Primary Liquidity Provider"), with reference to the Revolving Credit Agreement (2002-1G), dated as of September 24, 2002, between the Borrower and the Primary 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 Primary Liquidity Provider to be used for the payment of the interest on the Class G Certificates which is payable on \_\_\_\_\_, \_\_\_\_ (the "Distribution Date") in accordance with the terms and provisions of the Class G Trust Agreement and the Class G 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 G Certificates on the Distribution Date, (ii) does not include any amount with respect to the payment of principal of, Break Amount (if any) or premium on, the Class G Certificates, the Class C Certificates or the Class D Certificates, or interest on the Class C Certificates or the Class D Certificates, (iii) was computed in accordance with the provisions of the Class G Certificates, the Class G 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 3.06(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 Certificate 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 \_\_\_\_\_, \_\_\_\_.

STATE STREET BANK AND TRUST  
COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
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]

NON-EXTENSION ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "Borrower"), hereby certifies to WestLB AG, acting through its New York Branch (the "Primary Liquidity Provider"), with reference to the Revolving Credit Agreement (2002-1G), dated as of September 24, 2002, between the Borrower and the Primary 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 Primary Liquidity Provider to be used for the funding of the Class G Primary Cash Collateral Account in accordance with Section 3.06(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 G Primary Cash Collateral Account in accordance with Sections 3.06(d) and 3.06(f) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of the principal of, Break Amount (if any) or premium on, the Class G Certificates, or principal of, or interest or premium on, the Class C Certificates or the Class D Certificates, (iii) was computed in accordance with the provisions of the Class G Certificates, the Class G 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 G Primary Cash Collateral Account and apply the same in accordance with the terms of Sections 3.06(d) and 3.06(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 Primary Liquidity Provider to make further Advances under the Liquidity Agreement and (B) following the making by the Primary 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 \_\_\_\_\_, \_\_\_\_.

STATE STREET BANK AND TRUST  
COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
as Subordination Agent, as Borrower

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SCHEDULE 1 TO NON-EXTENSION ADVANCE NOTICE OF BORROWING

[Insert Copy of computations in accordance with Non-Extension 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 WestLB AG, acting through its New York Branch (the "Primary Liquidity Provider"), with reference to the Revolving Credit Agreement (2002-1G), dated as of September 24, 2002, between the Borrower and the Primary 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 Primary Liquidity Provider to be used for the funding of the Class G-1 Cash Collateral Account in accordance with Section 3.06(c) of the Intercreditor Agreement by reason of the downgrading of the short-term unsecured debt rating or long-term unsecured debt rating of the Primary Liquidity Provider, issued by either Rating Agency below the Threshold Rating, 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 G Primary Cash Collateral Account in accordance with Sections 3.06(c) and 3.06(f) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of the principal of, Break Amount (if any) or premium on, the Class G Certificates, or principal of, or interest or premium on, the Class C Certificates or the Class D Certificates, (iii) was computed in accordance with the provisions of the Class G Certificates, the Class G 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 G Primary Cash Collateral Account and apply the same in accordance with the terms of Sections 3.06(c) and 3.06(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 Primary Liquidity Provider to make further Advances under the Liquidity Agreement and (B) following the making by the Primary 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 \_\_\_\_\_, \_\_\_\_.

STATE STREET BANK AND TRUST  
COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
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].

FINAL ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to WestLB AG, acting through its New York Branch (the "Primary Liquidity Provider"), with reference to the Revolving Credit Agreement (2002-1G), dated as of September 24, 2002, between the Borrower and the Primary 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 Primary Liquidity Provider to be used for the funding of the Class G Primary Cash Collateral Account in accordance with Section 3.06(i) of the Intercreditor Agreement by reason of the receipt by the Borrower of a Termination Notice from the Primary 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 G Primary Cash Collateral Account in accordance with Sections 3.06(f) and 3.06(i) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class G Certificates, or principal of, Break Amount (if any) or interest or premium on, the Class C Certificates or the Class D Certificates, (iii) was computed in accordance with the provisions of the Class G Certificates, the Class G 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 G Primary Cash Collateral Account and apply the same in accordance with the terms of Sections 3.06(f) and 3.06(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 Primary Liquidity Provider to make further Advances under the Liquidity Agreement and (B) following the making by the Primary 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 \_\_\_\_\_, \_\_\_\_.

STATE STREET BANK AND TRUST  
COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
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]

ANNEX V to  
REVOLVING CREDIT AGREEMENT  
NOTICE OF TERMINATION

[Date]

State Street Bank and Trust Company of Connecticut, National Association,  
as Subordination Agent, as Borrower  
225 Asylum Street, Goodwin Square  
Hartford, Connecticut 06103  
Attention: Corporate Trust Division

Re: Revolving Credit Agreement, dated as of September 24, 2002, between  
State Street Bank and Trust Company of Connecticut, National  
Association, as Subordination Agent, as agent and trustee for the  
American Airlines Pass Through Trust 2002-1G, as Borrower, and  
WestLB AG, acting through its New York Branch (the "Liquidity  
Agreement")

Ladies and Gentlemen:

You are hereby notified that pursuant to Section 6.01 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 therein), we are giving this notice to you in order to cause (i) our obligations to make Advances (as defined therein) 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(d) thereof and Section 3.06(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,

[ \_\_\_\_\_ ]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

cc: State Street Bank and Trust Company of Connecticut,  
National Association, as Class G Trustee



NOTICE OF REPLACEMENT SUBORDINATION AGENT

[Date]

Attention:

Re: Revolving Credit Agreement, dated as of September 24, 2002, between State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent, as agent and trustee for the American Airlines Pass Through Trust 2002-1G, as Borrower, and WestLB AG, acting through its New York Branch (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].

STATE STREET BANK AND TRUST  
COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
as Subordination Agent, as Borrower

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

VI-2

(MULTICURRENCY -- CROSS BORDER)

ISDA(R)  
International Swap Dealers Association, Inc.

MASTER AGREEMENT

dated as of September 24, 2002

between

CREDIT SUISSE FIRST BOSTON  
INTERNATIONAL

and

STATE STREET BANK AND TRUST  
COMPANY OF CONNECTICUT, NATIONAL  
ASSOCIATION

have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement, which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows: --

1. INTERPRETATION.

(a) DEFINITIONS. The terms defined in Section 14 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.

(b) INCONSISTENCY. In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.

(c) SINGLE AGREEMENT. All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

2. OBLIGATIONS.

(a) GENERAL CONDITIONS.

(i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.

(ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.

(iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

(b) CHANGE OF ACCOUNT. Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) NETTING. If on any date amounts would otherwise be payable:--

- (i) in the same currency; and
- (ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of Offices through which the parties make and receive payments or deliveries.

(d) DEDUCTION OR WITHHOLDING FOR TAX.

(i) GROSS-UP. All payments under this Agreement will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If a party is so required to deduct or withhold, then that party ("X") will:--

- (1) promptly notify the other party ("Y") of such requirement;
- (2) pay to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any additional amount paid by X to Y under this Section 2(d)) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against Y;
- (3) promptly forward to Y an official receipt (or a certified copy), or other documentation reasonably acceptable to Y, evidencing such payment to such authorities; and
- (4) if such Tax is an Indemnifiable Tax, pay to Y, in addition to the payment to which Y is otherwise entitled under this Agreement, such additional amount as is necessary to ensure that the net amount actually received by Y (free and clear of Indemnifiable Taxes, whether assessed against X or Y) will equal the full amount Y would have received had no such deduction or withholding been required. However, X will not be required to pay any additional amount to Y to the extent that it would not be required to be paid but for:--

- (A) the failure by Y to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d); or
- (B) the failure of a representation made by Y pursuant to Section 3(f) to be accurate and true unless such failure would not have occurred but for (I) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (II) a Change in Tax Law.

(ii) LIABILITY. If:--

(1) X is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, to make any deduction or withholding in respect of which X would not be required to pay an additional amount to Y under Section 2(d)(i)(4);

(2) X does not so deduct or withhold; and

(3) a liability resulting from such Tax is assessed directly against X,

then, except to the extent Y has satisfied or then satisfies the liability resulting from such Tax, Y will promptly pay to X the amount of such liability (including any related liability for interest, but including any related liability for penalties only if Y has failed to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d)).

(e) DEFAULT INTEREST; OTHER AMOUNTS. Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

### 3. REPRESENTATIONS

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into and, in the case of the representations in Section 3(f), at all times until the termination of this Agreement) that:--

#### (a) BASIC REPRESENTATIONS.

(i) STATUS. It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation and, if relevant under such laws, in good standing;

(ii) POWERS. It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorise such execution, delivery and performance;

(iii) NO VIOLATION OR CONFLICT. Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(iv) CONSENTS. All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(v) OBLIGATIONS BINDING. Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) ABSENCE OF CERTAIN EVENTS. No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) ABSENCE OF LITIGATION. There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) ACCURACY OF SPECIFIED INFORMATION. All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

(e) PAYER TAX REPRESENTATION. Each representation specified in the Schedule as being made by it for the purpose of this Section 3(e) is accurate and true.

(f) PAYEE TAX REPRESENTATIONS. Each representation specified in the Schedule as being made by it for the purpose of this Section 3(f) is accurate and true.

#### 4. AGREEMENTS

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:--

(a) FURNISH SPECIFIED INFORMATION. It will deliver to the other party or, in certain cases under subparagraph (iii) below, to such government or taxing authority as the other party reasonably directs:--

(i) any forms, documents or certificates relating to taxation specified in the Schedule or any Confirmation;

(ii) any other documents specified in the Schedule or any Confirmation; and

(iii) upon reasonable demand by such other party, any form or document that may be required or reasonably requested in writing in order to allow such other party or its Credit Support Provider to make a payment under this Agreement or any applicable Credit Support Document without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate (so long as the completion, execution or submission of such form or document would not materially prejudice the legal or commercial position of the party in receipt of such demand), with any such form or document to be accurate and completed in a manner reasonably satisfactory to such other party and to be executed and to be delivered with any reasonably required certification,

in each case by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) MAINTAIN AUTHORISATIONS. It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) COMPLY WITH LAWS. It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

(d) TAX AGREEMENT. It will give notice of any failure of a representation made by it under Section 3(f) to be accurate and true promptly upon learning of such failure.

(e) PAYMENT OF STAMP TAX. Subject to Section 11, it will pay any Stamp Tax levied or imposed upon it or in respect of its execution or performance of this Agreement by a jurisdiction in which it is incorporated,

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organised, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting for the purpose of this Agreement is located ("Stamp Tax Jurisdiction") and will indemnify the other party against any Stamp Tax levied or imposed upon the other party or in respect of the other party's execution or performance of this Agreement by any such Stamp Tax Jurisdiction which is not also a Stamp Tax Jurisdiction with respect to the other party.

## 5. EVENTS OF DEFAULT AND TERMINATION EVENTS

(a) EVENTS OF DEFAULT. The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an "Event of Default") with respect to such party:--

(i) FAILURE TO PAY OR DELIVER. Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(e) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) BREACH OF AGREEMENT. Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 2(e) or to give notice of a Termination Event or any agreement or obligation under Section 4(a)(i), 4(a)(iii) or 4(d)) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) CREDIT SUPPORT DEFAULT.

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) MISREPRESENTATION. A representation (other than a representation under Section 3(e) or (f)) made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) DEFAULT UNDER SPECIFIED TRANSACTION. The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) CROSS DEFAULT. If "Cross Default" is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however

described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(vii) BANKRUPTCY. The party, any Credit Support Provider of such party of any applicable Specified Entity of such party: --

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7)(inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) MERGER WITHOUT ASSUMPTION. The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer: --

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) TERMINATION EVENTS. The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, a Tax Event if the event is specified in (ii) below or a Tax Event Upon Merger if the event is specified in (iii) below, and, if specified to be applicable, a Credit Event



Upon Merger if the event is specified pursuant to (iv) below or an Additional Termination Event if the event is specified pursuant to (v) below: --

(i) ILLEGALITY. Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party): --

(1) to perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction;

(ii) TAX EVENT. Due to (x) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (y) a Change in Tax Law, the party (which will be the Affected Party) will, or there is a substantial likelihood that it will, on the next succeeding Scheduled Payment Date (1) be required to pay to the other party an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) and no additional amount is required to be paid in respect of such Tax under Section 2(d)(i)(4) (other than by reason of Section 2(d)(i)(4)(A) or (B));

(iii) TAX EVENT UPON MERGER. The party (the "Burdened Party") on the next succeeding Scheduled Payment Date will either (1) be required to pay an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount has been deducted or withheld for or on account of any Indemnifiable Tax in respect of which the other party is not required to pay an additional amount (other than by reason of Section 2(d)(i)(4)(A) or (B)), in either case as a result of a party consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to, another entity (which will be the Affected Party) where such action does not constitute an event described in Section 5(a)(viii);

(iv) CREDIT EVENT UPON MERGER. If "Credit Event Upon Merger" is specified in the Schedule as applying to the party, such party ("X"), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party); or

(v) ADDITIONAL TERMINATION EVENT. If any "Additional Termination Event" is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) EVENT OF DEFAULT AND ILLEGALITY. If an event or circumstances which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

## 6. EARLY TERMINATION

(a) RIGHT TO TERMINATE FOLLOWING EVENT OF DEFAULT. If at any time an Event of Default with respect to a party (the "Defaulting Party") has occurred and is then continuing, the other party (the "Non-defaulting Party") may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, "Automatic Early Termination" is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) RIGHT TO TERMINATE FOLLOWING TERMINATION EVENT.

(i) NOTICE. If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and each Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) TRANSFER TO AVOID TERMINATION EVENT. If either an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there is only one Affected Party, or if a Tax Event Upon Merger occurs and the Burdened Party is the Affected Party, the Affected Party will, as a condition to its right to designate an Early Termination Date under Section 6(b)(iv), use all reasonable efforts (which will not require such party to incur a loss, excluding immaterial, incidental expenses) to transfer within 20 days after it gives notice under Section 6(b)(i) all its rights and obligations under this Agreement in respect of the Affected Transactions to another of its Offices or Affiliates so that such Termination Event ceases to exist.

If the Affected Party is not able to make such a transfer it will give notice to the other party to that effect within such 20 day period, whereupon the other party may effect such a transfer within 30 days after the notice is given under Section 6(b)(i).

Any such transfer by a party under this Section 6(b)(ii) will be subject to and conditional upon the prior written consent of the other party, which consent will not be withheld if such other party's policies in effect at such time would permit it to enter into transactions with the transferee on the terms proposed.

(iii) TWO AFFECTED PARTIES. If an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iv) RIGHT TO TERMINATE. If:-

(1) a transfer under Section 6(b)(ii) or an agreement under Section 6(b)(iii), as the case may be, has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality under Section 5(b)(i)(2), a Credit Event Upon Merger or an Additional Termination Event occurs, or a Tax Event Upon Merger occurs and the Burdened Party is not the Affected Party,

either party in the case of an Illegality, the Burdened Party in the case of a Tax Event Upon Merger, any Affected Party in the case of a Tax Event or an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then

continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) EFFECT OF DESIGNATION.

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(e) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) CALCULATIONS.

(i) STATEMENT. On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) PAYMENT DATE. An amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment) in the Termination Currency, from (and including) the relevant Early Termination Date to (but excluding) the date such amount is paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) PAYMENTS ON EARLY TERMINATION. If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss", and a payment method, either the "First Method" or the "Second Method". If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method", as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) EVENTS OF DEFAULT. If the Early Termination Date results from an Event of Default:--

(1) First Method and Market Quotation. If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party over (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party.

(2) First Method and Loss. If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) Second Method and Market Quotation. If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the

Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party less (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) Second Method and Loss. If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) TERMINATION EVENTS. If the Early Termination Date results from a Termination Event: --

(1) One Affected Party. If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) Two Affected Parties. If there are two Affected Parties: --

(A) If Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the lower Settlement Amount ("Y") and (b) the Termination Currency Equivalent of the Unpaid Amounts owing to X less (II) the Termination Currency Equivalent of the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) ADJUSTMENT FOR BANKRUPTCY. In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) PRE-ESTIMATE. The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

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## 7. TRANSFER

Subject to Section 6(b)(ii), neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that: --

(a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and

(b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void.

## 8. CONTRACTUAL CURRENCY

(a) PAYMENT IN THE CONTRACTUAL CURRENCY. Each payment under this Agreement will be made in the relevant currency specified in this Agreement for that payment (the "Contractual Currency"). To the extent permitted by applicable law, any obligation to make payments under this Agreement in the Contractual Currency will not be discharged or satisfied by any tender in any currency other than the Contractual Currency, except to the extent such tender results in the actual receipt by the party to which payment is owed, acting in a reasonable manner and in good faith in converting the currency so tendered into the Contractual Currency, of the full amount in the Contractual Currency of all amounts payable in respect of this Agreement. If for any reason the amount in the Contractual Currency so received falls short of the amount in the Contractual Currency payable in respect of this Agreement, the party required to make the payment will, to the extent permitted by applicable law, immediately pay such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall. If for any reason the amount in the Contractual Currency so received exceeds the amount in the Contractual Currency payable in respect of this Agreement, the party receiving the payment will refund promptly the amount of such excess.

(b) JUDGMENTS. To the extent permitted by applicable law, if any judgment or order expressed in a currency other than the Contractual Currency is rendered (i) for the payment of any amount owing in respect of this Agreement, (ii) for the payment of any amount relating to any early termination in respect of this Agreement or (iii) in respect of a judgment or order of another court for the payment of any amount described in (i) or (ii) above, the party seeking recovery, after recovery in full of the aggregate amount to which such party is entitled pursuant to the judgment or order, will be entitled to receive immediately from the other party the amount of any shortfall of the Contractual Currency received by such party as a consequence of sums paid in such other currency and will refund promptly to the other party any excess of the Contractual Currency received by such party as a consequence of sums paid in such other currency if such shortfall or such excess arises or results from any variation between the rate of exchange at which the Contractual Currency is converted into the currency of the judgment or order for the purposes of such judgment or order and the rate of exchange at which such party is able, acting in a reasonable manner and in good faith in converting the currency received into the Contractual Currency, to purchase the Contractual Currency with the amount of the currency of the judgment or order actually received by such party. The term "rate of exchange" includes, without limitation, any premiums and costs of exchange payable in connection with the purchase of or conversion into the Contractual Currency.

(c) SEPARATE INDEMNITIES. To the extent permitted by applicable law, these indemnities constitute separate and independent obligations from the other obligations in this Agreement, will be enforceable as separate and independent causes of action, will apply notwithstanding any indulgence granted by the party to which any payment is owed and will not be affected by judgment being obtained or claim or proof being made for any other sums payable in respect of this Agreement.

(d) EVIDENCE OF LOSS. For the purpose of this Section 8, it will be sufficient for a party to demonstrate that it would have suffered a loss had an actual exchange or purchase been made.

## 9. MISCELLANEOUS

- (a) ENTIRE AGREEMENT. This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.
- (b) AMENDMENTS. No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.
- (c) SURVIVAL OF OBLIGATIONS. Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.
- (d) REMEDIES CUMULATIVE. Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.
- (e) COUNTERPARTS AND CONFIRMATIONS.
- (i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.
- (ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.
- (f) NO WAIVER OF RIGHTS. A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.
- (g) HEADINGS. The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

## 10. OFFICES; MULTIBRANCH PARTIES

- (a) If Section 10(a) is specified in the Schedule as applying, each party that enters into a Transaction through an Office other than its head or home office represents to the other party that, notwithstanding the place of booking office or jurisdiction of incorporation or organisation of such party, the obligations of such party are the same as if it had entered into the Transaction through its head or home office. This representation will be deemed to be repeated by such party on each date on which a Transaction is entered into.
- (b) Neither party may change the Office through which it makes and receives payments or deliveries for the purpose of a Transaction without the prior written consent of the other party.
- (c) If a party is specified as a Multibranch Party in the Schedule, such Multibranch Party may make and receive payments or deliveries under any Transaction through any Office listed in the Schedule, and the Office through which it makes and receives payments or deliveries with respect to a Transaction will be specified in the relevant Confirmation.

## 11. EXPENSES

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees and Stamp Tax, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document

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to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

## 12. NOTICES

(a) EFFECTIVENESS. Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:--

- (i) if in writing and delivered in person or by courier, on the date it is delivered;
- (ii) if sent by telex, on the date the recipient's answerback is received;
- (iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);
- (iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or
- (v) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) CHANGE OF ADDRESSES. Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

## 13. GOVERNING LAW AND JURISDICTION

(a) GOVERNING LAW. This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) JURISDICTION. With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably:--

- (i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and
- (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) SERVICE OF PROCESS. Each party irrevocably appoints the Process Agent (if any) specified opposite its name in the Schedule to receive, for it and on its behalf, service of process in any Proceedings. If for any

reason any party's Process Agent is unable to act as such, such party will promptly notify the other party and within 30 days appoint a substitute process agent acceptable to the other party. The parties irrevocably consent to service of process given in the manner provided for notices in Section 12. Nothing in this Agreement will affect the right of either party to serve process in any other manner permitted by law.

(d) WAIVER OF IMMUNITIES. Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

#### 14. DEFINITIONS

As used in this Agreement:--

"ADDITIONAL TERMINATION EVENT" has the meaning specified in Section 5(b).

"AFFECTED PARTY" has the meaning specified in Section 5(b).

"AFFECTED TRANSACTIONS" means (a) with respect to any Termination Event consisting of an Illegality, Tax Event or Tax Event Upon Merger, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

"AFFILIATE" means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"APPLICABLE RATE" means:--

(a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(b) in respect of an obligation to pay an amount under Section 6(e) of either party from and after the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable, the Default Rate;

(c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and

(d) in all other cases, the Termination Rate.

"BURDENED PARTY" has the meaning specified in Section 5(b).

"CHANGE IN TAX LAW" means the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law (or in the application or official interpretation of any law) that occurs on or after the date on which the relevant Transaction is entered into.

"CONSENT" includes a consent, approval, action, authorisation, exemption, notice, filing, registration or exchange control consent.

"CREDIT EVENT UPON MERGER" has the meaning specified in Section 5(b).

"CREDIT SUPPORT DOCUMENT" means any agreement or instrument that is specified as such in this Agreement.

"CREDIT SUPPORT PROVIDER" has the meaning specified in the Schedule.

"DEFAULT RATE" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.



"DEFAULTING PARTY" has the meaning specified in Section 6(a).

"EARLY TERMINATION DATE" means the date determined in accordance with Section 6(a) or 6(b)(iv).

"EVENT OF DEFAULT" has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

"ILLEGALITY" has the meaning specified in Section 5(b).

"INDEMNIFIABLE TAX" means any Tax other than a Tax that would not be imposed in respect of a payment under this Agreement but for a present or former connection between the jurisdiction of the government or taxation authority imposing such Tax and the recipient of such payment or a person related to such recipient (including, without limitation, a connection arising from such recipient or related person being or having been a citizen or resident of such jurisdiction, or being or having been organised, present or engaged in a trade or business in such jurisdiction, or having or having had a permanent establishment or fixed place of business in such jurisdiction, but excluding a connection arising solely from such recipient or related person having executed, delivered, performed its obligations or received a payment under, or enforced, this Agreement or a Credit Support Document).

"LAW" includes any treaty, law, rule or regulation (as modified, in the case of tax matters, by the practice of any relevant governmental revenue authority) and "LAWFUL" and "UNLAWFUL" will be construed accordingly.

"LOCAL BUSINESS DAY" means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located and, if different, in the principal financial centre, if any, of the currency of such payment, (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

"LOSS" means, with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, the Termination Currency Equivalent of an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section 6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party's legal fees and out-of-pocket expenses referred to under Section 11. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

"MARKET QUOTATION" means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the "Replacement Transaction") that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have

been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the party obliged to make a determination under Section 6(e), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

"NON-DEFAULT RATE" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

"NON-DEFAULTING PARTY" has the meaning specified in Section 6(a).

"OFFICE" means a branch or office of a party, which may be such party's head or home office.

"POTENTIAL EVENT OF DEFAULT" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"REFERENCE MARKET-MAKERS" means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

"RELEVANT JURISDICTION" means, with respect to a party, the jurisdictions (a) in which the party is incorporated, organised, managed and controlled or considered to have its seat, (b) where an Office through which the party is acting for purposes of this Agreement is located, (c) in which the party executes this Agreement and (d) in relation to any payment, from or through which such payment is made.

"SCHEDULED PAYMENT DATE" means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

"SET-OFF" means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

"SETTLEMENT AMOUNT" means, with respect to a party and any Early Termination Date, the sum of:--

(a) the Termination Currency Equivalent of the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and

(b) such party's Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

"SPECIFIED ENTITY" has the meanings specified in the Schedule.

"SPECIFIED INDEBTEDNESS" means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

"SPECIFIED TRANSACTION" means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

"STAMP TAX" means any stamp, registration, documentation or similar tax.

"TAX" means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any payment under this Agreement other than a stamp, registration, documentation or similar tax.

"TAX EVENT" has the meaning specified in Section 5(b).

"TAX EVENT UPON MERGER" has the meaning specified in Section 5(b).

"TERMINATED TRANSACTIONS" means with respect to any Early Termination Date (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect immediately before the effectiveness of the notice designating that Early Termination Date (or, if "Automatic Early Termination" applies, immediately before that Early Termination Date).

"TERMINATION CURRENCY" has the meaning specified in the Schedule.

"TERMINATION CURRENCY EQUIVALENT" means, in respect of any amount denominated in the Termination Currency, such Termination Currency amount and, in respect of any amount denominated in a currency other than the Termination Currency (the "Other Currency"), the amount in the Termination Currency determined by the party making the relevant determination as being required to purchase such amount of such Other Currency as at the relevant Early Termination Date, or, if the relevant Market Quotation or Loss (as the case may be), is determined as of a later date, that later date, with the Termination Currency at the rate equal to the spot exchange rate of the foreign exchange agent (selected as provided below) for the purchase of such Other Currency with the Termination Currency at or about 11:00 a.m. (in the city in which such foreign exchange agent is located) on such date as would be customary for the determination of such a rate for the purchase of such Other Currency for value on the relevant Early Termination Date or that later date. The foreign exchange agent will, if only one party is obliged to make a determination under Section 6(e), be selected in good faith by that party and otherwise will be agreed by the parties.

"TERMINATION EVENT" means an Illegality, a Tax Event or a Tax Event Upon Merger or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

"TERMINATION RATE" means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

"UNPAID AMOUNTS" owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market

value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the Termination Currency Equivalents of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

CREDIT SUISSE FIRST BOSTON  
INTERNATIONAL

STATE STREET BANK AND TRUST COMPANY OF  
CONNECTICUT, NATIONAL ASSOCIATION  
in its capacity as Subordination Agent  
on behalf of the Trustee under the Class  
G Trust Agreement

By: /s/ Priscilla Morales

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Name: Priscilla Morales  
Title: Authorized Signatory

By: /s/ Alison D.B. Nadeau

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Name: Alison D.B. Nadeau  
Title: Vice President

By: /s/ Steven Reis

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Name: Steven Reis  
Title: Authorized Signatory

ISDA(R) 1992

ISDA(R)

International Swaps and Derivatives Association, Inc.

SCHEDULE

to the

MASTER AGREEMENT

dated as of September 24, 2002

between

CREDIT SUISSE FIRST BOSTON  
INTERNATIONAL,  
an unlimited liability company  
organized under the laws of  
England and Wales

("PARTY A")

and

STATE STREET BANK AND TRUST  
COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
a national banking association,  
in its capacity as  
Subordination Agent on behalf  
of the Trustee under the Pass  
Through Trust Agreement dated  
as of March 21, 2002 between  
State Street Bank and Trust  
Company of Connecticut,  
National Association, and  
American Airlines, Inc., as  
supplemented by the Trust  
Supplement No. 2002-1G dated as  
of September 24, 2002

("PARTY B")

PART 1  
TERMINATION PROVISIONS

- (A) SPECIFIED ENTITY. None.
- (B) SPECIFIED TRANSACTION. Specified Transaction will have the meaning specified in Section 14.
- (C) EVENTS OF DEFAULT. The "Events of Default" set forth in Section 5(a) will not apply to Party B but will apply to Party A (subject to clause (d) below).
- (D) CROSS DEFAULT. The "Cross Default" provision of Section 5(a)(vi) will not apply.
- (E) TERMINATION EVENTS. The "Illegality" provisions of Section 5(b)(i), the "Tax Event" provisions of Section 5(b)(ii), the "Tax Event Upon Merger" provisions of Section 5(b)(iii) and the "Credit Event Upon Merger" provisions of Section 5(b)(iv) (as amended below) will apply to Party A but will not apply to Party B. Party A shall be the sole Affected Party (under Section 5(b)(i), (ii) and 5(b)(iv)) and the sole Burdened Party (under Section 5(b)(iii)) with respect to a Termination Event.

- (F) CREDIT EVENT UPON MERGER. The "Credit Event Upon Merger" provisions in Section 5(b)(iv) are hereby amended by: (I) deleting in the fourth line thereof the words "another entity" and replacing them with the words "or reorganizes, incorporates, reincorporates, reconstitutes, or reforms into or as, or receives all or substantially all of the assets and/or liabilities or obligations of, another entity or X, such Credit Support Provider, or such Specified Entity, as the case may be, effects a recapitalization, liquidating dividend, leveraged buy-out, other similar highly-leveraged transaction, or stock buy-back or similar call on equity,"; (II) deleting in the fifth line thereof the words "the resulting, surviving or transferee" and replacing them with the words "X, such Credit Support Provider, or such Specified Entity, as the case may be, or any resulting, surviving, transferee, reorganized, reconstituted, reformed, or recapitalized"; and (III) deleting in the seventh line thereof the words "its successor or transferee" and replacing them with the words "any resulting, surviving, transferee, reorganized, reconstituted, reformed, or recapitalized entity".
- (G) AUTOMATIC EARLY TERMINATION. The "Automatic Early Termination" provision of Section 6(a) will not apply.
- (H) RIGHT TO TERMINATE FOLLOWING TERMINATION EVENT. Sections 6(b)(ii)-(iv) are deleted in their entirety and replaced by the following:
- "(ii) REPLACEMENT ON TERMINATION EVENT. Upon the occurrence of an Illegality or Credit Event Upon Merger, Party A shall have the right within 20 days of the date of such Termination Event, at its own expense, to arrange for one or more Replacement Above-Cap Liquidity Providers to enter into and deliver to Party B a Replacement Above-Cap Liquidity Facility for such Above-Cap Liquidity Facility. If Party A does not arrange for such replacement and if the Above-Cap Liquidity Facility has not otherwise been replaced by American Airlines, Inc. (at the expense of American Airlines, Inc.) in accordance with the terms of Section 3.06(c)(ii) of the Intercreditor Agreement, such 20th day (or if such 20th day is not a Business Day, the next succeeding Business Day) shall be deemed to be an "Early Termination Date" and Party A shall make a termination payment to Party B in accordance with Part 1(j) of this Schedule. Without limiting the provisions of Part 5(i) of this Schedule, upon the occurrence of a Tax Event or a Tax Event Upon Merger, Party A shall have the right (but not the obligation) at any time, to (A) at its own expense, arrange for one or more Replacement Above-Cap Liquidity Providers to enter into and deliver to Party B a Replacement Above-Cap Liquidity Facility or (B) designate an Early Termination Date with respect to the Transaction evidenced by the Confirmation. For the avoidance of doubt, Party B shall have no right to designate an Early Termination Date following the occurrence of any Termination Event.
- (I) CALCULATIONS. The "Payment Date" provisions in Section 6(d)(ii) are deleted in their entirety and replaced by the following:
- "The Termination Amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on such Early Termination Date."
- (J) PAYMENTS ON EARLY TERMINATION. Section 6(e) is deleted in its entirety and replaced with the following:
- "Upon the occurrence or designation of an Early Termination Date with respect to the Transaction evidenced by the Confirmation, Party A shall make a termination payment to Party B

on the Early Termination Date and in an amount equal to the "Termination Amount" for the Early Termination Date for credit to the Class G Above-Cap Reserve Account (as provided in Section 3.06(f) of the Intercreditor Agreement) to be applied as set forth in said Section 3.06(f) plus all Unpaid Amounts due and payable by Party A under the Confirmation on or prior to the Early Termination Date and upon such payments the Transaction evidenced by the Confirmation shall terminate.

"Termination Amount" means, for any Early Termination Date, the amount obtained by solving the following formula for TA:

$$TA = (18.0\% \text{ per annum} - CR) \times N \times F$$

where

CR = the Cap Rate designated in the Confirmation

N = the Notional Amount for such date

F = 1.528

For the avoidance of doubt, the Termination Amount shall not exceed US\$ 92,486,325.60 at any time."

- (K) TERMINATION CURRENCY. "Termination Currency" means United States Dollars.
- (L) ADDITIONAL TERMINATION EVENT. Additional Termination Event will apply solely as specified in the Confirmation.
- (M) LIMITATIONS ON CONDITIONS PRECEDENT. Notwithstanding Section 2(a), the obligation of Party A to make each payment specified in the Confirmation, so long as it shall remain in effect, shall not be subject to any conditions precedent, and, without limiting the foregoing, Party A agrees that it will make each such payment without offset, counterclaim or defense.

## PART 2 TAX REPRESENTATIONS

- (A) PAYER TAX REPRESENTATIONS. For the purpose of Section 3(e), Party A and Party B each make the following representation:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 2(e) or 6(e)) to be made by it to the other party under this Agreement. In making this representation, it may rely on:

  - (i) the accuracy of any representation made by the other party pursuant to Section 3(f);
  - (ii) the satisfaction of the agreement of the other party contained in Section 4(a)(i) or 4(a)(iii) and the accuracy and effectiveness of any document provided by the other party pursuant

to Section 4(a)(i) or 4(a)(iii); and

(iii) the satisfaction of the agreement of the other party contained in Section 4(d);

provided that it shall not be a breach of this representation where reliance is placed on clause (ii), and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

(B) PAYEE TAX REPRESENTATIONS. For the purpose of Section 3(f),

(i) Party A represents that it is an unlimited liability company formed under the laws of England and Wales.

(ii) Party B represents that it is a national banking association organized under the laws of the United States.

PART 3  
AGREEMENT TO DELIVER DOCUMENTS

For the purpose of Section 4(a)(ii) of this Agreement, each party agrees to deliver the following documents, as applicable:

PARTY REQUIRED TO DELIVER DOCUMENTS	FORM/DOCUMENT/CERTIFICATE	DATE BY WHICH TO BE DELIVERED	COVERED BY SECTION 3(D) REPRESENTATION
Party A and Party B	Evidence reasonably satisfactory to the other party as to the names, true signatures and authority of the officer or officials signing this Agreement or the Confirmation on its behalf	Upon execution of this Agreement and the related Confirmation	Yes
Party A	A copy of the annual report for Party A containing audited and certified financial statements for the most recently ended financial year	Upon request, as soon as publicly available	Yes
Party A	Opinions of counsel to Party A reasonably satisfactory in form and substance to Party B with respect to this Agreement	Upon execution of this Agreement	No
Party B	Certified copies of all documents evidencing the necessary corporate authorizations and approvals	Upon execution of this Agreement	Yes



with respect to the  
execution, delivery,  
and performance of  
derivatives  
transactions

Party B	Correct, complete and executed U.S. Internal Revenue Form W-9 or any successor thereto	Upon execution of this Agreement, upon the appointment of a successor Subordination Agent, and at any time upon reasonable request by Party A	Not applicable
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PART 4

MISCELLANEOUS

(A) ADDRESSES FOR NOTICES. For the purpose of Section 12(a):

(i) (A) Address for notices or communications to Party A (other than by facsimile):

Address: Credit Suisse First Boston International  
One Cabot Square  
London, E14 4QJ  
England

Attention: (a) Head of Credit Risk Management  
(b) Managing Director - Operations Department, and  
(c) Managing Director - Legal Department

Telex: 264521  
Answerback: CSFBI G

(For all purposes)

(B) For the purpose of facsimile notices or communications to Party A under this Agreement (other than a notice or communication under Section 5 or 6):

Facsimile: (44)(20) 7888 2686  
Attention: Managing Director - Legal Department

Telephone for oral confirmation of receipt of facsimile in legible form: (44)(20) 7888 2028

Designated responsible employee for the purpose of Section 12(a)(iii): Senior Legal Secretary

(ii) Address for notices or communications to Party B:

Address: State Street Bank and Trust Company of  
Connecticut,  
National Association  
c/o State Street Bank and Trust Company  
2 Avenue de Lafayette - 6th Floor

Boston, Massachusetts 02111-1724  
Attention: Ms. Alison D.B. Nadeau  
Telephone: (617) 662-1704  
Facsimile: (617) 662-1458

(For all purposes.)

- (B) OFFICES. The provisions of Section 10(a) will apply to this Agreement.
- (C) MULTIBRANCH PARTY. For the purpose of Section 10(c):  
Party A is not a Multibranch Party.  
Party B is not a Multibranch Party.
- (D) CALCULATION AGENT. The Calculation Agent is Party A, provided that if Party B disagrees with respect to any calculation or determination, Party A and Party B each will appoint an independent Reference Market-maker, and such two Reference Market-makers jointly will appoint a third Reference Market-maker. Such three Reference Market-makers jointly will make such calculation or determination (acting as experts and not as arbitrators), whose calculation or determination will be binding and conclusive absent manifest error. In addition, if an Event of Default with respect to Party A has occurred and is continuing, Party B may appoint one of the following five entities as Calculation Agent: The Chase Manhattan Bank, UBS A.G., Bank of America, N.A., Deutsche Bank A.G. or Citibank, N.A.
- (E) CREDIT SUPPORT DOCUMENTS.  
With respect to Party A: None.  
With respect to Party B: None.
- (F) CREDIT SUPPORT PROVIDER.  
Credit Support Provider means in relation to Party A: None.  
Credit Support Provider means in relation to Party B: None.
- (G) GOVERNING LAW. This Agreement and each Confirmation will be governed by and construed in accordance with the laws of the State of New York.
- (H) NETTING OF PAYMENTS. The Netting provision set forth in Section 2(c) will not apply to any Transaction.
- (I) AFFILIATE. Affiliate will have the meaning specified in Section 14.
- (J) COVERED TRANSACTION. The Transaction evidenced by the Confirmation dated the date of this Agreement (Reference Number: 522620007) will constitute the only Transaction and Confirmation supplementing, forming part of, and subject to, this Agreement.

PART 5  
OTHER PROVISIONS

(A) DEFINITIONS. This Agreement and the Transaction between the parties are subject to the 2000 ISDA Definitions and Annex to the 2000 ISDA Definitions (June 2000 Version) as published by the International Swaps and Derivatives Association, Inc. (collectively, the "Definitions"), and will be governed in all relevant respects by the provisions set forth in the Definitions, without regard to any amendment to the Definitions subsequent to the date hereof. The provisions of the Definitions are incorporated by reference in and shall be deemed a part of this Agreement, except that references in the Definitions to a "Swap Transaction" shall be deemed references to a "Transaction" for purposes of this Agreement. In the event of any inconsistency between the provisions of this Agreement and the Definitions, this Agreement will prevail. "Intercreditor Agreement" as used in this Agreement shall mean the Intercreditor Agreement dated as of September 24, 2002 among State Street Bank and Trust Company of Connecticut, National Association, as Trustee under the American Airlines Pass Through Trust 2002-1G, American Airlines Pass Through Trust 2002-1C, and American Airlines Pass Through Trust 2002-1D, WestLB AG, New York Branch, as Class G and Class C Primary Liquidity Provider, Party A as Class G Above-Cap Liquidity Provider, Party B as Subordination Agent, and MBIA Insurance Corporation as Policy Provider. Capitalized terms used and not defined herein, the Confirmation, or the Definitions shall have the meanings set forth in the Intercreditor Agreement, as amended or modified from time to time in accordance with the terms thereof.

(B) NO RELIANCE. Party A and Party B each represent to the other that it is entering into this Agreement and will enter into each Transaction in reliance upon such tax, accounting, regulatory, legal, and financial advice as it deems necessary and not upon any view expressed by the other.

(C) WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES ITS RESPECTIVE RIGHT TO JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR THE TRANSACTION.

(D) NON-PETITION. Party A agrees that it will not, prior to the date that is one year and one day following the final payment of the Certificates (as defined in the Intercreditor Agreement), acquiesce, petition or otherwise invoke or cause, or join in invoking or causing, Party B or any other person or entity to invoke the process of any governmental authority for the purpose of commencing or sustaining a case (whether voluntary or involuntary) against Party B under any bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of Party B or any substantial part of its property or ordering the winding-up or liquidation of the affairs of Party B.

(E) WAIVER OF RIGHT OF SET-OFF. Notwithstanding any provision of this Agreement, the Confirmation or any other existing or future agreement between the parties hereto, each party irrevocably waives any and all rights it may have to set-off, net, recoup or otherwise withhold or suspend or condition payment or performance of any obligation between the two parties hereunder against any obligations between the two parties, whether arising under any agreement, applicable law or otherwise.

(F) AMENDMENTS. This Agreement is hereby further amended as follows:

- (1) Section 2(b) is hereby amended by the insertion of the following at the end thereof after the word "change": "provided that if such new account shall not be in the same jurisdiction having the same power to tax as the original account, the party not changing

its account shall not be obliged to pay any greater amounts and shall not receive less as a result of such change than would have been the case if such change had not taken place."

- (2) Section 2(d) is amended by adding thereto a new final sentence reading as follows: "Anything in this Section 2(d) to the contrary notwithstanding, Party B shall not be obligated to make any payment under this Section 2(d) to Party A".
- (3) Section 7 is amended by (A) deleting the "and" at the end of Section 7(a); (B) replacing the period at the end of Section 7(b) with a semi-colon; (C) adding the following as Section 7(c): "Party A may transfer all of its rights and obligations under this Agreement in accordance with Part 5(i)(2) of the Schedule to this Agreement; and"; (D) adding the following as Section 7(d): "any successor to the Subordination Agent appointed in accordance with Section 7.01(b) of the Intercreditor Agreement shall automatically become Party B to this Agreement."; and (E) adding a new penultimate sentence to Section 7 as follows: "Except as otherwise provided in Part 5(i)(2) of the Schedule to this Agreement and Section 7.01(b) of the Intercreditor Agreement, any purported transfer under this Section 7 shall require Ratings Confirmation".
- (4) Section 9(b) is amended by adding thereto a new sentence reading as follows: "In addition, no amendment, modification or waiver in respect of this Agreement will be effective unless Ratings Confirmation is received."

(G) LIMITATION OF LIABILITY. The obligations of Party B under this Agreement, and in respect of the Transaction evidenced by the Confirmation, are expressly limited to the extent of funds, if any, made available for such payment to Party B under, and in accordance with, the priorities of payments set forth in Sections 2.04(b), 3.02, 3.03 and 3.06 of the Intercreditor Agreement. No recourse under any obligation, covenant or agreement of Party B contained in this Agreement or the Confirmation shall be had against any incorporator, stockholder, agent, affiliate, officer, employee or trustee of Party B, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that the agreements of Party B contained in this Agreement or the Confirmation are solely trust obligations of Party B and that no personal liability whatsoever shall attach to or be incurred by the incorporators, stockholders, agents, affiliates, officers, employees or trustees of Party B, as such, or any of them, under or by reason of any of the obligations, covenants or agreements of Party B contained in this Agreement or the Confirmation and that any and all personal liability of every such incorporator, stockholder, agent, affiliate, officer, employee or trustee of Party B for breaches by Party B of any such obligation, covenant or agreement, which liability may arise either at common law or at equity, by statute or constitution, or otherwise, is hereby expressly waived as a condition of and in consideration for the execution of this Agreement; provided, however, that nothing in this paragraph shall relieve any of the foregoing persons from any liability which any such person may otherwise have for his/her or its gross negligence or willful misconduct or, with respect to the handling or transfer of funds, ordinary negligence.

(H) ELIGIBLE CONTRACT PARTICIPANT. Each party represents to the other that it is an "eligible contract participant" as defined in Section 1a(12) of the Commodity Exchange Act of 1922 (7 U.S. Code Section 1 et seq.) as amended ("CEA"). This Agreement and the Transaction hereunder are subject to individual negotiation by the parties. Neither this Agreement nor the Transaction hereunder has been executed or traded on a "trading facility" as defined in Section 1a(33) of the CEA.

(I) INDEMNIFIABLE TAX.

- (1) The definition of "Indemnifiable Tax" in Section 14 is deleted in its entirety and replaced with the following:

"INDEMNIFIABLE TAX" means any Tax imposed by a Relevant Jurisdiction with respect to Party A other than a Tax that would not be imposed in respect of a payment under this Agreement but for a present or former connection between the jurisdiction of the government or taxation authority imposing such Tax and State Street Bank and Trust Company of Connecticut, National Association acting in its individual capacity (including, without limitation, a connection arising from State Street Bank and Trust Company of Connecticut, National Association acting in its individual capacity being or having been a citizen or resident of such jurisdiction, or being or having been organized, present or engaged in a trade or business in such jurisdiction, or having had a permanent establishment or fixed place of business in such jurisdiction, but excluding a connection arising solely from State Street Bank and Trust Company of Connecticut, National Association acting in its capacity as Subordination Agent on behalf of the Trustee having executed, delivered, performed its obligations or received a payment under, or enforced, this Agreement or a Credit Support Document)."

- (2) Notwithstanding any provision to the contrary contained herein, if Party A is required to pay additional amounts pursuant to Section 2(d)(i)(4) of this Agreement in respect of an Indemnifiable Tax, Party A may (at its own expense):

- (a) Transfer all of its rights and obligations under this Agreement to another Office or an "Approved Affiliate" if on the date of such transfer, such Approved Affiliate meets the Threshold Rating, which transfer will require neither a prior Ratings Confirmation nor consent by any party to the Operative Agreements. Party A agrees to provide written notice to Party B, American, the Policy Provider, and the Rating Agencies of any such transfer within five Business Days after such transfer and to promptly deliver to the Rating Agencies all relevant documentation with respect to such transfer. "Approved Affiliate" means Credit Suisse First Boston; or
- (b) Transfer all of its rights and obligations under this Agreement to another Affiliate of Party A that is not an Approved Affiliate, which transfer will require a prior Ratings Confirmation but will not require consent by any party to the Operative Agreements; or
- (c) Transfer all of its rights and obligations under this Agreement to any other person, which transfer will require a prior Ratings Confirmation and consent by the Policy Provider (which consent by the Policy Provider shall not be unreasonably withheld or delayed) or arrange for one or more Replacement Above-Cap Liquidity Providers to enter into and deliver to Party B a Replacement Above-Cap Liquidity Facility;

provided that, in the case of any of clause (a), (b) or (c) above, both Party A and the transferee are dealers in notional principal contracts as defined in U.S. Treasury Regulation Section 1.446-3(c)(4)(iii).

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

CREDIT SUISSE FIRST BOSTON INTERNATIONAL

By: /s/ Priscilla Morales  
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Name: Priscilla Morales  
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Title: Authorized Signatory  
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Date: September 24, 2002  
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By: /s/ Steven Reis  
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Name: Steven Reis  
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Title: Authorized Signatory  
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Date: September 24, 2002  
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STATE STREET BANK AND TRUST COMPANY OF  
CONNECTICUT, NATIONAL ASSOCIATION in its  
capacity as Subordination Agent on behalf of  
the Trustee under the Class G Trust  
Agreement.

By: /s/ Alison D.B. Nadeau  
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Name: Alison D.B. Nadeau  
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Title: Vice President  
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Date: September 24, 2002  
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Date: September 24, 2002  
To: State Street Bank and Trust Company of Connecticut, National Association  
From: Credit Suisse First Boston International  
Subject: CLASS G ABOVE CAP LIQUIDITY FACILITY CONFIRMATION

REFERENCE NUMBER: 522620007

Ladies and Gentlemen:

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the Interest Rate Cap Transaction entered into on the Trade Date referred to in Paragraph 2 below (the "Transaction") between Credit Suisse First Boston International ("Party A") and State Street Bank and Trust Company of Connecticut, National Association in its capacity as Subordination Agent on behalf of the Trustee under the Pass Through Trust Agreement dated as of March 21, 2002 between State Street Bank and Trust Company of Connecticut, National Association, and American Airlines, Inc., as supplemented by the Trust Supplement No. 2002-1G dated as of September 24, 2002 ("Party B"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below.

1. The definitions and provisions contained in the 2000 ISDA Definitions and Annex to the 2000 ISDA Definitions (June 2000 Version) as published by the International Swaps and Derivatives Association, Inc. (as so supplemented, the "Definitions") are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern. References herein to a "Transaction" shall be deemed to be references to a "Swap Transaction" for the purposes of the Definitions.

This Confirmation supplements, forms a part of, and is subject to the 1992 ISDA Master Agreement (Multicurrency - Cross Border) including the Schedule thereto, dated as of September 24, 2002 as amended and supplemented from time to time (collectively, the "Agreement"), between us. All provisions contained in the Agreement govern this Confirmation except as modified below. In the event of any inconsistency between the Agreement and this Confirmation, this Confirmation will govern. Capitalized terms not otherwise defined in the Agreement or this Confirmation shall have the meanings ascribed to them in the Intercreditor Agreement dated as of September 24, 2002 among State Street Bank and Trust Company of Connecticut, National Association, as Trustee under the American Airlines Pass Through Trust 2002-1G, American Airlines Pass Through Trust 2002-1C, and American Airlines Pass Through Trust 2002-1D, WestLB AG, New York Branch, as Class G and Class C Primary Liquidity Provider, Party A as Class G Above-Cap Liquidity Provider, Party B as Subordination Agent, and MBIA Insurance Corporation as Policy Provider (the "Intercreditor Agreement"). The Agreement and each Confirmation will be governed by and construed in accordance with the laws of the State of New York.

Each of Party A and Party B represents to the other that it has entered into this Transaction in reliance upon such independent accounting, regulatory, legal, tax and financial advice as it deems necessary and not upon any view expressed by the other.

2. Party A and Party B by this Confirmation are entering into a Transaction (the "Above Cap Liquidity Facility") that provides an irrevocable interest rate cap. The terms of the Above Cap Liquidity Facility are as follows:

General Terms:

Transaction Type: Interest Rate Cap Transaction

Notional Amount: The Pool Balance for the Class G Certificates from time to time. The Notional Amount as of any Floating Rate Payer Payment Date shall be determined before giving effect to any distributions on such Certificates on such Floating Rate Payer Payment Date.

Trade Date: September 24, 2002

Effective Date: September 24, 2002

Termination Date: The first Business Day following the earlier of (i) March 23, 2009 and (ii) the date upon which the Pool Balance of the Class G Certificates equals zero.

Currency Unit: USD

Business Day Convention: Following

Fixed Amounts:

Fixed Amount Payer: Party B

Fixed Amount Payer Payment Date: September 24, 2002

Fixed Amount: As set forth in a separate letter agreement between Party A and Party B.

Floating Amounts:

Floating Rate Payer: Party A

Floating Amount: On each Floating Rate Payer Payment Date on which the Floating Rate Option exceeds the Cap Rate, the Floating Amount shall be calculated as follows:

(i) in the event that the Interest Shortfall (as defined in Paragraph 5 below) is equal to zero, the Floating Amount shall equal zero;



(ii) in the event that there is a non-zero Interest Shortfall and at least one of the following is true: (x) the Available Amount under the Class G Primary Liquidity Facility (before giving effect to any Interest Drawing to be made on such Payment Date) is greater than zero, (y) the amount on deposit in the Class G Primary Cash Collateral Account (before giving effect to any withdrawals to be made from such account on such Payment Date) is greater than zero, or (z) the amount on deposit in the Above-Cap Account (before giving effect to any withdrawals to be made from such account on such Payment Date) is greater than zero, the Floating Amount shall equal the Above-Cap Payment (as defined in the Intercreditor Agreement) for such date; and

(iii) in the event that there is a non-zero Interest Shortfall and none of the statements in clauses (ii)(x), (ii)(y) and (ii)(z) above are true, the Floating Amount shall equal zero.

Period End Dates: Each March 23, June 23, September 23, and December 23, commencing on December 23, 2002 and ending on the Termination Date, subject to adjustment in accordance with the Following Business Day Convention.

Floating Rate Payer Payment Dates: Each day that is a Period End Date and any Special Distribution Date under and as defined in the Intercreditor Agreement not coinciding with a Period End Date on which a distribution of interest is, by the terms of the Intercreditor Agreement, to be made on the Class G Certificates.

Floating Rate Option: USD-LIBOR-BBA; provided, that, if the relevant rate does not appear on the Telerate Page 3750, the rate shall be "LIBOR" as determined by the Reference Agent under Section 6(b)(ii) of the Reference Agency Agreement.

Cap Rate: 8.19%

Designated Maturity: 3 months, including the initial Calculation Period

Spread: None

Floating Rate Day Count Fraction: Actual/360

Reset Dates: The first day of the relevant Calculation Period.

Compounding: Inapplicable

Notice: Party B shall, on or before 10:30 a.m. (New York time) on each Floating Rate Payer Payment Date, provide Party A with notice of the then-current Pool Balance and the then-current Interest Shortfall, if any, together with, if such a shortfall exists, the

certificate referred to in the final sentence of Section 3.06(a) of the Intercreditor Agreement.

3. Role of Party A; Role of Calculation Agent

- (i) Party B acknowledges that: (a) in connection with this Transaction and this Agreement, Party A has acted in the capacity of an arm's-length contractual counterparty and not as its financial advisor or fiduciary; and (b) in exercising its rights or performing any of its duties under this Agreement, Party A will act as principal and not as a fiduciary of Party B.
- (ii) Whenever the Calculation Agent is required to act or exercise judgment in any way, it will do so in good faith and in a commercially reasonable manner. The calculations and determinations of the Calculation Agent shall be made in accordance with terms of this Confirmation having regard in each case to the criteria stipulated herein.

4. Additional Termination Event

It will be an Additional Termination Event with respect to Party A if the relevant rating of Party A issued by any Rating Agency is lower than the applicable Threshold Rating ("Credit Downgrade"). In the event of a Credit Downgrade, Party A may, within ten days but no later than the Termination Date, at its own expense, arrange for one or more Replacement Above-Cap Liquidity Providers to enter into and deliver to Party B a Replacement Above-Cap Liquidity Facility for the Above-Cap Liquidity Facility. If Party A does not arrange for such replacement and if this Above-Cap Liquidity Facility has not otherwise been replaced by American Airlines, Inc. (at the expense of American Airlines, Inc.) in accordance with the terms of Section 3.06(c)(ii) of the Intercreditor Agreement, such 10th day (or if such 10th day is not a Business Day, the next succeeding Business Day) shall be deemed to be an "Early Termination Date" and Party A shall make a termination payment to Party B in accordance with Part 1(j) of the Schedule to the Agreement. Party A shall be the sole Affected Party with respect to this Additional Termination Event.

5. Additional Definitions

For the purposes of this Confirmation, the following terms shall have the meanings set forth below:

"Business Day" and "Local Business Day" mean, with respect to the Transaction set forth in this Confirmation, "Business Day" as defined in the Intercreditor Agreement for all purposes under the Agreement.

"Interest Shortfall" means, on any Floating Rate Payer Payment Date, the additional amount required in order for Party B to have sufficient funds to pay interest (calculated at the applicable Stated Interest Rate) due on any Class G Certificates, after giving effect to the provisions of the Intercreditor Agreement (but without regard to drawings under the Class G Primary Liquidity Facility or withdrawals from the Class G Primary Cash Collateral Account or Above-Cap Account).

6. Payments

Party A hereby irrevocably instructs Party B to make any payment due to Party A directly to the account specified below in the name of Party A. Party B hereby irrevocably instructs Party A to make any payments of Floating Amounts and any Termination Amount due to Party B directly to the account(s) specified below in the name of Party B. All payments by Party A of Floating Amounts and any Termination Amount due to Party B shall be made prior to 4:00 p.m. (New York City time) on the date such payment is due without set-off, deduction, withholding, netting, or any other reduction.

7. Account Details

Payments to Party A: Credit Suisse First Boston  
Bank of New York  
SWIFT IRVTUS3N  
For favor Credit Suisse First Boston International,  
London  
Account Number: 8900360968

Payments to Party B: State Street Bank and Trust Company  
ABA Number: 011 0000 28  
DDA Number: 9903-990-1  
Reference: Amer. Air 2002-1 #131360-002  
Attention: May Tran

8. Offices

The Office of Party A for the Transaction is its office at the address specified for notices to it in the Schedule to the Agreement. The Office of Party B for the Transaction is its office at the address specified for notices to it in the Schedule to the Agreement.

Party A has entered into this transaction as principal. The time at which the above transaction was executed will be notified to Party B on request.

9. Counterparts

This Confirmation may be executed in any number of counterparts and by each party hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Confirmation.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us.

Yours sincerely,

CREDIT SUISSE FIRST BOSTON INTERNATIONAL

By: /s/ Lisa F. Lindblom  
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Name: Lisa F. Lindblom  
Title: Vice President

Confirmed as of the date first written above:

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION in its capacity as Subordination Agent on behalf of the Trustee under the Class G Trust Agreement

By: /s/ Alison D.B. Nadeau  
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Name: Alison D.B. Nadeau  
Title: Vice President

MBIA INSURANCE CORPORATION

FINANCIAL GUARANTY INSURANCE POLICY

September 24, 2002

Policy No. 37875

Re: AMERICAN AIRLINES PASS THROUGH TRUST 2002-1G (THE  
"CLASS G TRUST") \$617,000,000 FLOATING RATE AMERICAN  
AIRLINES PASS THROUGH CERTIFICATES, SERIES 2002-1G (THE  
"CLASS G CERTIFICATES")

Insured  
Obligation: PAYMENT OF INTEREST AT THE STATED INTEREST RATE FOR THE  
CLASS G CERTIFICATES AND PRINCIPAL ON THE CLASS G  
CERTIFICATES.

Beneficiary: STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION, AS SUBORDINATION AGENT (TOGETHER  
WITH ANY SUCCESSOR SUBORDINATION AGENT DULY APPOINTED  
AND QUALIFIED UNDER THE AGREEMENT (AS DEFINED BELOW)  
THE "SUBORDINATION AGENT")

MBIA INSURANCE CORPORATION ("MBIA"), for consideration received, hereby unconditionally, absolutely and irrevocably and without the assertion of any defenses to payment, including fraud in the inducement or fact or any other circumstances (other than payment in full) that would have the effect of discharging a surety in law or in equity guarantees to the Subordination Agent, subject only to the terms of this Policy (the "Policy"), payment of the Insured Obligation. MBIA agrees to pay to the Subordination Agent, in respect of each Distribution Date, an amount equal to (each a "Deficiency Amount"):

(i) with respect to any Regular Distribution Date other than the Final Legal Distribution Date, any shortfall in amounts available to the Subordination Agent, after giving effect to the subordination provisions of the Agreement, any drawing paid under the Class G Primary Liquidity Facility in respect of interest due on the Class G Certificates on such Distribution Date, any withdrawal from the Class G Primary Cash Collateral Account in respect of interest due on the Class G Certificates on such Distribution Date and any withdrawal from the Above-Cap Account in respect of interest due on the Class G Certificates on such Distribution Date in accordance with the Agreement, for the payment of accrued and unpaid interest on the Class G Certificates at the Stated Interest Rate for the Class G Certificates on the Pool Balance of the Class G Certificates on such Distribution Date;

(ii) with respect to any Special Distribution Date (other than a Special Distribution Date established pursuant to the succeeding clause (iv) below) established by reason of receipt of a Special Payment constituting the proceeds of the disposition of any Series G Equipment Notes (as to which there has been a default in the payment of principal thereof or that has been accelerated) or the related Collateral, as the case may be, any shortfall in the amounts available to the Subordination Agent after giving effect to the subordination provisions of the Agreement and, if such Special Payment is received prior to a Policy Provider Election with respect to such Series G Equipment

Note, the application of any drawing paid under the Class G Primary Liquidity Facility in respect of interest due on the Class G Certificates on such Distribution Date, any withdrawal from the Class G Primary Cash Collateral Account in respect of interest due on the Class G Certificates on such Distribution Date and any withdrawal from the Above-Cap Account in respect of interest due on the Class G Certificates on such Distribution Date in accordance with the Agreement, required to reduce the Pool Balance of the Class G Certificates by an amount equal to the outstanding principal amount of such Series G Equipment Note (determined immediately prior to the receipt of such proceeds and less the amount of any drawings previously paid by MBIA in respect of principal on such Series G Equipment Note) plus accrued and unpaid interest on the amount of such reduction at the Stated Interest Rate for the Class G Certificates for the period from the immediately preceding Regular Distribution Date to such Special Distribution Date;

(iii) with respect to the Special Distribution Date established by reason of the failure of the Subordination Agent to have received a Special Payment constituting the proceeds of any Series G Equipment Note or the related Collateral, as the case may be, during the twenty-one (21) month period beginning on the last date on which full payment was made on such Series G Equipment Note (the date of such payment in full, the "Last Payment Date") as to which there has been a failure to pay principal or that has been accelerated subsequent to the Last Payment Date, the amount equal to the outstanding principal amount of such Series G Equipment Note plus accrued and unpaid interest thereon at the Stated Interest Rate for the Class G Certificates from the immediately preceding Regular Distribution Date to such Special Distribution Date; provided, however, if MBIA shall have duly given a Policy Provider Election (as defined below) with respect to such Series G Equipment Note at the end of such twenty-one (21) month period and at least five (5) days prior to such Special Distribution Date, the Deficiency Amount shall be an amount equal to (A) with respect to such Special Distribution Date the scheduled principal and interest payable but not paid on such Series G Equipment Note (without regard to the acceleration thereof) during such twenty-one (21) month period (after giving effect to the application of any drawing paid under the Class G Primary Liquidity Facility and any withdrawal from the Class G Primary Cash Collateral Account or the Above-Cap Account, attributable to such interest on such Series G Equipment Note) and (B) thereafter, on each Regular Distribution Date following such Special Distribution Date as to which a Policy Provider Election has been given in respect of such Series G Equipment Note, and prior to the establishment of an Election Distribution Date or a Special Distribution Date pursuant to the immediately succeeding clause (iv) with respect to such Series G Equipment Note, an amount equal to the scheduled principal (without regard to the acceleration thereof) and interest payable on such Series G Equipment Note on the related payment date;

(iv) following the giving of any Policy Provider Election, with respect to any Business Day elected by MBIA upon twenty (20) days prior notice (which shall be a Special Distribution Date) and upon request by MBIA to the Subordination Agent to make a drawing under this Policy, an amount equal to the then outstanding principal balance of the Series G Equipment Note as to which the Policy Provider Election was given (less any drawings previously paid by MBIA in respect of principal on such Series

G Equipment Note) and accrued and unpaid interest thereon at the Stated Interest Rate for the Class G Certificates from the immediately preceding Regular Distribution Date to such Special Distribution Date;

(v) with respect to any Special Distribution Date which is an Election Distribution Date, an amount equal to the then outstanding principal balance of the Series G Equipment Note as to which such Election Distribution Date relates (less any drawing previously paid by MBIA in respect of principal of such Series G Equipment Note) and accrued and unpaid interest thereon at the Stated Interest Rate for the Class G Certificates from the immediately preceding Regular Distribution Date to such Election Distribution Date; and

(vi) with respect to the Final Legal Distribution Date, any shortfalls in amounts available to the Subordination Agent after giving effect to the subordination provisions of the Agreement and to the application of any drawing paid under the Class G Primary Liquidity Facility in respect of interest included in the Final Distribution, any withdrawal from the Class G Primary Cash Collateral Account in respect of interest included in the Final Distribution and any withdrawal from the Above-Cap Account in respect of interest included in the Final Distribution in accordance with the Agreement, for the payment in full of the Final Distribution (calculated as of such date but excluding any accrued and unpaid premium) on the Class G Certificates.

For the avoidance of doubt, no Deficiency Amount described in clauses (i)-(vi) above or payment to be made in respect of an Avoided Payment described below shall constitute an accelerated or acceleration payment.

If any amount paid or required to be paid in respect of the Insured Obligation is voided (a "Preference Event") under any applicable bankruptcy, insolvency, receivership or similar law in an Insolvency Proceeding, and, as a result of such a Preference Event, the Beneficiary, the Class G Trustee or any Class G Certificateholder is required to return such voided payment, or any portion of such voided payment made or to be made in respect of the Class G Certificates (including any disgorgement from the Class G Certificateholders resulting from any such Insolvency Proceeding, whether such disgorgement is determined on a theory of preferential conveyance or otherwise) (an "Avoided Payment"), MBIA will pay an amount equal to each such Avoided Payment, irrevocably, absolutely and unconditionally and without the assertion of any defenses to payment, including fraud in inducement or fact or any other circumstances that would have the effect of discharging a surety in law or in equity, upon receipt by MBIA from the Beneficiary, the Class G Trustee or such Class G Certificateholder of (x) a certified copy of a final (non-appealable) order of a court exercising jurisdiction in such Insolvency Proceeding to the effect that the Beneficiary, the Class G Trustee or such Class G Certificateholder is required to return any such payment or portion thereof because such payment was voided under applicable law, with respect to which order the appeal period has expired without an appeal having been filed (the "Final Order"), (y) an assignment, in the form of Exhibit D hereto, irrevocably assigning to MBIA all rights and claims of such Beneficiary, the Class G Trustee or such Class G Certificateholder relating to or arising under such Avoided Payment and (z) a Notice of Avoided Payment in the form of Exhibit B hereto appropriately completed and executed by the Beneficiary, the Class G Trustee or such Class G

Certificateholder. Such payment shall be disbursed to the receiver, conservator, debtor-in-possession or trustee in bankruptcy named in the Final Order and not to the Beneficiary, the Class G Trustee or such Class G Certificateholder directly unless such Beneficiary, Class G Trustee or Class G Certificateholder has returned such payment to such receiver, conservator, debtor-in-possession or trustee in bankruptcy, in which case such payment shall be disbursed to such Class G Certificateholder, the Class G Trustee or the Beneficiary, as the case may be.

Notwithstanding the foregoing, in no event shall MBIA be obligated to make any payment in respect of any Avoided Payment, which payment represents a payment of the principal amount of the Class G Certificates, prior to the time MBIA would have been required to make a payment in respect of such principal pursuant to sub-paragraphs (ii)-(vi) of the definition of Deficiency Amount in this Policy; provided, further, that no payment of principal under this Policy on any Distribution Date, other than with respect to an Avoided Payment, shall exceed the Net Principal Policy Amount (as defined below) for such Distribution Date; provided, further, that no payment, other than with respect to an Avoided Payment, of a Deficiency Amount shall be in excess of the then outstanding Pool Balance of the Class G Certificates and accrued and unpaid interest thereon at the Stated Interest Rate on the Class G Certificates. This Policy does not cover (i) any premium, prepayment penalty or other accelerated payment, which at any time may become due on or with respect to any Class G Certificate, (ii) shortfalls, if any, attributable to the liability of the Subordination Agent, the Class G Trust or the Class G Trustee for withholding taxes, if any (including interest and penalties in respect of any such liability) or (iii) any failure of the Subordination Agent or the Class G Trustee to make any payment due to the Class G Certificateholders.

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Intercreditor Agreement (the "Agreement"), dated as of September 24, 2002, among MBIA, as Policy Provider, State Street Bank and Trust Company of Connecticut, National Association, as Trustee of the Trusts, WestLB AG, New York Branch., as Primary Liquidity Provider, Credit Suisse First Boston International, as Above-Cap Liquidity Provider and the Subordination Agent, without regard to any amendment or supplement thereto unless such amendment or supplement has been executed, or otherwise approved in writing, by MBIA.

"Business Day" shall mean any day other than a Saturday, a Sunday or other day on which insurance companies in New York, New York or commercial banking institutions in the cities in which the corporate trust office of the Subordination Agent, the Fiscal Agent (as defined herein) or the office of MBIA specified in this Policy are located are authorized or obligated by law or executive order to close.

"Class G Certificateholder" shall mean any person who is the registered owner or beneficial owner of any of the Class G Certificates and who, on the applicable Distribution Date, is entitled under the terms of the Class G Certificates to payment thereunder.

"Election Distribution Date" shall mean any Special Distribution Date established by the Subordination Agent upon 20 days' notice to the Class G Trustee and the Policy Provider by reason of the occurrence and continuation of a Policy Provider Default occurring after a Policy Provider Election.



"Final Legal Distribution Date" shall mean March 23, 2009.

"Insolvency Proceeding" means the commencement, after the date hereof, of any bankruptcy, insolvency, readjustment of debt, reorganization, marshalling of assets and liabilities or similar proceedings by or against American Airlines, Inc. or any Liquidity Provider and the commencement, after the date hereof, of any proceedings by American Airlines, Inc. or any Liquidity Provider for the winding up or liquidation of its affairs or the consent, after the date hereof, to the appointment of a trustee, conservator, receiver, or liquidator in any bankruptcy, insolvency, readjustment of debt, reorganization, marshalling of assets and liabilities or similar proceedings of or relating to American Airlines, Inc. or any Liquidity Provider.

"Insurance Agreement" shall mean the Insurance and Indemnity Agreement (as may be amended, modified or supplemented from time to time), dated as of September 24, 2002, by and among MBIA, American Airlines, Inc., the Class G Trustee and the Subordination Agent.

"Insured Amounts" shall mean, with respect to any Distribution Date, the Deficiency Amount for such Distribution Date.

"Net Principal Policy Amount" shall mean the Pool Balance of the Class G Certificates as of the Closing Date minus all amounts previously drawn on this Policy with respect to principal.

"Nonpayment" shall mean, with respect to any Distribution Date, a Deficiency Amount owing to the Subordination Agent for distribution to the Class G Certificateholders.

"Notice of Avoided Payment" shall mean the notice, substantially in the form of Exhibit B hereto, delivered pursuant to this Policy and sent to the contact person at the address and/or fax number set forth in this Policy, and specifying the Avoidance Payment which shall be due and owing on the applicable Distribution Date.

"Notice of Nonpayment" shall mean the notice, substantially in the form of Exhibit A hereto, delivered pursuant to this Policy and sent to the contact person at the address and/or fax numbers set forth in this Policy specifying the Insured Amount which shall be due and owing to the Class G Trustee for distribution to the Class G Certificateholders on the applicable Distribution Date.

"Policy Provider Election" shall mean a notice given by MBIA when no Policy Provider Default shall have occurred and be continuing, stating that MBIA elects to make payments of Deficiency Amounts as defined under the proviso to clause (iii) of the definition of Deficiency Amount in respect of any Series G Equipment Note in lieu of applying clause (iii) (without the proviso) of the definition of Deficiency Amount, which notice shall be given to the Subordination Agent not less than five (5) days prior to the Special Distribution Date established for payment of a Deficiency Amount under clause (iii) of the definition thereof.

"Trust Agreement" shall mean the Pass Through Trust Agreement, dated as of March 21, 2002, by and among American Airlines, Inc. and State Street Bank and Trust Company of Connecticut, National Association, as Trustee, as supplemented by Trust

Supplement No. 2002-1G, dated as of September 24, 2002, between the same parties, pursuant to which the Class G Certificates have been issued.

Payment of amounts hereunder shall be made in immediately available funds (x) with respect to Deficiency Amounts no later than 3:00 p.m., New York City time, on the later of (a) the relevant Distribution Date and (b) the Business Day of presentation to State Street Bank and Trust Company, N.A., as fiscal agent for MBIA or any successor fiscal agent appointed by MBIA (the "Fiscal Agent"), of a Notice of Nonpayment, appropriately completed and executed by the Beneficiary (if such Notice of Nonpayment is received by 1:00 p.m. on such day), and (y) with respect to Avoided Payments, prior to 3:00 p.m. New York City time, on the third Business Day following MBIA's receipt of the documents required under clauses (x) through (z) of the third paragraph of this Policy. Any such documents received by MBIA after 1:00 p.m. New York City time on any Business Day or on any day that is not a Business Day shall be deemed to have been received by MBIA prior to 1:00 p.m. on the next succeeding Business Day. All payments made by MBIA hereunder in respect of Avoided Payments will be made with MBIA's own funds. A Notice of Nonpayment or Notice of Avoided Payment under this Policy may be presented to the Fiscal Agent on any Business Day by (a) delivery of the original Notice of Nonpayment or Notice of Avoided Payment to the Fiscal Agent at its address set forth below, or (b) facsimile transmission of the original Notice of Nonpayment or Notice of Avoided Payment to the Fiscal Agent at its facsimile number set forth below. If presentation is made by facsimile transmission, the Beneficiary shall (i) simultaneously confirm transmission by telephone to the Fiscal Agent at its telephone number set forth below, and (ii) as soon as reasonably practicable, deliver the original Notice of Nonpayment or Notice of Avoided Payment to the Fiscal Agent at its address set forth below. Each Notice of Nonpayment or Notice of Avoided Payment shall be delivered by facsimile and mail to MBIA simultaneously with its delivery to the Fiscal Agent.

If any Notice of Nonpayment or Notice of Avoided Payment received by the Fiscal Agent is not in proper form or is otherwise insufficient for the purpose of making a claim hereunder, it shall be deemed not to have been received by the Fiscal Agent, and MBIA or the Fiscal Agent, as the case may be, shall promptly so advise the Beneficiary, and the Beneficiary may submit an amended Notice of Nonpayment or Notice of Avoided Payment, as the case may be.

Payments due hereunder unless otherwise stated herein will be disbursed by the Fiscal Agent to the Subordination Agent for the benefit of the Class G Certificateholders by wire transfer of immediately available funds in the amount of such payment. Other than amounts payable in respect of Avoided Payments, MBIA's obligations under this Policy shall be discharged to the extent funds to be applied to pay the Insured Obligations under and in accordance with the Intercreditor Agreement are received by the Subordination Agent (including funds disbursed by MBIA as provided in this Policy and received by the Subordination Agent) whether or not such funds are properly applied by the Subordination Agent or the Class G Trustee. MBIA's obligations to make payments in respect of any Avoided Payments shall be discharged to the extent such payments are made by MBIA hereunder and are received by the Subordination Agent, the Class G Trustee, the applicable Class G Certificateholder or the receiver, conservator, debtor-in-possession or trustee in bankruptcy as applicable, whether or not such payments are properly applied by the Subordination Agent or the Class G Trustee.

The Fiscal Agent is the agent of MBIA only, and the Fiscal Agent shall in no event be liable to Class G Certificateholders for any acts of the Fiscal Agent or any failure of MBIA to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

Any notice hereunder delivered to the Fiscal Agent of MBIA may be made at the address listed below for the Fiscal Agent of MBIA or such other address as MBIA shall specify in writing to the Subordination Agent.

The notice address of the Fiscal Agent is 61 Broadway, 15th Floor, New York, New York 10006, Attention: Municipal Registrar and Paying Agency, Facsimile: (212) 612-3201, Telephone: (212) 612-3458.

All notices, presentations, transmissions, deliveries and communications made by the Beneficiary to MBIA with respect to this Policy shall specifically refer to the number of this Policy and shall be made to MBIA at:

MBIA Insurance Corporation  
113 King Street  
Armonk, NY 10504  
Attention: Insured Portfolio Management,  
Structured Finance  
Telephone: (914) 273-4949  
Facsimile: (914) 765-3163

or such other address, telephone number or facsimile number as MBIA may designate to the Beneficiary in writing from time to time. Each such notice, presentation, transmission, delivery and communication shall be effective only upon actual receipt by MBIA.

To the extent and in the manner specified in the Intercreditor Agreement, MBIA shall be subrogated to the rights of each Class G Certificateholder to receive payments under the Class G Certificates to the extent of any payment made by it hereunder.

This Policy is neither transferable nor assignable, in whole or in part, except to a successor Subordination Agent duly appointed and qualified under the Agreement. Such transfer and assignment shall be effective upon receipt by MBIA of a copy of the instrument effecting such transfer and assignment signed by the transferor and by the transferee, and a certificate, properly completed and signed by the transferor and the transferee, in the form of Exhibit C hereto (which shall be conclusive evidence of such transfer and assignment), and, in such case, the transferee instead of the transferor shall, without the necessity of further action, be entitled to all the benefits of and rights under this Policy in the transferor's place, provided that, in such case, the Notice of Nonpayment presented hereunder shall be a certificate of the transferee and shall be signed by one who states therein that he is a duly authorized officer of the transferee.

There shall be no acceleration payment due under this Policy unless such acceleration is at the sole option of MBIA.

This Policy shall terminate and the obligations of MBIA hereunder shall be discharged on the day (the "Termination Date") which is one year and one day following the Distribution Date upon which the Final Distribution on the Class G Certificates is made. The foregoing notwithstanding, if an Insolvency Proceeding is existing during the one year and one day period set forth above, then this Policy and MBIA's obligations hereunder shall terminate on the later of (i) the date of the conclusion or dismissal of such Insolvency Proceeding without continuing jurisdiction by the court in such Insolvency Proceeding, and (ii) the date on which MBIA has made all payments required to be made under the terms of this Policy in respect of Avoided Payments.

This Policy is not covered by the property/casualty insurance fund specified in Article Seventy-Six of the New York State insurance law.

This Policy sets forth in full the undertaking of MBIA, and, except as expressly provided in the Insurance Agreement and the Agreement, shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment to any other agreement or instrument, or by the merger, consolidation or dissolution of American Airlines, Inc. or any other Person and may not be canceled or revoked by MBIA prior to the time it is terminated in accordance with the express terms hereof. The Premium on this Policy is not refundable for any reason.

This Policy shall be returned to MBIA upon termination.

THIS POLICY SHALL BE CONSTRUED, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED, IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES OR THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

IN WITNESS WHEREOF, MBIA has caused this Policy to be duly executed  
on the date first written above.

MBIA INSURANCE CORPORATION

/s/ GARY C. DUNTON

-----  
President

Attest: /s/ LISA A. WILSON

-----  
Assistant Secretary

NOTICE OF NONPAYMENT AND DEMAND  
FOR PAYMENT OF INSURED AMOUNTS

Date: [\_\_\_\_\_]

MBIA Insurance Corporation  
113 King Street  
Armonk, New York 10504  
Attention: Insured Portfolio Management,  
Structured Finance

State Street Bank and Trust Company of Connecticut, N.A.  
61 Broadway, 15th Floor  
New York, New York 10006  
Attention: Municipal Registrar and Paying Agency

Reference is made to Policy No. 37875, dated September 24, 2002 (the "Policy"), issued by MBIA Insurance Corporation ("MBIA") with respect to the American Airlines Pass Through Certificates, Series 2002-1G. Terms capitalized herein and not otherwise defined shall have the meanings ascribed to such terms in or pursuant to the Policy unless the context otherwise requires.

The Subordination Agent hereby certifies as follows:

1. The Subordination Agent is the trustee for the Class G Trust under the Class G Trust Agreement.

2. The relevant Distribution Date is \_\_\_\_\_. Such Distribution Date is a [Regular Distribution Date, a Special Distribution Date, an Election Distribution Date or the Final Legal Distribution Date].

[3. Payment of accrued and unpaid interest on the Class G Certificates at the Stated Interest Rate on the outstanding Pool Balance of the Class G Certificates accrued to the Distribution Date which is a Regular Distribution Date as determined pursuant to paragraph (i) of the definition of "Deficiency Amount" in the Policy is an amount equal to \$\_\_\_\_\_.]

[3. The amount determined for payment to the Class G Certificateholders pursuant to paragraph (ii) of the definition of "Deficiency Amount" in the Policy on the Distribution Date which is a Special Distribution Date in respect of a reduction in the outstanding Pool Balance of such Class G Certificates and accrued and unpaid interest on the amount of such reduction at the Stated Interest Rate for the Class G Certificates is \$\_\_\_\_\_.]

[3. The Subordination Agent has not received a timely Policy Provider Election pursuant to the Policy and the amount determined for payment to the Class G

Certificateholders pursuant to paragraph (iii) of the definition of "Deficiency Amount" in the Policy on the Distribution Date which is a Special Distribution Date in respect of the outstanding principal amount of the relevant Series G Equipment Note(s) and accrued and unpaid interest accrued thereon at the Stated Interest Rate for the Class G Certificates is \$\_\_\_\_\_.]

[3. The Subordination Agent has received a timely Policy Provider Election pursuant to the Policy and the amount determined for payment to the Class G Certificateholders pursuant to the provision in paragraph (iii)(A) of the definition of "Deficiency Amount" in the Policy on the Distribution Date which is a Special Distribution Date in respect of scheduled principal (without regard to acceleration thereof) and interest at the Stated Interest Rate for the Class G Certificates payable but not paid on the relevant Series G Equipment Note during the twenty-one (21) month period referred to in such paragraph (iii) is \$\_\_\_\_\_.]

[3. The Subordination Agent has received a timely Policy Provider Election pursuant to the Policy, no Election Distribution Date has been established pursuant to the Policy or Special Distribution Date established pursuant to clause (iv) of the definition of "Deficiency Amount" and the amount determined for payment to the Class G Certificateholders pursuant to paragraph (iii)(B) of the definition of "Deficiency Amount" in the Policy on the Distribution Date which is a Regular Distribution Date in respect of scheduled principal (without regard to acceleration thereof) and interest payable at the Stated Interest Rate for the Class G Certificates due on the Regular Distribution Date on the relevant Series G Equipment Note is \$\_\_\_\_\_.]

[3. The Subordination Agent has received a timely Policy Provider Election pursuant to the Policy, the Special Distribution Date related hereto is a Business Day elected by MBIA upon 20 days prior notice and the amount determined for payment to the Class G Certificateholders pursuant to paragraph (iv) of the definition of "Deficiency Amount" in the Policy in respect of outstanding principal on such Series G Equipment Note (less any drawings previously paid by MBIA in respect of principal on such Series G Equipment Note) and accrued and unpaid interest thereon at the Stated Interest Rate for the Class G Certificates from the immediately preceding Regular Distribution Date to such Special Distribution Date is \$\_\_\_\_\_.]

[3. The amount determined for payment to the Class G Certificateholders pursuant to paragraph (v) of the definition of "Deficiency Amount" in the Policy on the Distribution Date which is an Election Distribution Date in respect of the outstanding principal balance of the relevant Series G Equipment Note (less any drawings previously paid by MBIA in respect of principal on such Series G Equipment Note) and accrued and unpaid interest thereon at the Stated Interest Rate for the Class G Certificates from the immediately preceding Regular Distribution Date to such Election Distribution Date is \$\_\_\_\_\_.]

[3. The amount determined for payment to the Class G Certificateholders pursuant to paragraph (vi) of the definition of "Deficiency Amount" in the Policy on the Distribution Date which is the Final Legal Distribution Date in respect of payment in full of the Final Distribution (other than premium) on the Class G Certificates is \$\_\_\_\_\_.]

4. The sum of \$\_\_\_\_\_ is the Insured Amount that is due.

5. The Subordination Agent has not heretofore made a demand for the Insured Amount in respect of such Distribution Date.

6. The Subordination Agent hereby requests payment of such Insured Amount that is due for payment be made by MBIA under the Policy and directs that payment under the Policy be made to the following account by bank wire transfer of federal or other immediately available funds in accordance with the terms of the Policy to:

[\_\_\_\_\_]
ABA #: [\_\_\_\_\_]
Acct #: [\_\_\_\_\_]
FBO: [\_\_\_\_\_]
[Class G Policy Account number]

7. The Subordination Agent hereby agrees that, following receipt of the Insured Amount from MBIA, it shall (a) cause such funds to be deposited in the Class G Policy Account and not permit such funds to be held in any other account, (b) cause such funds to be paid to the Class G Trustee for distribution to the Class G Certificateholders in reduction of the Pool Balance of, or interest on, the Class G Certificates (as applicable) and not apply such funds for any other purpose and (c) maintain an accurate record of such payments with respect to the Class G Certificates and the corresponding claim on the Policy and proceeds thereof.

STATE STREET BANK AND TRUST COMPANY OF
CONNECTICUT, N.A.,
as Subordination Agent

By:
Name:
Title:



NOTICE OF AVOIDED PAYMENT AND DEMAND  
FOR PAYMENT OF AVOIDED PAYMENTS

Date: [\_\_\_\_\_]

MBIA Insurance Corporation  
113 King Street  
Armonk, New York 10504  
Attention: Insured Portfolio Management,  
Structured Finance

State Street Bank and Trust Company of Connecticut, N.A.  
61 Broadway, 15th Floor  
New York, New York 10006  
Attention: Municipal Registrar and Paying Agency

Reference is made to Policy No. 37875, dated September 24, 2002 (the "Policy"), issued by MBIA Insurance Corporation ("MBIA") with respect to the American Airlines Pass Through Certificates, Series 2002-1G. Terms capitalized herein and not otherwise defined shall have the meanings ascribed to such terms in or pursuant to the Policy unless the context otherwise requires.

The Subordination Agent hereby certifies as follows:

1. The Subordination Agent is the trustee for the Class G Trustee under the Trust Agreement.
2. The Subordination Agent has established \_\_\_\_\_ as a Special Distribution Date pursuant to the Agreement for amounts claimed hereunder.
3. A Final Order providing for the recovery of an Avoided Payment of \$\_\_\_\_\_ has been issued.
4. \$\_\_\_\_\_ of the amount set forth in item No. 3 above has been paid by the [Class G Certificateholder/Class G Trustee/Subordination Agent] and \$\_\_\_\_\_ is required to be paid to the receiver, conservator, debtor-in-possession or trustee in bankruptcy named in the Final Order.
5. The [Class G Certificateholder/Class G Trustee/Subordination Agent] has not heretofore made a demand for such Avoided Payment.
6. The [Class G Certificateholder/Class G Trustee/Subordination Agent] has delivered to MBIA or has attached hereto all documents required by the Policy to be delivered in connection with such Avoided Payment.

Exh. B-1

7. The [Class G Certificateholder/Class G Trustee/Subordination Agent] hereby requests that payment of \$\_\_\_\_\_ of such Avoided Payment be made to the receiver, conservator, debtor-in-possession or trustee in bankruptcy named in the Final Order and \$\_\_\_\_\_ of such Avoided Payment be paid to the [Class G Certificateholder] [Class G Trustee] [Subordination Agent [for payment over to the Class G Trustee] for distribution to the Class G Certificateholder], in each case, by MBIA under the Policy and directs that payment under the Policy be made to the following account by bank wire transfer of federal or other immediately available funds in accordance with the terms of the Policy to:

For the portion to be paid to the receiver, conservator, debtor-in-possession or trustee, to \_\_\_\_\_:

ABA #: [\_\_\_\_\_]
Acct #: [\_\_\_\_\_]
FBO: [\_\_\_\_\_]
[relevant account number]

For the portion to be paid to the [Class G Certificateholder/Class G Trustee/Subordination Agent]:

ABA #: [\_\_\_\_\_]
Acct #: [\_\_\_\_\_]
FBO: [\_\_\_\_\_]
[Class G Policy Account Number]

[Name of Subordination Agent]

By: -----
Name:
Title: (Officer)

MBIA Insurance Corporation  
113 King Street  
Armonk, New York 10504  
Attention: Insured Portfolio Management, Structured Finance

Dear Sirs:

Reference is made to that certain Policy, Number 37875, dated September 24, 2002 (the "Policy"), which has been issued by MBIA Insurance Corporation in favor of the Subordination Agent with respect to the American Airlines Pass Through Certificates, Series 2002-1G.

The undersigned [Name of Transferor] has transferred and assigned (and hereby confirms to you said transfer and assignment) all of its rights in and under said Policy to [Name of Transferee] and confirms that [Name of Transferor] no longer has any rights under or interest in said Policy.

Transferor and Transferee have indicated on the face of said Policy that it has been transferred and assigned to Transferee.

Transferee hereby certifies that it is a duly authorized transferee under the terms of said Policy and is accordingly entitled, upon presentation of the document(s) called for therein, to receive payment thereunder.

\_\_\_\_\_  
[Name of Transferor]

By: \_\_\_\_\_  
[Name and Title of Authorized  
Officer of Transferor]

Exh. C-1

FORM OF ASSIGNMENT

Reference is made to that certain Policy No. 37875, dated September 24, 2002 (the "Policy"), issued by MBIA Insurance Corporation ("MBIA") relating to the American Airlines Pass Through Certificates, Series 2002-1G. Unless otherwise defined herein, capitalized terms used in this Assignment shall have the meanings assigned thereto in the Policy as incorporated by reference therein. In connection with the Avoided Payment of [\$\_\_\_\_\_] paid by the undersigned (the "[Class G Certificateholder/Class G Trustee/Beneficiary]") on [\_\_\_\_\_] and the payment by MBIA in respect of such Avoided Payment pursuant to the Policy, the [Class G Certificateholder/Class G Trustee/Beneficiary] hereby irrevocably and unconditionally, without recourse, representation or warranty (except as provided below), sells, assigns, transfers, conveys and delivers to MBIA all of such [Class G Certificateholder's/Class G Trustee's/Beneficiary's] rights, title and interest in and to any rights or claims, whether accrued, contingent or otherwise, which the [Class G Certificateholder/Class G Trustee/Beneficiary] now has or may hereafter acquire, against any person relating to, arising out of or in connection with such Avoided Payment. The [Class G Certificateholder/Class G Trustee/Beneficiary] represents and warrants that such claims and rights are free and clear of any lien or encumbrance created or incurred by such [Class G Certificateholder/Class G Trustee/Beneficiary].(1)

[Class G Certificateholder/Class G Trustee/Beneficiary]

By: \_\_\_\_\_  
Name:  
Title:

-----  
(1) In the event that the terms of this form of assignment are reasonably determined to be insufficient solely as a result of a change of law or applicable rules after the date of the Policy to fully vest all of the [Class G Certificateholder's/Class G Trustee's/Beneficiary's] right, title and interest in such rights and claims, the [Class G Certificateholder/Class G Trustee/Beneficiary] and MBIA shall agree on such other form as is reasonably necessary to effect such assignment, which assignment shall be without recourse, representation or warranty except as provided above.

MBIA INSURANCE CORPORATION,  
as Policy Provider,

AMERICAN AIRLINES, INC.

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
not in its individual capacity but solely as Subordination Agent  
and

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION, as Trustee  
under the  
AMERICAN AIRLINES PASS THROUGH TRUST 2002-1G

INSURANCE AND INDEMNITY AGREEMENT

AMERICAN AIRLINES, INC.  
PASS THROUGH CERTIFICATES, SERIES 2002-1G

Dated as of September 24, 2002

(This Table of Contents is for convenience of reference only and shall not be deemed to be part of this Insurance Agreement. All capitalized terms used in this Insurance Agreement and not otherwise defined shall have the meanings set forth in Article I of this Insurance Agreement.)

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INSURANCE AND INDEMNITY AGREEMENT (as may be amended, modified or supplemented from time to time, this "Insurance Agreement"), dated as of September 24, 2002, by and among MBIA INSURANCE CORPORATION, as Policy Provider ("MBIA" or the "Policy Provider"), AMERICAN AIRLINES, INC. ("American"), STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, not in its individual capacity but solely as Subordination Agent (the "Subordination Agent") and STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, as Class G Trustee (the "Class G Trustee").

W I T N E S S E T H :

WHEREAS, American is the owner of nineteen Aircraft;

WHEREAS, pursuant to each Indenture, American will issue, on a recourse basis, separate series of Equipment Notes which Equipment Notes are to be secured by a security interest in all right, title and interest of American in and to the Aircraft and certain other property described in each Indenture;

WHEREAS, each Trustee under each of the Trust Agreements will create the Trusts, which will acquire the Equipment Notes pursuant to the Participation Agreements;

WHEREAS, (i) WestLB AG, New York Branch, as Primary Liquidity Provider, has entered into two Primary Liquidity Facilities, one for the benefit of the Class G Certificateholders and one for the benefit of the Class C Certificateholders, with the Subordination Agent, as agent for each Trustee on behalf of the Class G Trust and the Class C Trust, (ii) Credit Suisse First Boston International, as Above-Cap Liquidity Provider, has entered into an Above-Cap Liquidity Facility for the benefit of the Class G Certificateholders, with the Subordination Agent, as agent for the Class G Trustee on behalf of the Class G Trust and (iii) the Trustee of each Trust, the Primary Liquidity Provider, the Above-Cap Liquidity Provider, the Policy Provider and the Subordination Agent have entered into the Intercreditor Agreement;

WHEREAS, pursuant to each Trust Agreement, a separate Trust has been created to facilitate the sale of the Certificates;

WHEREAS, the Policy Provider has issued a Policy in respect of the Class G Certificates, pursuant to which it has agreed to guarantee the payment of interest to the Subordination Agent for the benefit of the Class G Trustee and Class G Certificateholders, and the payment of principal of the Class G Certificates on the Final Distribution Date for the Class G Certificates and as otherwise provided therein; and

WHEREAS, each of American, the Class G Trustee and the Subordination Agent has agreed to undertake certain obligations in consideration for the Policy Provider's issuance of the Policy;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Defined Terms. Unless the context clearly requires otherwise, all capitalized terms used but not defined herein shall have the respective meanings assigned to them in the Intercreditor Agreement or, if not defined therein, in the Policy described below. For purposes of this Insurance Agreement, the following terms shall have the following meanings:

"Act" means Part A of subtitle VII of title 49, United States Code.



"Aircraft" means any aircraft which is part of the Collateral.

"Airframe" means any airframe which is part of the Collateral.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 U.S.C. Section 101 et seq.

"Base Rate" means the fluctuating rate of interest as published from time to time in the New York, New York edition of The Wall Street Journal, under the caption "Money Rates" as the "prime rate," the Base Rate to change effective as of 9:00 a.m., New York, New York time, on any day when and as such published prime rate changes.

"Citizen of the United States" is defined in Section 40102(a)(15) of the Act and in the FAA Regulations.

"Class C Certificates" means the certificates issued by the Class C Trust and authenticated by the Class C Trustee, representing Fractional Undivided Interests in the Class C Trust, and any certificates issued in exchange therefor or replacement thereof pursuant to the Class C Trust Agreement.

"Class C Trust" means the American Airlines Pass Through Trust 2002-1C created and administered pursuant to the Class C Trust Agreement.

"Class G Certificates" means the certificates issued by the Class G Trust and authenticated by the Class G Trustee, representing Fractional Undivided Interests in the Class G Trust, and any certificates issued in exchange therefor or replacement thereof pursuant to the Class G Trust Agreement.

"Class G Certificateholder" has the meaning given such term in the Policy.

"Class G Trust" has the meaning given such term in the Policy.

"Closing Date" means September 24, 2002.

"Collateral" means the "Collateral" as defined in each Indenture.

"Engine" means any engine which is or will be part of the Collateral.

"Expenses" means any and all liabilities, obligations, losses (other than losses from non-reimbursement of amounts paid by MBIA under the Policy), damages, settlements, penalties, claims, actions, suits, costs, out of pocket expenses and disbursements (including, without limitation, reasonable fees and disbursements of legal counsel, accountants, appraisers, inspectors or other professionals, and costs of investigation).

"Event of Loss" means any Event of Loss defined in any Participation Agreement.

"FAA" means the Federal Aviation Administration of the United States of America or any Government Entity succeeding to the functions of such Federal Aviation Administration.

"Final Dissolution Date" means following the occurrence of a Triggering Event, the Distribution Date next succeeding the date of receipt by the Subordination Agent of the proceeds of the sale of the last Aircraft (or the related Equipment Notes) then subject to the Lien of any Indenture.

"Final Distribution Date" means the date which is the earlier of the (i) Final Legal Distribution Date or (ii) Final Dissolution Date.

"Final Legal Distribution Date" means March 23, 2009.

"Financing Statements" means collectively, UCC-1 (and, where appropriate, UCC-3) financing statements covering the related Collateral, naming Owner as debtor, showing Mortgagee as secured party, for filing in Delaware and each other jurisdiction in which such filing is made on or before the Closing Date.

"GAAP" means generally accepted accounting principles as set forth in the statements of financial accounting standards issued by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants, as such principles may at any time or from time to time be varied by any applicable financial accounting rules or regulations issued by the SEC and, with respect to any Person, shall mean such principles applied on a basis consistent with prior periods except as may be disclosed in such Person's financial statements.

"Government Entity" means (a) any federal, state, provincial or similar government, and any body, board, department, commission, court, tribunal, authority, agency or other instrumentality of any such government or otherwise exercising any executive, legislative, judicial, administrative or regulatory functions of such government or (b) any other government entity having jurisdiction over any matter contemplated by the Operative Agreements or relating to the observance or performance of the obligations of any of the parties to the Operative Agreements.

"Indemnification Agreement" means the Indemnification Agreement, dated as of September 24, 2002 among MBIA, American, and the Underwriters.

"Insurance Agreement" has the meaning given such term in the initial paragraph hereof.

"Intercreditor Agreement" means the Intercreditor Agreement, dated as the date hereof by and among State Street Bank and Trust Company of Connecticut, National Association, as Trustee under each Trust, the Primary Liquidity Provider, the Above-Cap Liquidity Provider, the Policy Provider and the Subordination Agent.

"Investment Company Act" means the Investment Company Act of 1940, including, unless the context otherwise requires, the rules and regulations thereunder, as amended from time to time.

"Lien" means any mortgage, pledge, lien, charge, encumbrance or security interest affecting the title to or any interest in property.

"Material Adverse Change" means, in respect of any Person as at any date, a material adverse change in the ability of such Person to perform its obligations under any of the Operative Agreements to which it is a party as of such date, including any material adverse change in the business, financial condition, results of operations or properties of such Person on a consolidated basis with its subsidiaries which might have such effect.

"Moody's" means Moody's Investors Service, Inc., and any successor thereto.

"Mortgagee" with respect to each Aircraft means State Street Bank and Trust Company of Connecticut, N.A. in its capacity as Loan Trustee under the related Indentures.

"Offering Document" means the Prospectus Supplement dated September 17, 2002 together with the Prospectus dated March 21, 2002.

"Operative Agreements" means this Insurance Agreement, the Policy, the Indemnification Agreement, the Intercreditor Agreement, each Participation Agreement, each Indenture, the Series G Equipment Notes, the Class G Certificates, the Primary Liquidity Facilities, the Class G Trust Agreement, and the Policy Fee Letter, together with all exhibits and schedules included with any of the foregoing.

"Owner" means American.

"Person" means an individual, joint stock company, trust, unincorporated association, joint venture, corporation, business or owner trust, partnership or other organization or entity (whether governmental or private).

"Policy" means the Financial Guaranty Insurance Policy No. 37875, together with all endorsements thereto, issued by the Policy Provider in favor of the Subordination Agent, for the benefit of the Class G Certificateholders, as each of the same may be amended from time to time in accordance with the terms of the Intercreditor Agreement.

"Policy Fee Letter" means the fee letter, dated as of September 24, 2002 from the Policy Provider to American and the Subordination Agent setting forth the Premium and certain other amounts payable in respect of the Policy.

"Policy Provider" means MBIA Insurance Corporation, or any successor thereto, as issuer of the Policy.

"Policy Provider Information" means the information set forth under the caption "Description of the Policy Provider" in the Offering Document.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

"SEC" means the Securities and Exchange Commission of the United States of America, or any successor thereto.

"Section 1110" means 11 U.S.C. Section 1110 of the Bankruptcy Code or any successor or analogous section of the federal bankruptcy law in effect from time to time.

"Securities Act" means the Securities Act of 1933, including, unless the context otherwise requires, the rules and regulations thereunder, as amended from time to time.

"Security" means a "Security" as defined in Section 2(1) of the Securities Act.

"Series G Equipment Notes" means the floating rate Series G Equipment Notes issued pursuant to any Indenture by American and authenticated by the Loan Trustee thereunder, and any Equipment Notes issued in exchange therefor or replacement thereof pursuant to the terms of such Indenture.

"Transactions" means the transactions contemplated by the Operative Agreements, including the transactions described in the Offering Document.

"Trust Agreement" has the meaning given such term in the Policy.

"UCC" means the Uniform Commercial Code as in effect in any applicable jurisdiction.

"Underwriting Agreement" means the Underwriting Agreement, dated as of September 17, 2002, by and among the Underwriters and American relating to the purchase of the Class G Certificates by the Underwriters, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"U.S. Air Carrier" means any United States air carrier that is a Citizen of the United States holding an air carrier operating certificate issued by the Secretary of Transportation pursuant to the Act for aircraft capable of carrying 10 or more individuals or 6000 pounds or more of cargo, and as to which there is in force an air carrier operating certificate issued pursuant to Part 121 of the FAA Regulations, or which may operate as an air carrier by certification or otherwise under any successor or substitute provisions therefor or in the absence thereof.

Section 1.02 Other Definitional Provisions. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Insurance Agreement shall refer to this Insurance Agreement as a whole and not to any particular provision of this Insurance Agreement, and Section, subsection, Schedule and Exhibit references are to this Insurance Agreement unless otherwise specified. The meanings given to terms defined herein shall be

equally applicable to both the singular and plural forms of such terms. The words "include" and "including" shall be deemed to be followed by the phrase "without limitation."

## ARTICLE II

### REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01 Representations and Warranties of American. American represents and warrants as of the Closing Date as follows:

(a) Organization; Qualification. American is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has the corporate power and authority to conduct the business in which it is currently engaged and to own or hold under lease its properties and to enter into and perform its obligations under the Operative Agreements to which it is a party as of such date. American is duly qualified to do business as a foreign corporation in good standing in the jurisdictions in the United States of America in which it has intrastate routes, a principal office (including the jurisdiction in which its principal place of business is located) or major overhaul facilities, except where the failure to be so qualified would not give rise to a Material Adverse Change to American.

(b) Corporate Authorization. American has taken, or caused to be taken, all necessary corporate action (including, without limitation, the obtaining of any consent or approval of stockholders required by its certificate of incorporation or by-laws) to authorize the execution and delivery of each of the Operative Agreements to which it is a party as of such date, and the performance of its obligations thereunder.

(c) No Violation. The execution and delivery by American of the Operative Agreements to which it is a party as of such date, the performance by American of its obligations thereunder and the consummation by American of the Transactions contemplated thereby, do not and will not (a) violate any provision of the certificate of incorporation or by-laws of American, (b) violate any law, regulation, rule or order applicable to or binding on American or (c) violate or constitute any default under (other than any violation or default that would not result in a Material Adverse Change to American), or result in the creation of any Lien (other than as permitted under or created by the related Indenture) upon the Aircraft under, any indenture, mortgage, chattel mortgage, deed of trust, conditional sales contract, lease, loan or other material agreement, instrument or document to which American is a party or by which it or any of its properties is bound.

(d) Approvals. The execution and delivery by American of the Operative Agreements to which it is a party as of such date, the performance by American of its obligations thereunder and the consummation by American of the Transactions contemplated thereby do not and will not require the consent or approval of, or the giving of notice to, or the registration with, or the recording or filing of any documents with, or the taking of any other action in respect of, (a) any trustee or other creditor of American and (b) any Government Entity, other than (i) such as are required under the Securities Act, the Trust Indenture Act of 1939, as amended, and the securities and Blue Sky laws of the various states, (ii) filings or recordings with the FAA and under the Uniform Commercial Code as in effect in Delaware, which filings or recordings shall have been made or duly presented for filing on or before such date, (iii) such as may be required in connection with listing the certificates on the Luxembourg Stock Exchange, (iv) filings,

recordings, notices or other ministerial actions pursuant to any routine recording, contractual or regulatory requirements applicable to it and (v) filings, recordings, notices or other actions contemplated by the Operative Agreements in connection with the subleasing or re-registration of the Aircraft.

(e) Valid and Binding Agreements. The Operative Agreements executed and delivered by American on or prior to such date have been duly executed and delivered by American and, assuming the due authorization, execution and delivery thereof by the other party or parties thereto, constitute the legal, valid and binding obligations of American and are enforceable against American in accordance with the respective terms thereof, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity, whether considered in a proceeding at law or in equity, and subject to principles of public policy limiting the right to enforce the indemnification provisions contained herein, insofar as such provisions relate to indemnification for liabilities arising under federal securities laws.

(f) Litigation. Except as set forth in American's most recent Annual Report on Form 10-K filed by American with the SEC on or prior to the Closing Date or in any Quarterly Report on Form 10-Q or Current Report on Form 8-K filed by American with the SEC subsequent to such Form 10-K, no action, claim or proceeding is now pending or, to the actual knowledge of American, threatened, against American, before any court, governmental body, arbitration board, tribunal or administrative agency, which is reasonably likely to be determined adversely to American and if determined adversely to American is reasonably likely to result in a Material Adverse Change.

(g) Financial Condition. The audited consolidated balance sheet of American with respect to American's most recent fiscal year included in American's most recent Annual Report on Form 10-K filed by American with the SEC, and the related consolidated statements of operations and cash flows for the period then ended have been prepared in conformity with GAAP and present fairly in all material respects the financial condition of American and its consolidated subsidiaries as of such date and the results of its operations and cash flows for such period, and since the date of such balance sheet, there has been no Material Adverse Change in such financial condition or operations of American, except for matters disclosed in (a) the financial statements referred to above or (b) any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K filed by American with the SEC on or prior to the Closing Date.

(h) Registration and Recordation. Except for (a) the registration of the Aircraft with the FAA pursuant to the Act in the name of American (b) filings or recordings with the FAA, (c) the filing of the Financing Statements (and continuation statements relating thereto at periodic intervals) and (d) the affixation of the nameplates referred to in Section 7.02(d) of the related Indenture, at or promptly after the Closing Date, no further action, including any filing or recording of any document (including any financing statement in respect thereof under Article 9 of the UCC) is necessary in order to establish and perfect the Mortgagee's first priority perfected security interest in such Aircraft (subject only to Permitted Liens as defined in the related Indenture), as against American and any other Person claiming by or through American in any applicable jurisdictions in the United States.

(i) Chief Executive Office. The chief executive office (as such term is defined in Article 9 of the UCC) of American is located at Fort Worth, Texas.

(j) No Default. On the Closing Date, no event which would constitute an Event of Default (as defined in the Indentures for the Aircraft) and no event or condition that with the giving of notice or the lapse of time or both would become such an Event of Default has occurred and is continuing.

(k) No Event of Loss. As of the Closing Date no Event of Loss has occurred with respect to any Airframe or any Engine which is Collateral under any Indenture executed as of the Closing Date, and to the actual knowledge of American, no circumstance, condition, act or event has occurred that, with the giving of notice or lapse of time or both would give rise to or constitute an Event of Loss with respect to any Airframe or any Engine.

(l) Compliance with Laws.

(a) American is a Citizen of the United States and a U.S. Air Carrier.

(b) American holds all licenses, permits and franchises from the appropriate Government Entities necessary to authorize American to lawfully engage in air transportation and to carry on scheduled commercial passenger service as currently conducted, except where the failure to so hold any such license, permit or franchise would not give rise to a Material Adverse Change to American.

(c) American is not an "investment company" or a company controlled by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(m) Securities Laws. Neither American nor any person authorized to act on its behalf has directly or indirectly offered any beneficial interest or Security relating to the ownership of the Aircraft or any interest in any Trust Property and Trust Agreement, or any of the Equipment Notes or any other interest in or security under any Indenture, for sale, to, or solicited any offer to acquire any such interest or security from, or has sold any such interest or security to, any Person in violation of the Securities Act.

(n) [Reserved].

(o) Accuracy of Information. Neither the Operative Agreements to which American is a party as of their respective dates nor any other material information relating to the Aircraft or the operations or financial condition of American furnished to the Policy Provider in connection with the Transaction contain any statement of a material fact which was untrue or misleading in any material respect when made. American has no knowledge of any circumstances that could reasonably be expected to cause a Material Adverse Change with respect to American.

Section 2.02 Covenants of American. American covenants and agrees with the Policy Provider as follows:

(a) Notwithstanding that the related Aircraft is in the possession of a lessee, in all circumstances the Aircraft shall be maintained in accordance with the maintenance standards required by, or substantially equivalent to those required by, the FAA or the central civil aviation authority of Australia, Austria, Belgium, Canada, Denmark, Finland, Ireland, Italy, Japan, France, Germany, New Zealand, Norway, Spain, Sweden, Switzerland, the United Kingdom or the Netherlands.

(b) It shall not, and shall not suffer any of its Affiliates to, purchase or otherwise acquire any of the Class G Certificates.

(c) [Reserved].

(d) American shall comply with the provisions of the Operative Agreements relating to maintenance, operation, leasing, subleasing and country of reregistration of the Aircraft.

Section 2.03 Covenants of the Class G Trustee and Subordination Agent. Each of the Class G Trustee and Subordination Agent shall perform and observe, in all material respects, all of its covenants, obligations and agreements in any Operative Agreement to which it is a party to be observed or performed by it.

Section 2.04 Representations, Warranties and Covenants of the Policy Provider. The Policy Provider represents, warrants and covenants to American and the Subordination Agent as follows:

(a) Organization and Licensing. The Policy Provider is duly organized, validly existing and in good standing as a New York-domiciled stock insurance company duly qualified to conduct an insurance business in every jurisdiction where qualification may be necessary to accomplish the Transactions.

(b) Corporate Power. The Policy Provider has the corporate power and authority to issue the Policy, to execute and deliver this Insurance Agreement and the other Operative Agreements to which it is a party and to perform all of its obligations hereunder and thereunder.

(c) Authorization; Approvals. Proceedings legally required for the issuance and execution of the Policy and the execution, delivery and performance of this Insurance Agreement have been taken and licenses, orders, consents or other authorizations or approvals of any governmental boards or bodies legally required for the enforceability of the Policy have been obtained; any proceedings not taken and any licenses, authorizations or approvals not obtained are not material to the enforceability of the Policy.

(d) Enforceability. This Insurance Agreement constitutes, and the Policy, when issued, will constitute, a legal, valid and binding obligation of the Policy Provider, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, receivership and other similar laws affecting creditors' rights generally as they would apply in the event of the bankruptcy, receivership, insolvency or similar proceeding of MBIA and to general principles of equity, whether considered in a proceeding at law or in equity, and subject to principles of public policy limiting the right to enforce the indemnification

provisions contained herein, insofar as such provisions relate to indemnification for liabilities arising under federal securities laws.

(e) Exemption from Registration. The Policy is exempt from registration under the Securities Act.

(f) No Conflicts. Neither the execution or delivery by MBIA of the Policy and the Operative Agreements to which it is a party, nor the performance by MBIA of its obligations thereunder, will conflict with any provision of the certificate of incorporation or the bylaws of MBIA nor result in a breach of, or constitute a default under, any material agreement or other instrument to which MBIA is a party or by which any of its property is bound nor violate any judgment, order or decree applicable to MBIA of any governmental or regulatory body, administrative agency, court or arbitrator having jurisdiction over MBIA to the extent any such conflict, breach, default or violation would result in a Material Adverse Change in the financial results or operations of MBIA or impairs MBIA's ability to perform its obligations under the Policy or any of the Operative Agreements.

(g) Financial Information. The consolidated financial statements of the Policy Provider and its subsidiaries as of December 31, 2001 and December 31, 2000 and for each of the three years in the period ended December 31, 2001, and the accompanying footnotes, together with a report thereon of PricewaterhouseCoopers, independent certified public accountants, included in the Annual Report on Form 10-K of MBIA Inc. for the year ended December 31, 2001, incorporated by reference into the Offering Document, fairly present in all material respects the financial condition of the Policy Provider and its subsidiaries as of such dates and for the periods covered by such statements in accordance with GAAP consistently applied. The consolidated financial statements of the Policy Provider and its subsidiaries as of June 30, 2002 and for the six-month periods ended June 30, 2002 and June 30, 2001 included in the Quarterly Report on Form 10-Q of MBIA Inc. for the period ended June 30, 2002, incorporated by reference into the Offering Document, present fairly in all material respects the financial condition of the Policy Provider and its subsidiaries as of such date and for such six-month periods in accordance with GAAP consistently applied. Since June 30, 2002, there has been no material change in such financial condition of the Policy Provider and its subsidiaries that would materially and adversely affect the Policy Provider's ability to perform its obligations under the Policy.

(h) Policy Provider Information. The information with respect to the Policy Provider in the section of the Offering Document contained therein captioned "Description of the Policy Provider" does not purport to provide the scope of disclosure required to be included by the Securities Act with respect to a registrant in connection with the offer and sale of securities of such registrant. However, the section does not contain any untrue statement of a material fact and does not omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(i) No Litigation. There are no actions, suits, proceedings or investigations pending or, to the best of the Policy Provider's knowledge, threatened against it at law or in equity or before or by any court, governmental agency, board or commission or any arbitrator



which, if decided adversely, would materially and adversely affect its ability to perform its obligations under the Policy or this Insurance Agreement.

(j) Compliance with Law, Etc. No practice, procedure or policy employed, or proposed to be employed, by the Policy Provider in the conduct of its business violates any law, regulation, judgment, agreement, order or decree applicable to the Policy Provider that, if enforced, could result in a Material Adverse Change with respect to the Policy Provider.

### ARTICLE III

#### THE POLICY; REIMBURSEMENT; INDEMNIFICATION

Section 3.01 Issuance of the Policy. The Policy Provider agrees to issue the Policy on the Closing Date subject to satisfaction of the conditions precedent set forth below on or prior to the Closing Date:

(a) Operative Agreements. The Policy Provider shall have received a copy of (i) each of the Operative Agreements to be executed and delivered on or prior to the Closing Date, in form and substance reasonably satisfactory to the Policy Provider, duly authorized, executed and delivered by each party thereto (other than the Policy Provider) and (ii) a copy of the Offering Document;

(b) Certified Documents and Resolutions. The Policy Provider shall have received (i) a copy of the applicable organizational documents of American and (ii) a certificate of the Secretary or Assistant Secretary of American dated the Closing Date stating that attached thereto is a true, complete and correct copy of resolutions duly adopted by the Board of Directors of American authorizing the execution, delivery and performance by American of the Operative Agreements to which it is a party and the consummation of the Transactions and that such applicable organizational documents and resolutions are in full force and effect without amendment or modification on the Closing Date;

(c) Incumbency Certificate. The Policy Provider shall have received a certificate of the Secretary or an Assistant Secretary of each of American and the Subordination Agent certifying the names and signatures of the officers of American and the Subordination Agent authorized to execute and deliver the Operative Agreements to which it is a party on or prior to Closing Date;

(d) Representations and Warranties. The representations and warranties of American dated the Closing Date set forth in this Insurance Agreement and the representations and warranties of the Subordination Agent dated the Closing Date set forth in the Participation Agreements shall be true and correct on and as of the Closing Date;

(e) Documentation. The Policy Provider shall have received a copy of each document, instrument, certificate and opinion delivered on or before the Closing Date pursuant to the Operative Agreements and the Underwriting Agreement (except for the 10b-5 opinion, the "positive comfort" opinion and the opinion of Shearman & Sterling as counsel to the Underwriters), including each opinion of counsel addressed to any of Moody's, S&P, the Class G Trustee, American and the Subordination Agent, in respect of American and the Subordination

Agent or any of the other parties to the Operative Agreements and the Transactions dated the Closing Date in form and substance reasonably satisfactory to the Policy Provider, addressed to the Policy Provider (or accompanied by a letter from the counsel rendering such opinion to the effect that the Policy Provider is entitled to rely on such opinion as of its date as if it were addressed to the Policy Provider) and addressing such matters as the Policy Provider may reasonably request, and the counsel providing each such opinion shall have been instructed by its client to deliver such opinion to the addressees thereof.

(f) Approvals, Etc. The Policy Provider shall have received true and correct copies of all approvals, licenses and consents, if any, including any required approval of the shareholders of American, required in connection with the Transactions;

(g) No Litigation, Etc. No suit, action or other proceeding, investigation or injunction, or final judgment relating thereto, shall be pending or threatened before any court, governmental or administrative agency or arbitrator in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with any of the Operative Agreements or the consummation of the Transactions;

(h) Legality. No statute, rule, regulation or order shall have been enacted, entered or deemed applicable by any government or governmental or administrative agency or court that would make the Transactions illegal or otherwise prevent the consummation thereof;

(i) Issuance of Ratings. The Policy Provider shall have received S&P, and "Baa3" by Moody's, the Class G Certificates, when issued, will be rated "AAA" by S&P and "Aaa" by Moody's, and that the Class C Certificates, when issued, will be rated "BBB+" by S&P and "Ba1" by Moody's, and shall have received the confirmation from S&P of a capital charge acceptable to the Policy Provider;

(j) Satisfactory Documentation. The Policy Provider and its counsel shall have reasonably determined that all documents, certificates and opinions to be delivered in connection with the Certificates conform to the terms of the related Trust Agreement, the Offering Document, this Insurance Agreement and the Intercreditor Agreement;

(k) Filings. The Policy Provider shall have received evidence that there shall have been made, and shall be in full force and effect, all filings, recordings and registrations, and there shall have been given or taken any notice or similar action as is necessary in order to establish, perfect, protect and preserve the right, title and interest of the Policy Provider created by the Operative Agreements executed and delivered on or prior to the Closing Date;

(l) Conditions Precedent. All conditions precedent to the issuance of the Certificates under the Trust Agreements shall have been satisfied or waived (with the consent of the Policy Provider). All conditions precedent to the effectiveness of the Liquidity Facilities shall have been satisfied or waived; and

(m) Expenses. The Policy Provider shall have received payment in full of all amounts required to be paid to or for account of the Policy Provider on or prior to the Closing Date.

### Section 3.02 Payment of Fees and Premium.

(a) Legal Fees. The Policy Provider shall be entitled to payment of the Policy Provider's attorneys' fees (subject to a maximum amount previously agreed to by American and the Policy Provider) and all other reasonable and actual fees, expenses and disbursements (including without limitation accountants' fees) incurred by the Policy Provider in connection with the negotiation, preparation, execution and delivery of the Offering Document, the Operative Agreements and all other documents delivered with respect thereto. Such attorney's fees and expenses shall be payable by American on the Closing Date upon the presentation of an invoice for any such fees, costs and expenses.

(b) Rating Agency Fees. The Policy Provider shall be entitled to reimbursement for all periodic rating agency fees, expenses and disbursements incurred by the Policy Provider in connection with the transactions described herein and in the Operative Agreements, such reimbursement to be made by American within 30 days of presentation of an invoice therefor.

(c) [Reserved]

(d) Premium.

(i) In consideration of the issuance by the Policy Provider of the Policy, American shall pay or cause to be paid to the Policy Provider the Premium. American shall also pay such additional amounts, as and when due, in accordance with the Policy Fee Letter.

(ii) No portion of the Premium paid shall be refundable without regard to whether the Policy Provider makes any payment under the Policy or any other circumstances relating to the Class G Certificates or provision being made for payment of the Class G Certificates prior to maturity.

### Section 3.03 Reimbursement Obligation.

(a) As and when due in accordance with and from the funds specified in Sections 2.04(b), 3.02 and 3.03 of the Intercreditor Agreement, the Policy Provider shall be entitled to reimbursement for any payment made by the Policy Provider under the Policy or to the Primary Liquidity Provider under Section 2.06(c) of the Intercreditor Agreement, which reimbursement shall be due and payable on the date provided in such Sections, in an amount equal to the sum of the amount to be so paid and all amounts previously paid that remain unreimbursed, plus accrued and unpaid interest thereon from the date such amounts became due until paid in full (as well as before judgment), at a rate of interest equal to the Base Rate plus 1%. In addition, to the extent that any such payment by the Policy Provider shall have been made as a result of a default by a Primary Liquidity Provider in its obligation to make an Advance, as provided in the Intercreditor Agreement, the Policy Provider shall be entitled to the payment of interest on such amounts to the extent, at the time and in the priority that the Primary Liquidity Provider would have been paid pursuant to the Intercreditor Agreement had the Primary Liquidity Provider made such Advance, up to a maximum of six such payments by the Policy Provider.

(b) [Reserved].

(c) American agrees to pay to the Policy Provider any and all charges, fees, costs and expenses and disbursements that the Policy Provider may reasonably pay or incur, including reasonable attorneys' and accountants' fees and expenses (without duplication of amounts paid to the Policy Provider in respect of the Operative Agreements), in connection with (i) the enforcement, defense or preservation of any rights in respect of any of the Operative Agreements, including defending, monitoring or participating in any litigation or proceeding and (ii) any amendment, waiver or other action requested by American with respect to, or related to, any Operative Agreements or to any form document attached to any Operative Agreement as exhibit, schedule or annex thereto, whether or not executed or completed. Such reimbursement shall be due on the dates on which the Policy Provider has made a demand upon American with respect to such charges, fees, costs, expenses and disbursements that have been paid or incurred by the Policy Provider.

Section 3.04 Indemnification. American agrees (i) that the Policy Provider is an "Indemnatee" for purposes of Section 4.02 in each Participation Agreement as if such provisions were set forth in full herein and the Operative Agreements referred to therein include this Insurance Agreement; provided, however, any exclusion contained in any Participation Agreement related to any representation or warranty by any Indemnatee other than the Policy Provider or its Related Indemnatee Group (as defined in each Participation Agreement), the failure by any Indemnatee other than the Policy Provider or its Related Indemnatee Group to perform or observe any agreement, covenant or condition in any of the Operative Agreements, the acts or omissions involving the willful misconduct or gross negligence of any Indemnatee other than the Policy Provider or its Related Indemnatee Group or any other action or omission of any Person other than the Policy Provider or its Related Indemnatee Group shall not apply to the indemnification obligations of American to the Policy Provider and to the extent not paid, all money due under this Section 3.04 shall constitute Policy Provider Obligations (as defined in the Intercreditor Agreement).

Section 3.05 Procedure for Payment of Fees and Premium.

(a) All payments to the Policy Provider hereunder shall be made in lawful currency of the United States and in immediately available funds and shall be made prior to 2:00 p.m. (New York City time) on the date such payment is due by wire transfer to Chase Manhattan Bank, ABA #021000021 for credit to MBIA Insurance Corporation Premium Account, Account No. 910-2-721728 Re: American Airlines Pass Through Trust 2002-1 or to such other office or account as MBIA may direct. Payments received by MBIA after 2:00 p.m. (New York City time) shall be deemed to have been received on the next succeeding Business Day, and such extension of time shall be included in computing interest, commissions or fees, if any, in connection with such payment.

(b) Unless otherwise specified herein and without duplication of any other amounts owed to the Policy Provider hereunder or under the Policy Fee Letter, the Policy Provider shall be entitled to interest on all amounts owed to the Policy Provider under this Insurance Agreement, from the date such amounts become due and payable until paid in full, at a rate of interest equal to the Base Rate from time to time in effect plus 1%.

(c) Unless otherwise specified herein, interest payable to the Policy Provider under this Insurance Agreement shall be calculated on the basis of a 360 day year and the actual number of days elapsed and shall be payable on demand.

Section 3.06 Policy Endorsement. Regardless of whether or not the Policy Provider makes a Policy Provider Election, the Policy Provider shall, on the first Business Day (which shall be a Special Distribution Date) that is 21 months after the last date on which full payment was made on the first Series G Equipment Note as to which there has subsequently been a failure to pay principal or that has been accelerated, endorse the Policy, if not already endorsed, to so provide for the payment to the Class G Primary Liquidity Provider of interest accruing on the outstanding drawings in respect of the Class G Primary Liquidity Facility from and after the end of such 21-month period as and when such interest becomes due in accordance with such Primary Liquidity Facility.

#### Section 3.07 Payment by Subordination Agent.

(a) All of the fees, expenses and disbursements set forth in Sections 3.02 and 3.03(c) shall be payable by American as provided in such Sections. To the extent of American's failure to pay any such fees, expenses and disbursements, the Subordination Agent shall pay such amounts pursuant to the Operative Agreements.

(b) Notwithstanding anything herein to the contrary, all payments to be made by the Subordination Agent under this Section 3.07 shall be made only from the amounts that constitute Scheduled Payments, Special Payments or payments under the Operative Agreements, including Section 4.02 of the Participation Agreements, and only to the extent that the Subordination Agent shall have sufficient income or proceeds therefrom to enable the Subordination Agent to make payments in accordance with the terms of the Intercreditor Agreement. The Policy Provider agrees that with respect to payments to be made by the Subordination Agent (i) it will look solely to such amounts to the extent available for distribution to it as provided in the Intercreditor Agreement, and (ii) none of the Subordination Agent, in its individual capacity, the Loan Trustees and the Trustees, is personally liable to it for any amounts payable or liability under this letter except as expressly provided in the Intercreditor Agreement or (as to the Loan Trustees) as expressly provided in any Operative Document.

### ARTICLE IV

#### FURTHER AGREEMENTS

Section 4.01 Effective Date; Term of the Insurance Agreement. This Insurance Agreement shall take effect on the Closing Date and shall remain in effect until the later of (a) such time as the Policy Provider is no longer subject to a claim under the Policy and the Policy shall have been surrendered to the Policy Provider for cancellation and (b) all amounts payable to the Policy Provider by American or the Subordination Agent hereunder or from any other source hereunder or under the Operative Agreements and all amounts payable under the Class G Certificates have been paid in full; provided, however, that the provisions of Section 3.04 hereof shall survive any termination of this Insurance Agreement.

#### Section 4.02 Further Assurances and Corrective Instruments.

(a) Neither American nor the Subordination Agent shall grant any waiver of rights or agree to any amendment or modification to any of the Operative Agreements to which

either of them is a party which waiver, amendment, or modification would have an adverse effect on the rights or remedies of the Policy Provider without the prior written consent of the Policy Provider so long as the Policy Provider shall be the Controlling Party, and any such waiver without prior written consent of the Policy Provider shall be null and void and of no force or effect.

(b) To the extent permitted by law, each of American and the Subordination Agent agrees that it will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as the Policy Provider may reasonably request and as may be required in the Policy Provider's reasonable judgment to effectuate the intention of or facilitate the performance of this Insurance Agreement.

#### Section 4.03 Obligations Absolute.

(a) The obligations of American, the Subordination Agent and the Class G Trustee hereunder and under the Operative Agreements shall be absolute and unconditional and shall be paid or performed strictly in accordance with this Insurance Agreement and the other Operative Agreements under all circumstances irrespective of:

(i) any lack of validity or enforceability of, or any amendment or other modifications of, or waiver, with respect to any of the Operative Agreements or the Certificates;

(ii) any exchange or release of any other obligations hereunder;

(iii) the existence of any claim, setoff, defense, reduction, abatement or other right that any Person may have at any time against the Policy Provider or any other Person;

(iv) any document presented in connection with the Policy proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(v) any payment by the Policy Provider under the Policy against presentation of a certificate or other document that does not strictly comply with the terms of the Policy;

(vi) any failure of American to receive the proceeds from the sale of the Certificates; and

(vii) any other circumstances, other than payment in full, that might otherwise constitute a defense available to, or discharge of, any Person in respect of any Operative Agreements.

(b) Each of the parties hereto renounces the right to assert as a defense to the performance of their respective obligations herein each of the following: (i) to the extent permitted by law, any and all redemption and exemption rights and the benefit of all valuation and appraisal privileges against the indebtedness and obligations evidenced by any

Operative Agreements or by any extension or renewal thereof; (ii) presentment and demand for payment, notices of nonpayment and of dishonor, protest of dishonor and notice of protest; (iii) all notices in connection with the delivery and acceptance hereof and all other notices in connection with the performance, default or enforcement of any payment hereunder, except as required by the Operative Agreements; and (iv) all rights of abatement, diminution, postponement or deduction, or to any defense, or to any right of setoff or recoupment arising out of any breach under any of the Operative Agreements, by any party thereto or any beneficiary thereof, or out of any obligation at any time owing to American.

(c) American (i) agrees that any consent, waiver or forbearance hereunder or in the Operative Agreements with respect to an event shall operate only for such event and not for any subsequent event; (ii) consents to any and all extensions of time that may be granted by the Policy Provider with respect to any payment hereunder or other provisions hereof and to the release of any security at any time given for any payment hereunder, or any part thereof, with or without substitution, and to the release of any Person or entity liable for any such payment; and (iii) consents to the addition of any and all other makers, endorsers, guarantors and other obligors for any payment hereunder, and to the acceptance of any and all other security for any payment hereunder, and agree that the addition of any such obligors or security shall not affect the liability of American for any payment hereunder.

(d) No failure by the Policy Provider to exercise, and no delay by the Policy Provider in exercising, any right hereunder or in the Operative Agreements shall operate as a waiver thereof. The exercise by the Policy Provider of any right hereunder shall not preclude the exercise of any other right, and the remedies provided herein to the Policy Provider are declared in every case to be cumulative and not exclusive of any remedies provided by law or equity.

(e) Nothing herein shall be construed as prohibiting any party hereto from pursuing any rights or remedies it may have against any Person in a separate legal proceeding.

#### Section 4.04 Assignments; Reinsurance; Third-Party Rights.

(a) This Insurance Agreement shall be a continuing obligation of the parties hereto and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. The Subordination Agent and, except for any transaction expressly permitted by Section 5.02 of the Trust Agreement, American, may not assign their respective rights under this Insurance Agreement, or delegate any of their duties hereunder, without the prior written consent of the other parties hereto. Any assignments made in violation of this Insurance Agreement shall be null and void.

(b) The Policy Provider shall have the right to grant participation in its rights under this Insurance Agreement and to enter into contracts of reinsurance with respect to the Policy upon such terms and conditions as the Policy Provider may in its discretion determine; provided, however, that no such participation or reinsurance agreement or arrangement shall relieve the Policy Provider of any of its obligations hereunder or under the Policy or grant to any participant or reinsurer any rights hereunder or under any Operative Agreement.

(c) Except as provided herein with respect to participants and reinsurers, nothing in this Insurance Agreement shall confer any right, remedy or claim, express or implied,

upon any Person, including, particularly, any Class G Certificateholder, other than the Policy Provider against American, or American against the Policy Provider, and all the terms, covenants, conditions, promises and agreements contained herein shall be for the sole and exclusive benefit of the parties hereto and their successors and permitted assigns. Neither the Class G Trustee nor any Class G Certificateholder shall have any right to payment from the Premium paid or payable hereunder or from any amounts paid by American pursuant to Sections 3.02 or 3.03.

Section 4.05 Liability of the Policy Provider. Neither the Policy Provider nor any of its officers, directors or employees shall be liable or responsible for: (a) the use that may be made of the Policy by the Class G Trustee or for any acts or omissions of the Class G Trustee in connection therewith; or (b) the validity, sufficiency, accuracy or genuineness of documents delivered to the Policy Provider in connection with any claim under the Policy, or of any signatures thereon, even if such documents or signatures should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged (unless the Policy Provider shall have actual knowledge thereof). In furtherance and not in limitation of the foregoing, the Policy Provider may accept documents that appear on their face to be in order, without responsibility for further investigation.

#### ARTICLE V

#### MISCELLANEOUS

Section 5.01 Amendments, Etc. This Insurance Agreement may be amended, modified, supplemented or terminated only by written instrument or written instruments signed by the parties hereto; provided that if such amendment, modification, supplement or termination would have a material adverse affect on the interests of the Subordination Agent, the Trustee or any Class G Certificateholder, Ratings Confirmation shall also be obtained prior to such amendment, modification, supplement or termination being effective. American agrees to provide a copy of any amendment to this Insurance Agreement promptly to the Subordination Agent and the rating agencies maintaining a rating on the Class G Certificates. No act or course of dealing shall be deemed to constitute an amendment, modification, supplement or termination hereof.

Section 5.02 Notices. All demands, notices and other communications to be given hereunder shall be in writing (except as otherwise specifically provided herein) and shall be mailed by registered mail or personally delivered and telecopied to the recipient as follows:

(a) To the Policy Provider:

MBIA Insurance Corporation  
113 King Street  
Armonk, New York 10504  
Attention: Insured Portfolio Management, Structured Finance  
Facsimile: (914) 765-3163  
Confirmation: (914) 273-4949

(in each case in which notice or other communication to the Policy Provider refers to an event of default under any Operative Agreement or a



claim on the Policy shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication should also be sent to the attention of the general counsel of each of American and the Class G Trustee and, in all cases, both any original and all copies shall be marked to indicate "URGENT MATERIAL ENCLOSED.")

(b) To American:

American Airlines, Inc.  
4333 Amon Carter Boulevard  
Fort Worth, TX 76155  
Attention: Treasurer  
Facsimile: 817-967-4318

(c) To the Subordination Agent:

State Street Bank and Trust Company of Connecticut, National  
Association  
c/o State Street Bank and Trust Company  
2 Avenue de Lafayette  
Boston, Massachusetts 02110  
Attention: Alison Della Bella Nadeau  
Facsimile: 617 662-1458

A party may specify an additional or different address or addresses by writing mailed or delivered to the other parties as aforesaid. All such notices and other communications shall be effective upon receipt unless received after business hours on any day, in which case on the opening of business on the next Business Day.

Section 5.03 Severability. In the event that any provision of this Insurance Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, the parties hereto agree that such holding shall not invalidate or render unenforceable any other provision hereof. The parties hereto further agree that the holding by any court of competent jurisdiction that any remedy pursued by any party hereto is unavailable or unenforceable shall not affect in any way the ability of such party to pursue any other remedy available to it.

Section 5.04 Governing Law. This Insurance Agreement shall be governed by and construed in accordance with the laws of the State of New York, including all matters of construction, validity and performance. This Insurance Agreement is being delivered in New York.

Section 5.05 Consent to Jurisdiction.

(a) The parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York and any court in the State of New York located in the City and County of New York, and any appellate court from any thereof, in any action, suit or proceeding brought against it and to or in connection with any of the Operative Agreements or the Transactions or for recognition or enforcement of any judgment, and the parties hereto hereby irrevocably and unconditionally agree that all claims in respect of any such action or proceeding may be heard or determined in

such New York state court or, to the extent permitted by law, in such federal court. The parties hereto agree that a final unappealable judgment in any such action, suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. To the extent permitted by applicable law, the parties hereto hereby waive and agree not to assert by way of motion, as a defense or otherwise in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such courts, 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 the related documents or the subject matter thereof may not be litigated in or by such courts.

(b) To the extent permitted by applicable law, the parties hereto shall not seek and hereby waive the right to any review of the judgment of any such court by any court of any other nation or jurisdiction which may be called upon to grant an enforcement of such judgment.

(c) Nothing contained in this Insurance Agreement shall limit or affect any party's right to serve process in any other manner permitted by law or to start legal proceedings relating to any of the Operative Agreements against any other party or its properties in the courts of any jurisdiction.

Section 5.06 Consent of the Policy Provider. No disclosure relating to the Policy Provider contained in any Offering Document, which disclosure modifies, alters, changes, amends or supplements the disclosure relating to the Policy Provider provided by the Policy Provider for use in the Offering Document, shall be made without the Policy Provider's prior written consent. In the event that the consent of the Policy Provider is required under any of the Operative Agreements, the determination whether to grant or withhold such consent shall be made by the Policy Provider in its sole discretion without any implied duty towards any other Person, except as otherwise expressly provided therein.

Section 5.07 Counterparts. This Insurance Agreement may be executed in counterparts by the parties hereto, and all such counterparts shall constitute one and the same instrument.

Section 5.08 Headings. The headings of Articles and Sections and the Table of Contents contained in this Insurance Agreement are provided for convenience only. They form no part of this Insurance Agreement and shall not affect its construction or interpretation.

Section 5.09 Trial by Jury Waived. Each party hereby waives, to the fullest extent permitted by law, any right to a trial by jury in respect of any litigation arising directly or indirectly out of, under or in connection with this Insurance Agreement or any of the other Operative Agreements or any of the Transactions contemplated hereunder or thereunder. Each party hereto (A) certifies that no representative, agent or attorney of any party hereto has represented, expressly or otherwise, that it would not, in the event of litigation, seek to enforce the foregoing waiver and (B) acknowledges that it has been induced to enter into the Operative Agreements to which it is a party by, among other things, this waiver.

Section 5.10 Limited Liability. No recourse under any Operative Agreement shall be had against, and no personal liability shall attach to, any officer, employee, director, affiliate or shareholder of any party hereto, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise in respect of any of the Operative Agreements, the Certificates or the Policy, it being expressly agreed and understood that each Operative Agreement is solely a corporate obligation of each party hereto, and that any

and all personal liability, either at common law or in equity, or by statute or constitution, of every such officer, employee, director, affiliate or shareholder for breaches of any party hereto of any obligations under any Operative Agreement is hereby expressly waived as a condition of and in consideration for the execution and delivery of this Insurance Agreement.

Section 5.11 Entire Agreement. This Insurance Agreement, the Policy, the Policy Fee Letter and the other Operative Agreements set forth the entire agreement between the parties with respect to the subject matter hereof and thereof, and supersede and replace any agreement or understanding that may have existed between the parties prior to the date hereof in respect of such subject matter.

Section 5.12 Independent Agreements. This Insurance Agreement and the Policy are separate and independent agreements. No breach by any party hereto of any representation, warranty, covenant, agreement or undertaking contained herein shall in any way affect the obligations of the Policy Provider under the Policy.

Section 5.13 Successors and Assigns. This Insurance Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement,  
all as of the day and year first above mentioned.

MBIA INSURANCE CORPORATION,  
as Policy Provider

By: /s/ Lisa A. Wilson

-----  
Name: Lisa A. Wilson  
Title: Assistant Secretary

STATE STREET BANK AND TRUST COMPANY  
OF CONNECTICUT, NATIONAL  
ASSOCIATION,  
not in its individual capacity  
but solely as Subordination Agent

By: /s/ Alison D.B. Nadeau

-----  
Name: Alison D.B. Nadeau  
Title: Vice President

STATE STREET BANK AND TRUST COMPANY  
OF CONNECTICUT, NATIONAL  
ASSOCIATION, as Class G Trustee

By: /s/ Alison D.B. Nadeau

-----  
Name: Alison D.B. Nadeau  
Title: Vice President

AMERICAN AIRLINES, INC.

By: /s/ Leslie M. Benners

-----  
Name: Leslie M. Benners  
Title: Managing Director,  
Corporate Financing and  
Banking

AMERICAN AIRLINES, INC.

MBIA INSURANCE CORPORATION

SALOMON SMITH BARNEY INC.

J.P. MORGAN SECURITIES INC.

CREDIT SUISSE FIRST BOSTON CORPORATION

MERRILL LYNCH PIERCE FENNER & SMITH INCORPORATED

MORGAN STANLEY & CO. INCORPORATED

WESTLB AG, LONDON BRANCH

American Airlines Pass Through Certificates  
Series 2002-1

INDEMNIFICATION AGREEMENT

Dated: As of September 24, 2002

INDEMNIFICATION AGREEMENT, dated as of September 24, 2002 (this "Indemnification Agreement"), by and among AMERICAN AIRLINES, INC. ("American"), MBIA INSURANCE CORPORATION (the "Policy Provider") and Salomon Smith Barney Inc., J.P. MORGAN SECURITIES INC., CREDIT SUISSE FIRST BOSTON CORPORATION, MERRILL LYNCH PIERCE FENNER & SMITH INCORPORATED, MORGAN STANLEY & CO. INCORPORATED and WESTLB AG, LONDON BRANCH (the "Underwriters").

Section 1. Defined Terms. Unless the context clearly requires otherwise, all capitalized terms used but not defined herein shall have the respective meanings assigned to them in the Underwriting Agreement, dated September 17, 2002 (the "Underwriting Agreement"), between American and the Underwriters.

Section 2. Representations, Warranties and Agreements of the Underwriters. Each of the Underwriters represents, warrants and agrees with the Policy Provider that with respect to the offering of the Class G Certificates, it will not use any offering materials (other than the Prospectus) which make reference to, or relate to, the Policy Provider without the written consent of the Policy Provider.

Section 3. Representations and Warranties of American. American represents and warrants to, and agrees with, the Policy Provider as follows:

(a) The Registration Statement has been filed with, and has been declared effective by, the Commission and the Prospectus will be filed in accordance with Rule 424(b) of the rules and regulations of the Commission under the Securities Act.

(b) Except for the Policy Provider Information and the information contained in the last three sentences of the second paragraph, the fourth paragraph (other than the first and fourth sentences) and the eighth paragraph appearing under the heading "Underwriting" (the "Underwriting Information") in the Prospectus Supplement, (i) the Registration Statement on the date it became effective under the Securities Act, neither contained any untrue statement of a material fact nor omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and (ii) as of the date of the Prospectus Supplement, the Prospectus did not, and on the Closing Date the Prospectus will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Section 4. Representations, Warranties and Agreements of the Policy Provider. The Policy Provider represents and warrants to, and agrees with, American and each of the Underwriters as follows:

(a) Organization and Licensing. The Policy Provider is a New York domiciled stock insurance company which is licensed under the laws of the State of New York to write financial guarantee insurance and is duly qualified or licensed to do business in each jurisdiction where such qualification or licensing is necessary.

(b) Corporate Power. The Policy Provider has the corporate power and authority to issue the Policy and execute and deliver this Indemnification Agreement, the

Intercreditor Agreement and the Policy Provider Agreement and to perform all of its obligations hereunder and thereunder.

(c) Authorization; Approvals. The Policy Provider has duly authorized, executed and delivered this Indemnification Agreement, the Intercreditor Agreement and the Policy Provider Agreement and all licenses, orders, consents or other authorizations or approvals of any governmental boards or bodies required for the enforceability of the Policy have been obtained.

(d) Enforceability. The Policy, when issued, will constitute, and each of this Indemnification Agreement, the Intercreditor Agreement and the Policy Provider Agreement constitutes, a legal, valid and binding obligation of the Policy Provider, enforceable in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, receivership and other similar laws affecting creditors' rights generally and by general principles of equity and subject to principles of public policy limiting the right to enforce the indemnification provisions contained herein insofar as such provisions relate to indemnification for liabilities arising under federal securities laws.

(e) Financial Information. The financial statements and financial information of the Policy Provider included in or incorporated by reference into the Prospectus, fairly present in all material respects the financial condition of the Policy Provider as of the dates and for the periods covered by such statements and information in accordance with generally accepted accounting principles consistently applied.

(f) Policy Provider Information. On the date hereof and on the Closing Date, the information included in or incorporated by reference into the Prospectus under the caption "Description of the Policy Provider" (the "Policy Provider Information") is and will be true and correct in all material respects and does not and will not contain any untrue statement of a material fact and does not and will not omit any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Policy Provider consents to the inclusion in the Prospectus of the Policy Provider Information.

(g) Modifications to the Policy Provider Information. If, during such period after the first date of the public offering of the Class G Certificates when the Prospectus is required by law to be delivered in connection with sales of the Class G Certificates by an Underwriter or dealer, any event shall occur as a result of which it is necessary, in the reasonable opinion of counsel for the Underwriters, counsel for American or counsel for the Policy Provider, to amend or supplement the Prospectus in order to make the Policy Provider Information, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading, forthwith to prepare and furnish, at the Policy Provider's own expense, to American, to the Underwriters and to the dealers (whose names and addresses the Underwriters will furnish to the Policy Provider) to which the Class G Certificates may have been sold by the Underwriters and to any other dealers upon request, either amendments or supplements to the Prospectus so that the Policy Provider Information as so amended or supplemented will not, in the light of the circumstances when the Prospectus is delivered to a purchaser, be misleading.

(h) No Litigation. There are no actions, suits, proceedings or investigations pending or, to the best of the Policy Provider's knowledge, threatened against it at law or in equity or before or by any court, governmental agency, board or commission or any arbitrator which, if decided adversely, would materially and adversely affect its ability to perform its obligations under the Policy, this Indemnification Agreement, the Intercreditor Agreement or the Policy Provider Agreement.

(i) Incorporated Documents. The documents of the parent company of the Policy Provider incorporated by reference in the Prospectus, at the time they were filed with the Commission, complied in all material respects with the requirements of the Exchange Act.

(j) Exemption from Registration. The Policy is exempt from registration under the Securities Act.

#### Section 5. Indemnification and Contribution.

(a) The Policy Provider agrees to indemnify and hold harmless (i) each Underwriter and each person, if any, who controls such Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act and (ii) American and each of its directors and each person, if any, who controls American within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred by any Underwriter or American or any such controlling person in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Policy Provider Information, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading.

(b) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Policy Provider, each of its directors and each person, if any, who controls the Policy Provider within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Policy Provider and to such Underwriter, but only with reference to the Underwriter Information in the Prospectus.

(c) Except for the Policy Provider Information and the Underwriter Information in the Prospectus, American agrees to indemnify and hold harmless the Policy Provider, each of its directors and each person, if any, who controls the Policy Provider within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred by the Policy Provider or any such controlling person in connection with defending or investigating any such action or claim) caused by (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.



(d) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to either of the three preceding paragraphs, such person (the "indemnified party") shall promptly notify the person against whom such indemnity may be sought (the "indemnifying party") in writing; provided that the failure to notify the indemnifying party shall not relieve it from any liability that it may have under this Section 5 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; provided further that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party other than under this Section 5. An indemnifying party may participate at its own expense in the defense of such action. If it so elects within a reasonable time after receipt of such notice, an indemnifying party, jointly with any other indemnifying parties receiving such notice, may, except as provided in the immediately following sentence, assume the defense of such action, with counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel, (ii) the indemnifying party has failed within a reasonable time to retain counsel reasonably satisfactory to the indemnified party or (iii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(e) If the indemnification provided for in paragraphs (a), (b) or (c) of this Section 5 is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in the case of the indemnities provided in paragraphs (a) (as between the Policy Provider and the Underwriters) and (b) in such proportion as is appropriate to reflect the relative fault of the Policy Provider on the one hand and of the Underwriters on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations and (ii) in the case of the indemnities provided in paragraphs (a) (as between the Policy Provider and American) and (c), (A) in such proportion as is appropriate to reflect the relative benefits received by the Policy Provider on the one hand and

American on the other hand from the offering of the Class G Certificates or (B) if the allocation provided by clause (A) of this clause (ii) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (A) above but also the relative fault of the Policy Provider on the one hand and of American on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Policy Provider or American on the one hand and of the Underwriters on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Policy Provider or American or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Section 5 are several in proportion to the respective principal amounts of Class G Certificates they have purchased pursuant to the Underwriting Agreement, and not joint.

(f) American, the Policy Provider and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 5 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (e) above. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in paragraph (e) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 5, (i) no Underwriter shall be required to contribute hereunder any amount in excess of the amount by which the total price at which the Class G Certificates underwritten by it and distributed to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission and (ii) no Underwriter shall be required to contribute hereunder and under the Underwriting Agreement in the aggregate any amount in excess of the amount by which the total price at which the Offered Certificates underwritten by it and distributed to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11 (f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 5 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(g) The indemnity and contribution provisions contained in this Section 5 and the representations and warranties of the Policy Provider contained in this Indemnification Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Indemnification Agreement, (ii) any investigation or statement as to the results of any investigation made by or on behalf of (x) any Underwriter or any person controlling any Underwriter (y) the Policy Provider, its officers or directors or any person controlling the Policy Provider or (z) American, its officers or directors or any person controlling American and (iii) acceptance of and payment for any of the Class G Certificates.

Section 6. Amendments, Etc. This Indemnification Agreement may be amended, modified, supplemented or terminated only by written instrument or written instruments signed by the parties hereto.

Section 7. Notices. All demands, notices and other communications to be given hereunder shall be in writing (except as otherwise specifically provided herein) and shall be mailed by registered mail or personally delivered and telecopied to the recipient as follows:

(a) To American:

American Airlines, Inc.  
433 Amon Carter Boulevard  
Fort Worth, Texas 76155  
Attention: Treasurer  
Facsimile: 817-967-4318

With a copy to:

Debevoise & Plimpton  
919 Third Avenue  
New York, NY 10022  
Attention: John Curry  
Facsimile: (212) 909-6836  
Confirmation: (212) 909-6351

(b) To the Policy Provider:

MBIA Insurance Corporation  
113 King St.  
Armonk, New York 10504  
Attention: Insured Portfolio Management, Structured Finance  
Facsimile: (914) 765-3163  
Confirmation: (914) 273-4545

With a copy to:

Latham & Watkins  
885 Third Avenue  
New York, NY 10022  
Attention: Robert A. Greenspon  
Facsimile: (212) 751-4864  
Confirmation: (212) 906-1331

(c) To the Underwriters:

c/o Salomon Smith Barney, Inc.  
388 Greenwich Street  
34th Floor  
New York, New York 10013

Attention: Mark Rhodes, First Vice President  
Facsimile: 212-816-0949  
Confirmation: 212-816-5822

With a copy to:

Shearman & Sterling  
599 Lexington Avenue  
New York, NY 10022  
Attention: Alexander C. Bancroft  
Facsimile: (646) 848-7179  
Confirmation: (212) 848-4000

A party may specify an additional or different address or addresses by writing mailed or delivered to the other parties as aforesaid. All such notices and other communications shall be effective upon receipt. All such notices telecopied shall be effective upon acknowledgment of receipt electronically confirmed by the sender's telecopy machine.

Section 8. Severability. In the event that any provision of this Indemnification Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, the parties hereto agree that such holding shall not invalidate or render unenforceable any other provision hereof. The parties hereto further agree that the holding by any court of competent jurisdiction that any remedy pursued by any party hereto is unavailable or unenforceable shall not affect in any way the ability of such party to pursue any other remedy available to it.

Section 9. Governing Law. This Indemnification Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Section 10. Counterparts. This Indemnification Agreement may be executed in counterparts by the parties hereto, and all such counterparts shall constitute one and the same instrument.

Section 11. Headings. The headings of Sections contained in this Indemnification Agreement are provided for convenience only. They form no part of this Indemnification Agreement and shall not affect its construction or interpretation.

Section 12. Miscellaneous. This Indemnification Agreement shall inure to the benefit and be binding upon the parties hereto and their respective successors and assigns and the officers and directors and controlling persons referred to in Section 5 hereof, and no other person shall have any right or obligation hereunder. This Indemnification Agreement supercedes all prior agreements or understandings entered into by the Policy Provider relating to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement,  
all as of the day and year first above mentioned.

AMERICAN AIRLINES, INC.

By: /s/ Leslie M. Benners  
-----  
Name: Leslie M. Benners  
Title: Managing Director,  
Corporate Finance &  
Banking

MBIA INSURANCE CORPORATION

By: /s/ Kenneth L. Degen  
-----  
Name: Kenneth L. Degen  
Title: Managing Director

SALOMON SMITH BARNEY INC.  
J.P. MORGAN SECURITIES INC.  
On their behalf and on behalf of  
the several Underwriters

By: SALOMON SMITH BARNEY INC.

By: /s/ Thomas Bliemel  
-----  
Name: Thomas Bliemel  
Title: Director

By: J.P. MORGAN SECURITIES INC

By: /s/ Sangho Rhee  
-----  
Name: Sangho Rhee  
Title: Vice President

=====

PARTICIPATION AGREEMENT

Dated as of September 24, 2002

among

AMERICAN AIRLINES, INC.,

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
as Pass Through Trustee under each of the  
Pass Through Trust Agreements

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
as Subordination Agent

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
as Loan Trustee

and

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
in its individual capacity as set forth herein

-----

Aircraft of the make and model and  
bearing the U.S. Registration Number and  
Manufacturer's Serial Number listed on  
Schedule I hereto

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PARTICIPATION AGREEMENT

This PARTICIPATION AGREEMENT, dated as of September 24, 2002, is made by and among AMERICAN AIRLINES, INC., a Delaware corporation (together with its successors and permitted assigns, the "Company"), STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association (in its individual capacity, together with its successors and permitted assigns, "State Street"), not in its individual capacity except as otherwise expressly provided in any of the Operative Documents or the Pass Through Documents, but solely as trustee (in such capacity together with any successor or other trustee in such capacity, the "Pass Through Trustee") under each of the Pass Through Trust Agreements (such term and other capitalized terms used herein without definition being defined as provided in Section 1.01), STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association, as subordination agent and trustee (in such capacity, together with any successor trustee in such capacity, the "Subordination Agent") under the Intercreditor Agreement, and STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, as loan trustee (in such capacity, together with any successor trustee in such capacity, the "Loan Trustee") under the Indenture.

W I T N E S S E T H:

WHEREAS, the Company is the owner of that certain aircraft of the make and model set forth in Schedule I hereto as more particularly described in the Indenture Supplement originally executed and delivered under the Indenture;

WHEREAS, concurrently with the execution and delivery of this Agreement, the Company and the Loan Trustee are entering into the Indenture, pursuant to which, among other things, the Company will issue separate series of Equipment Notes, which Equipment Notes are to be secured by a security interest in all right, title and interest of the Company in and to the Aircraft and certain other property described in the Indenture;

WHEREAS, pursuant to the Basic Pass Through Trust Agreement and each of the Trust Supplements set forth in Schedule III hereto, concurrently with the execution and delivery of this Agreement, separate Pass Through Trusts are being created to facilitate certain of the transactions contemplated hereby, including, without limitation, the issuance and sale of Pass Through Certificates;

WHEREAS, pursuant to the Intercreditor Agreement, the Subordination Agent will hold the Equipment Notes on behalf of the Pass Through Trusts;

NOW, THEREFORE, in consideration of the foregoing premises and 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. For the purposes of this Agreement, unless the context otherwise requires, capitalized terms used but not defined herein shall have the respective meanings set forth or incorporated by reference in Annex A.

Section 1.02. Other Definitional Provisions.

(a) The definitions stated herein and in Annex A apply equally to both the singular and the plural forms of the terms defined.

(b) All references in this Agreement to designated "Articles", "Sections", "Subsections", "Schedules", "Exhibits", "Annexes" and other subdivisions are to the designated Article, Section, Subsection, Schedule, Exhibit, 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, Subsection, Schedule, Exhibit, Annex or other subdivision.

(d) All references in this Agreement to a "government" are to such government and any instrumentality or agency thereof.

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

## ARTICLE II

### THE LOANS

Section 2.01. The Loans. Subject to the terms and conditions of this Agreement and the Indenture, on the Closing Date the Pass Through Trustee for each Pass Through Trust shall make a loan to the Company by paying to the Company the aggregate original principal amounts of the Equipment Notes being issued to such Pass Through Trust as set forth on Schedule II opposite the name of such Pass Through Trust. The Pass Through Trustees, on behalf of the Pass Through Trusts, shall make such loans to the Company no later than 10:00 a.m. (New York City time) on the Closing Date by transferring such amount in immediately available funds to the Company at its account at The Chase Manhattan Bank (ABA No. 021000021), Account Number 910-1-019884, Attention: Tina DoCampo.

Section 2.02. Issuance of Equipment Notes. Upon the occurrence of the above

payments by the Pass Through Trustee for each Pass Through Trust to the Company, the Company shall issue, pursuant to and in accordance with Article II of the Indenture, to the Subordination Agent as agent and trustee for the Pass Through Trustee for each Pass Through Trust, one or more Equipment Notes of the maturity and aggregate principal amount and bearing the interest rate set forth in Schedule II opposite the name of such Pass Through Trust. Each such Equipment Note shall be duly authenticated by the Loan Trustee pursuant to the Indenture, registered in the name of the Subordination Agent and dated the Closing Date and shall be delivered by the Loan Trustee to the Subordination Agent.

Section 2.03. The Closing. The closing (the "Closing") of the transactions contemplated hereby shall take place at the offices of Debevoise & Plimpton, 919 Third Avenue, New York, New York at 10:00 a.m. (New York City time) on September 24, 2002, or at such other time or place as the parties shall agree.

### ARTICLE III

#### CONDITIONS PRECEDENT

Section 3.01. Conditions Precedent to Obligations of the Pass Through Trustees. The obligation of each Pass Through Trustee to make the loan contemplated by Article II is subject to the fulfillment (or the waiver by such Pass Through Trustee) prior to or on the Closing Date of the following conditions precedent:

(a) The Company shall have tendered the Equipment Notes to the Loan Trustee for authentication, and the Loan Trustee shall have authenticated such Equipment Notes and shall have tendered the Equipment Notes to the Subordination Agent on behalf of the applicable Pass Through Trustee in accordance with Section 2.02.

(b) No change shall have occurred after the date of this Agreement in applicable law or regulations thereunder or interpretations thereof by appropriate regulatory authorities or any court that would make it a violation of law or governmental regulations for the Pass Through Trustees to make the loans contemplated by Section 2.01 or to acquire the Equipment Notes.

(c) This Agreement and the following documents shall have been duly authorized, executed and delivered by the respective party or parties thereto (other than the Pass Through Trustees or the Loan Trustee), shall be in full force and effect and executed counterparts (or copies thereof where indicated) thereof shall have been delivered to each relevant Pass Through Trustee:

(i) the Intercreditor Agreement;

(ii) the Primary Liquidity Facilities relating to the Pass Through Certificates, Series 2002-1G and Pass Through Certificates, Series 2002-1C;

(iii) the Above-Cap Liquidity Agreement relating to the Pass Through Certificates, Series 2002-1G;

(iv) the Policy relating to the Pass Through Certificates, Series 2002-1G;

(v) the Pass Through Trust Agreements;

(vi) the Indenture and the Indenture Supplement covering the Aircraft and dated the Closing Date;

(vii) the Manufacturer's Consent;

(viii) a copy of the FAA Bill of Sale; and

(ix) a copy of the Warranty Bill of Sale.

(d) A Uniform Commercial Code financing statement or statements covering the security interest created by the Indenture naming the Company, as debtor, and the Loan Trustee, as secured party, shall have been duly filed in all places necessary or desirable within the State of Delaware.

(e) Each Pass Through Trustee shall have received the following:

(i) a certificate dated the Closing Date of the Secretary or an Assistant Secretary of the Company, certifying as to (A) a copy of the resolutions of the Board of Directors of the Company or the executive committee thereof duly authorizing the transactions contemplated hereby and the execution, delivery and performance by the Company of this Agreement and the Indenture and each other document required to be executed and delivered by the Company in accordance with the provisions hereof or thereof and (B) a copy of the certificate of incorporation and by-laws of the Company, as in effect on the Closing Date;

(ii) a certificate or other evidence from the Secretary of State of the State of Delaware, dated as of a date reasonably near the Closing Date, as to the due incorporation and good standing of the Company in such state;

(iii) an incumbency certificate of the Company as to the person or persons authorized to execute and deliver this Agreement, the Indenture and each other document to be executed by the Company in connection with the transactions contemplated hereby and thereby, and the specimen signatures of such person or persons; and

(iv) one or more certificates of the Loan Trustee and the Subordination Agent certifying to the reasonable satisfaction of the Pass Through Trustees as to the

due authorization, execution, delivery and performance by the Loan Trustee and the Subordination Agent of each of the Operative Documents to which the Loan Trustee or the Subordination Agent is or will be a party and any other documents to be executed by or on behalf of the Loan Trustee or Subordination Agent in connection with the transactions contemplated hereby or thereby.

(f) On the Closing Date, the following statements shall be correct:

(i) the representations and warranties herein of the Company are correct in all material respects as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties are correct on and as of such earlier date) and (ii) no event has occurred and is continuing that constitutes an Event of Default or an Event of Loss or would constitute an Event of Default or Event of Loss but for the requirement that notices be given or time elapse or both.

(g) Each Pass Through Trustee and the Loan Trustee shall have received an opinion addressed to it from Anne H. McNamara, Esq., Senior Vice President and General Counsel of the Company (or such other internal counsel to the Company as shall be reasonably satisfactory to the Pass Through Trustees) substantially in the form set forth in Exhibit A.

(h) Each Pass Through Trustee and the Loan Trustee shall have received an opinion addressed to it from Bingham McCutchen LLP, special counsel for State Street, the Loan Trustee and the Subordination Agent, substantially in the form set forth in Exhibit B.

(i) Each Pass Through Trustee and the Loan Trustee shall have received an opinion addressed to it from Crowe & Dunlevy, P.C., special FAA counsel in Oklahoma City, Oklahoma, substantially in the form set forth in Exhibit C.

(j) Each Pass Through Trustee and the Loan Trustee shall have received a certificate or certificates signed by the chief financial or accounting officer, any Senior Vice President, the Treasurer, any Vice President or any Assistant Treasurer (or any other Responsible Officer) of the Company, dated the Closing Date, certifying as to the correctness of each of the matters stated in Section 3.01(f).

(k) Each Pass Through Trustee shall have received a certificate from State Street in its individual capacity and as Loan Trustee and Subordination Agent, as applicable, dated the Closing Date, signed by an authorized officer of State Street in its individual capacity and as Loan Trustee and Subordination Agent, as applicable, certifying for each such entity that no Loan Trustee Liens or Other Party Liens attributable to it, as applicable, exist, and further certifying as to the correctness of each of the matters stated in Section 5.01.

(l) [intentionally left blank]

(m) Each Pass Through Trustee shall have received opinions addressed to it from

(i) Vedder, Price, Kaufmann & Kammholz, external counsel for the Primary Liquidity Provider, and from internal counsel of the Primary Liquidity Provider, substantially in the form set forth in Exhibit D-1 and D-2, respectively; and (ii) Sidley, Austin, Brown & Wood, as U. S. external counsel for the Above-Cap Liquidity Provider, substantially in the form of Exhibit D-3, and as U. K. external counsel for the Above-Cap Liquidity Provider, substantially in the form of Exhibit D-4.

(n) The Loan Trustee shall have received an insurance report of an independent insurance broker and the related certificates of insurance, each in form and substance reasonably satisfactory to the Loan Trustee, as to the compliance with the terms of Section 7.06 of the Indenture relating to insurance with respect to the Aircraft.

(o) No action or proceeding shall have been instituted nor shall governmental action be threatened before any court or governmental agency, nor shall any order, judgment or decree have been issued or proposed to be issued by any court or governmental agency at the time of the Closing to set aside, restrain, enjoin or prevent the completion and consummation of this Agreement or the transactions contemplated hereby.

(p) The Company shall have entered into the Underwriting Agreement, the Class G Pass Through Certificates shall have been issued and sold pursuant to the Underwriting Agreement, and the Underwriters shall have transferred to the Class G Pass Through Trustee in immediately available funds an amount at least equal to the aggregate purchase price of the Series G Equipment Notes to be purchased from the Company; and the purchasers of the Class C and Class D Pass Through Certificates shall have transferred to the Class C and Class D Pass Through Trustees in immediately available funds an amount at least equal to the aggregate purchase price of the Series C and Series D Equipment Notes to be purchased from the Company.

(q) The Loan Trustee shall have received an executed copy of the Manufacturer's Consent substantially in the form set forth in Exhibit E.

Promptly upon the recording of the Indenture (with the Indenture Supplement attached) pursuant to the Transportation Code, the Company will cause Crowe & Dunlevy, P.C., special FAA counsel in Oklahoma City, Oklahoma to deliver to the Subordination Agent on behalf of the Pass Through Trustees, to the Loan Trustee and to the Company an opinion as to the due recording of such instrument and the lack of filing of any intervening documents with respect to the Aircraft.

Section 3.02. Conditions Precedent to Obligations of the Company. The obligation of the Company to issue and sell the Equipment Notes is subject to the fulfillment (or waiver by the Company) prior to or on the Closing Date of the following conditions precedent:

(a) No change shall have occurred after the date of this Agreement in applicable

law or regulations thereunder or interpretations thereof by appropriate regulatory authorities or any court that would make it a violation of law or governmental regulations for the Company to enter into any transaction contemplated by the Operative Documents or the Pass Through Trust Agreements.

(b) The documents referred to in Section 3.01(c) shall have been duly authorized, executed and delivered by the respective party or parties thereto (other than the Company), shall be in full force and effect and executed counterparts (or copies thereof where indicated) thereof shall have been delivered to the Company, and the Company shall have received such documents and evidence with respect to State Street, each Liquidity Provider, the Policy Provider, the Loan Trustee, the Subordination Agent and each Pass Through Trustee as the Company may reasonably request in order to establish the consummation of the transactions contemplated by this Agreement, the taking of all corporate and other proceedings in connection therewith and compliance with the conditions herein set forth.

(c) The Indenture (with the Indenture Supplement covering the Aircraft attached) shall have been duly filed for recordation (or shall be in the process of being so duly filed for recordation) with the FAA pursuant to the Transportation Code.

(d) On the Closing Date, the representations and warranties herein of State Street, the Loan Trustee, the Subordination Agent and the Pass Through Trustees shall be correct as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties shall have been correct on and as of such earlier date), and, insofar as such representations and warranties concern State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee, such party shall have so certified to the Company.

(e) The Company shall have received each opinion referred to in Subsections 3.01(h), 3.01(i) and 3.01(m), each such opinion (other than 3.01(m)) addressed to the Company or accompanied by a letter from the counsel rendering such opinion authorizing the Company to rely on such opinion as if it were addressed to the Company, and the certificates referred to in Subsections 3.01(e)(iv) and 3.01(k).

(f) The Company shall have received an opinion addressed to it from Bingham McCutchen LLP, special counsel for the Pass Through Trustees, substantially in the form set forth in Exhibit F.

(g) No action or proceeding shall have been instituted nor shall governmental action be threatened before any court or governmental agency, nor shall any order, judgment or decree have been issued or proposed to be issued by any court or governmental agency at the time of the Closing to set aside, restrain, enjoin or prevent the completion and consummation of this Agreement or the transactions contemplated hereby.

(h) The Company shall have received a certificate from State Street dated the Closing Date, signed by an authorized officer of State Street, certifying for each Pass Through Trustee that no Other Party Liens attributable to it exist and further certifying as to the correctness of each of the matters stated in Section 5.01.

#### ARTICLE IV

##### REPRESENTATIONS, WARRANTIES AND INDEMNITIES OF THE COMPANY

Section 4.01. Representations and Warranties of the Company. The Company represents and warrants that:

(a) The Company is a corporation duly incorporated and validly existing in good standing under the laws of the State of Delaware, is a Certificated Air Carrier, is a Citizen of the United States, has the corporate power and authority to own or hold under lease its properties and to enter into and perform its obligations under the Operative Documents to which it is a party and is duly qualified to do business as a foreign corporation in good standing in each state in which it has intrastate routes or has a principal office or a major overhaul facility (other than states where the failure to so qualify would not have a material adverse effect on the consolidated financial condition of the Company and its subsidiaries, considered as a whole).

(b) The execution, delivery and performance by the Company of this Agreement and the other Operative Documents to which the Company is a party have been duly authorized by all necessary corporate action on the part of the Company, do not require any stockholder approval or approval or consent of any trustee or holder of any indebtedness or obligations of the Company, except such as have been duly obtained and are in full force and effect, and do not contravene any law, governmental rule, regulation, judgment or order binding on the Company or the certificate of incorporation or by-laws of the Company or contravene or result in a breach of, or constitute a default under, or result in the creation of any Lien (other than as permitted under the Indenture) upon the property of the Company under, any material indenture, mortgage, contract or other agreement to which the Company is a party or by which it or any of its properties may be bound or affected.

(c) Neither the execution and delivery by the Company of this Agreement and the other Operative Documents to which it is a party, nor the consummation by the Company of any of the transactions contemplated hereby or thereby, requires the authorization, consent or approval of, the giving of notice to, the filing or registration with or the taking of any other action in respect of, the Department of Transportation, the FAA or any other federal or state governmental authority or agency, except for (i) the registration of the issuance and sale of the Pass Through Certificates under the Securities Act of 1933, as amended, and under the securities laws of any state in which the Pass Through Certificates may be offered for sale



if the laws of such state require such action, (ii) the qualification of the Pass Through Trust Agreements under the Trust Indenture Act of 1939, as amended, (iii) the filings referred to in Section 4.01(e), (iv) such as may be required in connection with listing the Pass Through Certificates on the Luxembourg Stock Exchange and (v) consents, approvals, notices, registrations and other actions required to be obtained, given, made or taken only after the date hereof.

(d) This Agreement and each other Operative Document to which the Company is a party have been duly executed and delivered by the Company and constitute the legal, valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity and except, in the case of the Indenture, as limited by applicable laws that may affect the remedies provided in the Indenture, which laws, however, do not make the remedies provided in the Indenture inadequate for the practical realization of the rights and benefits intended to be provided thereby.

(e) Except for (i) the filing for recordation pursuant to the Transportation Code of the Indenture (with the Indenture Supplement covering the Aircraft attached) and (ii) with respect to the security interests created by such documents, the filing of financing statements (and continuation statements at periodic intervals) under the Uniform Commercial Code of Delaware, no further filing or recording of any document is necessary or advisable under the laws of the United States or any state thereof as of the Closing Date in order to establish and perfect the security interest in the Aircraft created under the Indenture in favor of the Loan Trustee as against the Company and any third parties in any applicable jurisdiction in the United States.

(f) The Company is not an investment company or a company controlled by an investment company within the meaning of the Investment Company Act of 1940, as amended.

(g) As of the Closing Date, (i) the Company has good title to the Aircraft, free and clear of Liens other than Permitted Liens, (ii) the Aircraft has been duly certified by the FAA as to type and airworthiness in accordance with the terms of the Indenture, (iii) the Indenture (with the Indenture Supplement covering the Aircraft attached) has been duly filed for recordation (or shall be in the process of being so duly filed for recordation) with the FAA pursuant to the Transportation Code and (iv) the Aircraft is duly registered with the FAA in the name of the Company.

Section 4.02. General Indemnity.

(a) Claims Defined. For the purposes of this Section 4.02, "Claims" shall mean any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs or expenses of whatsoever kind and nature (whether or not on the basis of negligence, strict or absolute liability or liability in tort) that may be imposed on, incurred by, suffered by or asserted against an Indemnitee, as defined herein, and, except as otherwise expressly provided in this Section 4.02, shall include all reasonable out-of-pocket costs, disbursements and expenses (including reasonable out-of-pocket legal fees and expenses) of an Indemnitee in connection therewith or related thereto.

(b) Indemnitee Defined. For the purposes of this Section 4.02, "Indemnitee" means (i) State Street and the Loan Trustee, (ii) so long as it holds any Equipment Notes as agent and trustee of any Pass Through Trustee, the Subordination Agent, (iii) so long as it is the holder of any Equipment Notes, each Pass Through Trustee, (iv) each Liquidity Provider, (v) the Policy Provider and (vi) each of their respective successors and permitted assigns in such capacities, agents, servants, officers, employees and directors (the respective agents, servants, officers, employees and directors of each of the foregoing Indemnities, as applicable, together with such Indemnitee, being referred to herein collectively as the "Related Indemnitee Group" of such Indemnitee); provided that such Persons shall, to the extent they are not signatories to this Agreement, have expressly agreed in writing to be bound by the terms of this Section 4.02 prior to, or concurrently with, the making of a Claim hereunder. If an Indemnitee fails to comply with any duty or obligation under this Section 4.02 with respect to any Claim, such Indemnitee shall not, to the extent such failure was prejudicial to the Company, be entitled to any indemnity with respect to such Claim under this Section 4.02. No holder of a Pass Through Certificate in its capacity as such holder shall be an Indemnitee for purposes hereof.

(c) Claims Indemnified. Subject to the exclusions stated in Subsection 4.02(d), the Company agrees to indemnify, protect, defend and hold harmless on an after-Tax basis each Indemnitee against Claims resulting from or arising out of the sale, purchase, acceptance, non-acceptance or rejection of the Aircraft under the Purchase Agreement or the ownership, possession, use, non-use, substitution, airworthiness, control, maintenance, repair, operation, registration, re-registration, condition, sale, lease, sublease, storage, modification, alteration, return, transfer or other disposition of the Aircraft, the Airframe, any Engine or any Part (including, without limitation, latent or other defects, whether or not discoverable, and any claim for patent, trademark or copyright infringement) by the Company, any Permitted Lessee or any other Person. Without limiting the foregoing and subject to, and without duplication of, the provisions of Section 6.01(a), the Company agrees to pay the reasonable ongoing fees, and the reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorney's fees and disbursements and, to the extent payable as provided in the Indenture, reasonable compensation and expenses of the Loan Trustee's agents), of the Loan Trustee in connection with the transactions contemplated hereby.

(d) Claims Excluded. The following are excluded from the Company's agreement to indemnify an Indemnitee under this Section 4.02:

(i) any Claim to the extent such Claim is attributable to acts or events occurring after (x) the Equipment Notes shall have been paid in full or (y) the transfer of possession of the Aircraft pursuant to Article IV of the Indenture unless such Claim is attributable to acts occurring in connection with the exercise of remedies pursuant to Section 4.02 of the Indenture following the occurrence and continuance of an Event of Default;

(ii) any Claim to the extent such Claim is, or is attributable to, a Tax;

(iii) any Claim to the extent such Claim is attributable to the negligence or willful misconduct of such Indemnatee or such Indemnatee's Related Indemnatee Group;

(iv) any Claim to the extent such Claim is attributable to the noncompliance by such Indemnatee or such Indemnatee's Related Indemnatee Group with any of the terms of, or any misrepresentation by an Indemnatee or its Related Indemnatee Group contained in, this Agreement, any other Operative Document or any Pass Through Document to which such Indemnatee or any of such Related Indemnatee Group is a party or any agreement relating hereto or thereto;

(v) any Claim to the extent such Claim constitutes a Permitted Lien attributable to such Indemnatee;

(vi) any Claim to the extent such Claim is attributable to the offer, sale, assignment, transfer, participation or other disposition (whether voluntary or involuntary) by or on behalf of such Indemnatee or its Related Indemnatee Group other than during the occurrence and continuance of an Event of Default (provided that any such offer, sale, assignment, transfer, participation or other disposition during the occurrence and continuation of an Event of Default shall not be subject to indemnification unless it is made in accordance with the Indenture and applicable law) of any Equipment Note or Pass Through Certificate, all or any part of such Indemnatee's interest in the Operative Documents or the Pass Through Documents or any interest in the Collateral or any similar security;

(vii) any Claim to the extent such Claim is attributable to (A) a failure on the part of the Loan Trustee to distribute in accordance with this Agreement or the Indenture any amounts received and distributable by it hereunder or thereunder, (B) a failure on the part of the Subordination Agent to distribute in accordance with the Intercreditor Agreement any amounts received and distributable by it thereunder or (C) a failure on the part of any Pass Through Trustee to distribute in accordance with the Pass Through Trust Agreement to which it is a party any amounts received and distributable by it thereunder;

(viii) any Claim to the extent such Claim is attributable to the authorization or giving or withholding of any future amendments, supplements, waivers or consents with respect to any Operative Document or any Pass Through Document, other than such as have been requested by the Company or that occur as the result of an Event of Default, or such as

are expressly required or contemplated by the provisions of the Operative Documents or the Pass Through Documents;

(ix) any Claim to the extent such Claim is payable or borne by (a) the Company pursuant to any indemnification, compensation or reimbursement provision of any other Operative Document or any Pass Through Document or (b) a Person in its individual capacity other than the Company pursuant to any provision of any Operative Document or any Pass Through Document;

(x) any Claim to the extent such Claim is an ordinary and usual operating or overhead expense;

(xi) any Claim to the extent such Claim is incurred by or asserted as a result of any "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Code; and

(xii) any Claim to the extent such Claim is attributable to one or more of the other aircraft financed through the offering of Pass Through Certificates (in the event of doubt, any Claim shall be allocated between the Aircraft and such other aircraft in the same proportion that the then outstanding Equipment Notes bear to the then outstanding equipment notes issued with respect to the other aircraft and held by the Pass Through Trustees).

(e) Insured Claims. In the case of any Claim indemnified by the Company hereunder that is covered by a policy of insurance maintained by the Company, each Indemnatee agrees to cooperate, at the Company's expense, with the insurers in the exercise of their rights to investigate, defend or compromise such Claim.

(f) Claims Procedure. An Indemnatee shall promptly notify the Company of any Claim as to which indemnification is sought; provided that the failure to provide such prompt notice shall not release the Company from any of its obligations to indemnify hereunder, except to the extent that the Company is prejudiced by such failure or the Company's indemnification obligations are increased as a result of such failure. Such Indemnatee shall promptly submit to the Company all additional information in such Indemnatee's possession to substantiate such request for payment to the Company as the Company shall reasonably request. Subject to the rights of insurers under policies of insurance maintained by the Company, the Company shall have the right, at its sole cost and expense, to investigate, and the right in its sole discretion to defend or compromise, any Claim for which indemnification is sought under this Section 4.02, and, at the Company's expense, the Indemnatee shall cooperate with all reasonable requests of the Company in connection therewith. Such Indemnatee shall not enter into a settlement or other compromise with respect to any Claim without the prior written consent of the Company, which consent shall not be unreasonably withheld or delayed, unless such Indemnatee waives its right to be indemnified with respect to such Claim under this Section 4.02. Where the Company or the insurers under a policy of insurance maintained by the Company undertake the defense of an Indemnatee with respect to a Claim, no additional legal

fees or expenses of such Indemnitee in connection with the defense of such Claim shall be indemnified hereunder unless such fees or expenses were incurred at the written request of the Company or such insurers. Subject to the requirements of any policy of insurance, an Indemnitee may participate at its own expense in any judicial proceeding controlled by the Company pursuant to the preceding provisions; provided that such party's participation does not, in the opinion of the counsel appointed by the Company or its insurers to conduct such proceedings, interfere with such control; and such participation shall not constitute a waiver of the indemnification provided in this Section 4.02. Notwithstanding anything to the contrary contained herein, the Company shall not under any circumstances be liable for the fees and expenses of more than one counsel for all Indemnitees.

(g) Subrogation. To the extent that a Claim indemnified by the Company under this Section 4.02 is in fact paid in full by the Company or an insurer under a policy of insurance maintained by the Company, the Company or such insurer, as the case may be, shall, without any further action, be subrogated to the rights and remedies of the Indemnitee on whose behalf such Claim was paid with respect to the transaction or event giving rise to such Claim. Such Indemnitee shall give such further assurances or agreements and shall cooperate with the Company or such insurer, as the case may be, to permit the Company or such insurer to pursue such rights and remedies, if any, to the extent reasonably requested by the Company. So long as no Event of Default shall have occurred and be continuing, if an Indemnitee receives any payment from any party other than the Company or its insurers, in whole or in part, with respect to any Claim paid by the Company or its insurers hereunder, it shall promptly pay over to the Company the amount received (but not an amount in excess of the amount the Company or any of its insurers has paid in respect of such Claim). Any amount referred to in the preceding sentence that is payable to the Company shall not be paid to the Company, or, if it has been previously paid directly to the Company, shall not be retained by the Company, if at the time of such payment an Event of Default shall have occurred and be continuing, but shall be paid to and held by the Loan Trustee as security for the obligations of the Company under this Agreement, the Indenture and the other Operative Documents, and, if the Company agrees, shall be applied against the Company's obligations hereunder and thereunder when and as they become due and payable and, at such time as there shall not be continuing any such Event of Default, such amount, to the extent not previously so applied against the Company's obligations, shall be paid to the Company; provided that if any such amount has been so held by the Loan Trustee as security for more than 90 days after any such Event of Default shall have occurred, during which period (i) the Loan Trustee shall not have been limited by operation of law or otherwise from exercising remedies under the Indenture and (ii) the Loan Trustee shall not have exercised any remedy available to it under Section 4.02 of the Indenture, then such amount, to the extent not previously so applied against the Company's payment obligations, shall be paid to the Company.

(h) No Guaranty. Nothing set forth in this Section 4.02 shall constitute a guarantee by the Company that the Aircraft shall at any time have any particular value, useful life or residual value.

(i) Payments; Interest. Any amount payable to any Indemnitee pursuant to this Section 4.02 shall be paid within 30 days after receipt of a written demand therefor from such Indemnitee accompanied by a written statement describing in reasonable detail the Claims that are the subject of and basis for such indemnity and the computation of the amount payable. Any payments made pursuant to this Section 4.02 directly to an Indemnitee or to the Company, as the case may be, shall be made in immediately available funds at such bank or to such account as is specified by the payee in written directions to the payor or, if no such directions shall have been given, by check of the payor payable to the order of the payee and mailed to the payee by certified mail, return receipt requested, postage prepaid to its address referred to in Section 7.01. To the extent permitted by applicable law, interest at the Past Due Rate shall be paid, on demand, on any amount or indemnity not paid when due pursuant to this Section 4.02 until the same shall be paid. Such interest shall be paid in the same manner as the unpaid amount in respect of which such interest is due.

#### ARTICLE V

#### REPRESENTATIONS, WARRANTIES AND COVENANTS OF STATE STREET

Section 5.01. Representations, Warranties and Covenants of State Street. State Street, generally, and each of the Loan Trustee, the Subordination Agent and the Pass Through Trustee as it relates to it, represents, warrants and covenants that:

(a) State Street is a national banking association duly organized and validly existing in good standing under the laws of the United States, is eligible to be the Loan Trustee under Section 8.01(a) of the Indenture, will promptly comply with Section 8.01(a) of the Indenture and has full power, authority and legal right to enter into and perform its obligations under each of the Operative Documents and the Pass Through Documents to which State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee is a party and, in its capacity as Loan Trustee and Pass Through Trustee, respectively, to authenticate the Equipment Notes and the Pass Through Certificates, respectively. State Street is qualified to act as Loan Trustee under Section 8.01(c) of the Indenture.

(b) The execution, delivery and performance by State Street, individually or in its capacity as Loan Trustee, Subordination Agent or Pass Through Trustee, as the case may be, of this Agreement, each of the other Operative Documents and each of the Pass Through Documents to which State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee is a party, and the authentication of the Equipment Notes and the Pass Through Certificates, respectively, to be delivered on the Closing Date, have been duly authorized by all necessary action on the part of State Street, the Loan Trustee, the Subordination Agent and each Pass Through Trustee, as the case may be, and do not violate any law or regulation of the United States or of the state of the United States in which State Street is located and which governs the banking and trust powers of State Street or any order, writ, judgment or decree of any court, arbitrator or governmental authority

applicable to State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee or any of their assets, will not violate any provision of the articles of association or by-laws of State Street and will not violate any provision of, or constitute a default under, any mortgage, indenture, contract, agreement or undertaking to which any of State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee is a party or by which any of them or their respective properties may be bound or affected.

(c) Neither the execution and delivery by State Street, individually or in its capacity as Loan Trustee, Subordination Agent or Pass Through Trustee, as the case may be, of this Agreement, any other Operative Document or any Pass Through Document to which State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee is a party, nor the consummation by State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee of any of the transactions contemplated hereby or thereby, requires the authorization, consent or approval of, the giving of notice to, the filing or registration with, or the taking of any other action in respect of, any governmental authority or agency of the United States or the state of the United States where State Street is located and regulating the banking and trust powers of State Street.

(d) This Agreement, each other Operative Document and each Pass Through Document to which State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee is a party have been duly executed and delivered by State Street, individually and in its capacity as Loan Trustee, Subordination Agent or Pass Through Trustee, as the case may be, and constitute the legal, valid and binding obligations of State Street, the Loan Trustee, the Subordination Agent and such Pass Through Trustee, as it shall be a party thereto, enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity.

(e) It unconditionally agrees with and for the benefit of the parties to this Agreement that it will not directly or indirectly create, incur, assume or suffer to exist any Loan Trustee Lien or Other Party Lien attributable to it, and it agrees that it will, at its own cost and expense, promptly take such action as may be necessary to discharge and satisfy in full any such Lien; and it shall indemnify, protect, defend and hold harmless each Indemnatee and the Company against Claims in any way resulting from or arising out of a breach by it of its obligations under this Section 5.01(e).

(f) The Equipment Notes to be issued to the Subordination Agent pursuant hereto are being acquired by it to be held under the Intercreditor Agreement.

(g) Each of State Street, the Loan Trustee, the Subordination Agent and each Pass Through Trustee agrees that it will not impose any lifting charge, cable charge, remittance charge or any other charge or fee on any transfer by the Company of funds to, through or by State Street, the Loan Trustee, the Subordination Agent or such Pass Through Trustee pursuant to this Agreement, any other Operative Document or any Pass Through Document, except as may be

otherwise agreed to in writing by the Company.

(h) Each of State Street, the Loan Trustee, the Subordination Agent and any Pass Through Trustee agrees to be bound by the terms of Section 10.16 of the Indenture.

(i) There are no Taxes payable by State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee imposed by the State of Connecticut or any political subdivision or taxing authority thereof in connection with the execution, delivery or performance by State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee of any Operative Document or any Pass Through Document (other than franchise or other taxes based on or measured by any fees or compensation received by any such Person for services rendered in connection with the transactions contemplated by the Operative Documents or the Pass Through Documents), and there are no Taxes payable by any Pass Through Trustee imposed by the State of Connecticut or any political subdivision thereof in connection with the acquisition, possession or ownership by such Pass Through Trustee of any of the Equipment Notes (other than franchise or other taxes based on or measured by any fees or compensation received by such Pass Through Trustee for services rendered in connection with the transactions contemplated by the Operative Documents or the Pass Through Documents) and, assuming that the Pass Through Trusts will not be taxable for Federal income tax purposes as corporations, but, rather, will be characterized for such purposes as grantor trusts or partnerships, the Pass Through Trusts will not be subject to any Taxes imposed by the State of Connecticut or any political subdivision thereof.

(j) Except with the consent of the Company, which shall not be unreasonably withheld, State Street will act as Pass Through Trustee solely through its offices within the State of Connecticut, except for such services that may be performed for it by various agents, but not directly by it, in other states.

(k) There are no pending or, to its knowledge, threatened actions or proceedings against the State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee before any court or administrative agency which individually or in the aggregate, if determined adversely to it, would materially adversely affect the ability of State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee to perform its obligations under any Operative Document or any Pass Through Document.

(l) The representations and warranties contained in Section 7.15 of each Pass Through Trust Agreement are true, complete and correct as of the Closing Date.

## ARTICLE VI

### OTHER COVENANTS AND AGREEMENTS

#### Section 6.01. Other Agreements.

(a) The Company agrees promptly to pay (without duplication of any other



obligation the Company may have to pay such amounts) (A) the initial and annual fees and (to the extent the Loan Trustee is entitled to be reimbursed for its reasonable expenses) the reasonable expenses of the Loan Trustee in connection with the transactions contemplated hereby and (B) the following expenses incurred by the Loan Trustee, the Subordination Agent and the Pass Through Trustees in connection with the negotiation, preparation, execution and delivery of this Agreement, the other Operative Documents and the other documents or instruments referred to herein or therein:

(i) the reasonable fees, expenses and disbursements of (x) Bingham McCutchen LLP, special counsel for the Loan Trustee, the Subordination Agent and the Pass Through Trustees and (y) Crowe & Dunlevy, P.C., special FAA counsel in Oklahoma City, Oklahoma; and

(ii) all reasonable expenses incurred in connection with printing and document production or reproduction expenses, and the filing of Uniform Commercial Code financing statements.

(b) The Loan Trustee, the Noteholders, the Subordination Agent and each Pass Through Trustee agree to execute and deliver, at the Company's expense, all such documents as the Company may reasonably request for the purpose of continuing the registration of the Aircraft at the FAA in the Company's name. In addition, each of the Loan Trustee, the Subordination Agent, each Pass Through Trustee and any other Noteholder agrees, for the benefit of the Company, to cooperate with the Company in effecting any foreign registration of the Aircraft pursuant to Section 7.02(e) of the Indenture; provided that prior to any such change in the country of registry of the Aircraft the conditions set forth in Section 7.02(e) of the Indenture are met to the reasonable satisfaction of, or waived by, the Loan Trustee.

(c) Each of State Street, the Loan Trustee, the Subordination Agent, each Pass Through Trustee and any other Noteholder, each Liquidity Provider (by entering into its respective Liquidity Facility), and the Policy Provider (by entering into the Policy Provider Agreement), agrees that, unless an Event of Default shall have occurred and be continuing (and then only in accordance with the Indenture), it shall not take any action contrary to, or otherwise in any way interfere with or disturb, the quiet enjoyment of the use and possession of the Aircraft, the Airframe, any Engine or any Part by the Company or any transferee of any interest in any thereof permitted under the Indenture.

(d) Each Noteholder, including, without limitation, the Subordination Agent and each Pass Through Trustee, unconditionally agrees with and for the benefit of the parties to this Agreement that it will not directly or indirectly create, incur, assume or suffer to exist any Noteholder Liens, and such Noteholder agrees that it will, at its own cost and expense, promptly take such action as may be necessary to discharge and satisfy in full any such Noteholder Lien; and each Noteholder hereby agrees to indemnify, protect, defend and hold harmless each Indemnitee and the Company against Claims in any way resulting from or arising out of a breach by it of its obligations under this Section 6.01(d).

(e) By its acceptance of its Equipment Notes, each Noteholder unconditionally agrees for the benefit of the Company and the Loan Trustee to be bound by and to perform and comply with all of the terms of such Equipment Notes, the Indenture and this Agreement applicable to such Noteholder.

(f) Each Pass Through Trustee shall file any tax returns required to be filed by the related Pass Through Trust and the Company shall pay the Applicable Portion of any expenses relating thereto. The Company shall be responsible for the Applicable Portion of any interest or penalties related to any Pass Through Trustee's failure to file any such tax returns required to be filed by the relevant Pass Through Trust, except to the extent that such failure is attributable to the gross negligence or willful misconduct of such Pass Through Trustee. For purposes of this Section 6.01(f), the "Applicable Portion" of any amount shall equal such amount multiplied by a fraction, the numerator of which shall be the sum of the then outstanding aggregate principal amount of the Equipment Notes held by the relevant Pass Through Trustee, and the denominator of which shall be the sum of the outstanding aggregate principal amount of all "Equipment Notes" issued under each of the "Indentures" (in each case as defined in the Intercreditor Agreement) held by such Pass Through Trustee.

Section 6.02. Certain Covenants of the Company. The Company covenants and agrees with the Loan Trustee as follows:

(a) On and after the Closing, the Company will cause to be done, executed, acknowledged and delivered such further acts, conveyances and assurances as the Loan Trustee shall reasonably request for accomplishing the purposes of this Agreement and the other Operative Documents; provided that any instrument or other document so executed by the Company will not expand any obligations or limit any rights of the Company in respect of the transactions contemplated by the Operative Documents.

(b) The Company will cause the Indenture (with the Indenture Supplement covering the Aircraft attached) to be promptly filed and recorded, or filed for recording, with the FAA to the extent permitted under the Transportation Code and the rules and regulations of the FAA thereunder.

(c) The Company, at its expense, will take, or cause to be taken, such action with respect to the recording, filing, re-recording and refiling of the Indenture and any financing statements or other instruments as are necessary to maintain, so long as the Indenture is in effect, the perfection of the security interests created by the Indenture or will furnish the Loan Trustee timely notice of the necessity of such action, together with such instruments, in execution form, and such other information as may be required to enable the Loan Trustee to take such action. In addition, the Company will pay any and all recording, stamp and other similar taxes payable in the United States, and in any other jurisdiction where the Aircraft is registered, in connection with the execution, delivery, recording, filing, re-recording and refiling of the Indenture or any such financing statements or other instruments.

The Company will notify the Loan Trustee of any change in its state of incorporation promptly after making such change or in any event within the period of time necessary under applicable law to prevent the lapse of perfection (absent refiling) of financing statements filed under the Operative Documents.

(d) The Company shall at all times maintain its corporate existence except as permitted by Section 6.02(e).

(e) The Company shall not consolidate with or merge into any other Person or convey, transfer or lease substantially all of its assets as an entirety to any Person, unless:

(i) the Person formed by such consolidation or into which the Company is merged or the Person that acquires by conveyance, transfer or lease substantially all of the assets of the Company as an entirety shall, if and to the extent required under Section 1110 in order that the Loan Trustee shall continue to be entitled to any benefits of Section 1110 with respect to the Aircraft, be a Certificated Air Carrier and shall execute and deliver to the Loan Trustee an agreement containing the assumption by such successor Person of the due and punctual performance and observance of each covenant and condition of the Operative Documents to which the Company is a party to be performed or observed by the Company;

(ii) immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing; and

(iii) the Company shall have delivered to the Loan Trustee a certificate signed by a Responsible Officer of the Company, and an opinion of counsel (which may be the Company's General Counsel or such other internal counsel to the Company as shall be reasonably satisfactory to the Loan Trustee), each stating that such consolidation, merger, conveyance, transfer or lease and the assumption agreement mentioned in clause (i) above comply with this Section 6.02(e) and that all conditions precedent herein provided relating to such transaction have been complied with (except that such opinion need not cover the matters referred to in clause (ii) above and may rely, as to factual matters, on a certificate of an officer of the Company) and, in the case of such opinion, that such assumption agreement has been duly authorized, executed and delivered by such successor Person and is enforceable against such successor Person in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity.

Upon any consolidation or merger, or any conveyance, transfer or lease of substantially all of the assets of the Company as an entirety in accordance with this Section 6.02(e), the successor Person formed by such consolidation or into which the Company is merged or to which

such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Agreement and the other Operative Documents with the same effect as if such successor Person had been named as the Company herein.

(f) The Company shall, for as long as and to the extent required under Section 1110 in order that the Loan Trustee shall be entitled to any of the benefits of Section 1110 with respect to the Aircraft, remain a Certificated Air Carrier.

(g) The Company shall not issue Series E Equipment Notes pursuant to the Indenture, unless it shall have received Ratings Confirmation (as defined in the Intercreditor Agreement). If Series E Equipment Notes are initially issued to other than the Pass Through Trustee for the Class E Certificates, the Company will cause such Series E Equipment Notes to be subject to the provisions of the Intercreditor Agreement that allow the "Controlling Party" (as defined in the Intercreditor Agreement), during the continuance of an "Indenture Event of Default" (as defined in the Intercreditor Agreement), to direct the Loan Trustee in taking action under the Indenture.

## ARTICLE VII

### MISCELLANEOUS

Section 7.01. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices required or permitted under the terms and provisions of this Agreement shall be in English and in writing, and any such notice may be given by United States mail, courier service or facsimile or any other customary means of communication, and any such notice shall be effective when delivered (or, if mailed three Business Days after deposit, postage prepaid in the first class United States mail and, 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) to the recipient thereof in accordance with the provisions of this 7.01, (a) if to the Company, State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee, to its respective address (including facsimile number) set forth on Schedule I, or (b) if to any subsequent Noteholder, addressed to such Noteholder at its address set forth in the Equipment Note Register maintained pursuant to Section 2.07 of the Indenture.

Any party, by notice to the other parties hereto, may designate additional or different addresses for subsequent notices or communications.

Section 7.02. Survival of Representations, Warranties, Indemnities, Covenants and Agreements. Except as otherwise provided for herein, the representations, warranties, indemnities, covenants and agreements of the Company, State Street, the Loan Trustee, the Subordination Agent, each Pass Through Trustee and the Noteholders provided for in this Agreement, and each of their obligations hereunder, shall survive the making of the loans and the expiration or termination (to the extent arising out of acts or events occurring prior to such expiration) of any Operative Documents.

Section 7.03. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 7.04. Severability. 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 7.05. No Oral Modifications or Continuing Waivers; Consents. Subject to Section 9.03 of the Indenture, 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 party against which the enforcement of the change, waiver, discharge or termination is sought; provided that no such change, waiver, discharge or termination shall be effective unless a signed copy thereof is delivered to the Loan Trustee. Each Pass Through Trustee and, by its acceptance of an Equipment Note, each subsequent Noteholder covenants and agrees that (a) it shall not unreasonably withhold its consent to any consent of the Loan Trustee requested by the Company under the terms of the Indenture; and (b) at any time after the date hereof, the Company and the Loan Trustee may, pursuant to Section 9.01 of the Indenture, enter into one or more agreements supplemental to the Indenture and to amend the Equipment Notes, without notice to or consent of any Noteholder, to provide for the issuance of New Series C Equipment Notes, New Series D Equipment Notes and/or Second New Series D Equipment Notes and/or Pass Through Certificates issued by a New Trust in connection with a Refunding and to make changes relating thereto.

Section 7.06. Effect of Headings and Table of Contents. The headings of the various Articles and Sections herein and in the Table of Contents are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 7.07. Successors and Assigns. All covenants, agreements, representations and warranties in this Agreement by the Company, by State Street, individually or as Loan Trustee, Subordination Agent or Pass Through Trustee, or by any Noteholder, shall bind and inure to the benefit of and be enforceable by the Company, and subject to the terms of Section 6.02(e), its successors and permitted assigns, each Pass Through Trustee and any successor or other trustee under the Pass Through Trust Agreement to which it is a party, the Subordination Agent and its successor under the Intercreditor Agreement and the Loan Trustee and its successor under the Indenture, whether so expressed or not.

Section 7.08. Benefits of Agreement. Nothing in this Agreement, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any

benefit or any legal or equitable right, remedy or claim under this Agreement, except as provided expressly herein.

Section 7.09. Counterparts. This Agreement may be executed in any number of counterparts (and each of the parties hereto 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 shall together constitute one instrument.

Section 7.10. Submission to Jurisdiction. Each of the parties hereto, to the extent it may do so under applicable law, for purposes hereof and of all other Operative Documents hereby (a) 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 their successors or permitted assigns and (b) 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.

Section 7.11. No Petition. Each of the Company, the Loan Trustee, the Pass Through Trustee and the Subordination Agent covenant that until the Series G Equipment Notes have been paid in full, it shall not file an involuntary bankruptcy petition or initiate any other form of insolvency proceeding against the Pass Through Trust holding such Equipment Notes.

Section 7.12. Agreement Regarding Section 8.01(d) of the Indenture. The parties agree that references to the term "corporation" as used in Section 8.01(d) of the Indenture shall be deemed to include a bank or trust company.

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

AMERICAN AIRLINES, INC.

By: /s/ Leslie M. Benners

-----  
Name: Leslie M. Benners  
Title: Managing Director, Corporate  
Finance & Banking

STATE STREET BANK AND TRUST COMPANY  
OF CONNECTICUT, NATIONAL ASSOCIATION,  
as Pass Through Trustee under each of  
the Pass Through Trust Agreements

By: /s/ Alison D.B. Nadeau

-----  
Name: Alison D.B. Nadeau  
Title: Vice President

STATE STREET BANK AND TRUST COMPANY  
OF CONNECTICUT, NATIONAL ASSOCIATION,  
as Subordination Agent

By: /s/ Alison D.B. Nadeau

-----  
Name: Alison D.B. Nadeau  
Title: Vice President

STATE STREET BANK AND TRUST COMPANY  
OF CONNECTICUT, NATIONAL ASSOCIATION,  
as Loan Trustee

By: /s/ Alison D.B. Nadeau

-----  
Name: Alison D.B. Nadeau  
Title: Vice President

STATE STREET BANK AND TRUST COMPANY  
OF CONNECTICUT, NATIONAL ASSOCIATION,  
in its individual capacity as set  
forth herein

By: /s/ Alison D.B. Nadeau

-----  
Name: Alison D.B. Nadeau  
Title: Vice President



CERTAIN TERMS

Aircraft Model: Boeing 757-223

U.S. Registration Number: N604AA

Manufacturer's Serial Number: 27055

Purchase Agreement: "Purchase Agreement" means the Purchase Agreement No. 1440, dated as of July 21, 1988, between the Manufacturer and the Company, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

Warranty Rights: "Warranty Rights" means all right and interest of the Company in, to and under Parts A, B, C, E and F of the Product Assurance Document (as defined in the Purchase Agreement), but only to the extent the same relate to continuing rights of the Company in respect of any warranty or indemnity, express or implied, pursuant to the Product Assurance Document with respect to the Airframe, it being understood that the Warranty Rights exclude any and all other right, title and interest of the Company in, to and under the Purchase Agreement and that the Warranty Rights are subject to the terms of the Manufacturer's Consent.

ADDRESSES FOR NOTICES AND ACCOUNT DETAILS

<p>THE COMPANY: American Airlines, Inc.</p>	<p>4333 Amon Carter Boulevard Fort Worth, TX 76155 Attn: Treasurer Telex: 4630158 Facsimile: 817-967-4318</p>	<p>Chase Manhattan Bank ABA #: 0210 0002 1 Account No.: 910-1-019884</p>
<p>STATE STREET: State Street Bank and Trust Company of Connecticut, N.A.</p>	<p>State Street Bank and Trust Company of Connecticut, N.A. c/o State Street Bank and Trust Company 2 Avenue de Lafayette Boston, MA 02111-1724 Attn: Alison D. B. Nadeau Tel: 617-662-1704 Facsimile: 617-662-1458</p>	<p>State Street Bank and Trust Company of Connecticut, N.A. c/o State Street Bank and Trust Company Boston, MA ABA #011-00-0028 Corporate Trust DDA #9903-990-1 FFC: American Airlines EETC 2002-1 Attn: May Tran</p>
<p>LOAN TRUSTEE: State Street Bank and Trust Company of Connecticut, N.A.</p>	<p>State Street Bank and Trust Company of Connecticut, N.A. c/o State Street Bank and Trust Company 2 Avenue de Lafayette Boston, MA 02111-1724 Attn: Alison D. B. Nadeau Tel: 617-662-1704 Facsimile: 617-662-1458</p>	<p>State Street Bank and Trust Company of Connecticut, N.A. c/o State Street Bank and Trust Company Boston, MA ABA #011-00-0028 Corporate Trust DDA #9903-990-1 FFC: American Airlines EETC 2002-1 Attn: May Tran</p>
<p>PASS THROUGH TRUSTEE: State Street Bank and Trust Company of Connecticut, N.A.</p>	<p>State Street Bank and Trust Company of Connecticut, N.A. c/o State Street Bank and Trust Company 2 Avenue de Lafayette Boston, MA 02111-1724 Attn: Alison D. B. Nadeau Tel: 617-662-1704 Facsimile: 617-662-1458</p>	<p>State Street Bank and Trust Company of Connecticut, N.A. c/o State Street Bank and Trust Company Boston, MA ABA #011-00-0028 Corporate Trust DDA #9903-990-1 FFC: American Airlines EETC 2002-1</p>

SUBORDINATION AGENT:  
State Street Bank and  
Trust Company of  
Connecticut, N.A.

State Street Bank and  
Trust Company of  
Connecticut, N.A.  
c/o State Street Bank and  
Trust Company  
2 Avenue de Lafayette  
Boston, MA 02111-1724  
Attn: Alison D. B. Nadeau  
Tel: 617-662-1704  
Facsimile: 617-662-1458

Attn: May Tran  
State Street Bank and  
Trust Company of  
Connecticut, N.A.  
c/o State Street Bank  
and Trust Company  
Boston, MA  
ABA #011-00-0028  
Corporate Trust  
DDA #9903-990-1  
FFC: American Airlines  
EETC 2002-1  
Attn: May Tran

SCHEDULE II to  
PARTICIPATION AGREEMENT

EQUIPMENT NOTES,  
PURCHASERS AND ORIGINAL PRINCIPAL AMOUNTS

Purchaser -----	Description of Equipment Notes -----	Maturity -----	Interest Rate -----	Original Principal Amount -----
American Airlines Pass Through Trust 2002-1G	Series 2002-1G Equipment Note EN-2002-1G		floating  LIBOR + 0.62%	
American Airlines Pass Through Trust 2002-1C	Series 2002-1C Equipment Note EN-2002-1C		8.25%	
American Airlines Pass Through Trust 2002-1D	Series 2002-1D Equipment Note EN-2002-1D		9.50%	

SCHEDULE III to  
PARTICIPATION AGREEMENT

TRUST SUPPLEMENTS

Trust Supplement No. 2002-1G, dated as of September 24, 2002, between the Company and the Pass Through Trustee in respect of American Airlines Pass Through Trust 2002-1G.

Trust Supplement No. 2002-1C, dated as of September 24, 2002, between the Company and the Pass Through Trustee in respect of American Airlines Pass Through Trust 2002-1C.

Trust Supplement No. 2002-1D, dated as of September 24, 2002, between the Company and the Pass Through Trustee in respect of American Airlines Pass Through Trust 2002-1D.

DEFINITIONS

"Above-Cap Liquidity Agreement" means, initially, the ISDA Master Agreement, dated as of the Closing Date, between the Subordination Agent, as agent and trustee for the Class G Trust (as defined in the Intercreditor Agreement), and the initial Above-Cap Liquidity Provider, together with the Schedule and Confirmation attached thereto, relating to the Class G Certificates (as defined in the Intercreditor Agreement), and, from and after the replacement of such ISDA Master Agreement pursuant to the Intercreditor Agreement, the Replacement Above-Cap Liquidity Facility (as defined in the Intercreditor Agreement) therefor, if any, in each case as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Above-Cap Liquidity Provider" means Credit Suisse First Boston International, or any Replacement Above-Cap Liquidity Provider (as defined in the Intercreditor Agreement) that has issued a Replacement Above-Cap Liquidity Facility (as defined in the Intercreditor Agreement) pursuant to the Intercreditor Agreement.

"Additional Insureds" has the meaning specified in Section 7.06(a) of the Indenture.

"Agreement" and "Participation Agreement" mean that certain Participation Agreement, dated on or before the Closing Date, among the Company, State Street, the Pass Through Trustee under each Pass Through Trust Agreement, the Subordination Agent and the Loan Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Aircraft" means the Airframe (or any Replacement Airframe substituted therefor pursuant to Section 7.05 of the Indenture) together with the two Engines described in the Indenture Supplement originally executed and delivered under the Indenture (or any Replacement Engine that may from time to time be substituted for any of such Engines pursuant to Section 7.04 or Section 7.05 of the Indenture), whether or not any of such initial or substituted Engines may from time to time be installed on such Airframe or installed on any other airframe or on any other aircraft. The term "Aircraft" shall include any Replacement Aircraft.

"Airframe" means (a) the Boeing aircraft further described in Annex A to the Indenture Supplement (except (i) the Engines or engines from time to time installed thereon and any and all Parts related to such Engine or engines and (ii) items installed or incorporated in or attached to such aircraft that are excluded from the definition of Parts (except Engines or engines)) originally executed and delivered under the Indenture and (b) any and all related Parts. The term "Airframe" shall include any Replacement Airframe that may from time to time be substituted for the Airframe

pursuant to Section 7.05 of the Indenture. At such time as the Replacement Airframe shall be so substituted and the Airframe for which such substitution is made shall be released from the Lien of the Indenture, such replaced Airframe shall cease to be an Airframe under the Indenture.

"American New Series D Equipment Notes" means any New Series D Equipment Notes that are purchased by a New Trust with proceeds of New Class D Certificates (as defined in Exhibit A to the Intercreditor Agreement) that are sold to a Person affiliated with the Company.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 United States Codes Section 101 et seq., as amended, or any successor statutes thereto.

"Basic Pass Through Trust Agreement" means that certain Pass Through Trust Agreement, dated as of the March 21, 2002, between the Company and State Street, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms (but does not include any Trust Supplement).

"Bills of Sale" means the FAA Bill of Sale and the Warranty Bill of Sale.

"Break Amount" means, as of any date of payment, redemption or acceleration of any Series G Equipment Note (the "Applicable Date"), an amount determined by the Reference Agent on the date that is two Business Days prior to the Applicable Date pursuant to the formula set forth below; provided, however, that no Break Amount will be payable (x) if the Break Amount, as calculated pursuant to the formula set forth below, is equal to or less than zero or (y) on or in respect of any Applicable Date that is a Payment Date.

Break Amount = Z-Y

Where:

X = with respect to any applicable Interest Period, the sum of (i) the then outstanding principal amount of such Equipment Note as of the first day of the then applicable Interest Period plus (ii) interest payable thereon during such entire Interest Period at then effective LIBOR.

Y = X, discounted to present value from the last day of the then applicable Interest Period to the Applicable Date, using then effective LIBOR as the discount rate.

Z = X, discounted to present value from the last day of the then applicable Interest Period to the Applicable Date, using a rate equal to the applicable London interbank offered rate (determined on the same basis as LIBOR) for a period commencing on the Applicable Date and ending on the last day of the then applicable Interest Period, determined by the Reference Agent as of two Business Days prior to the Applicable Date as the discount rate.

"Business Day" means (i) 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, Dallas, Texas or the city and state in which the Loan Trustee maintains its Corporate Trust Office or receives and disburses funds or (ii) solely as it relates to determination of LIBOR, any day on which commercial banks are open for general business in London, England.

"Certificated Air Carrier" means any Citizen of the United States holding an air carrier operating certificate issued by the Secretary of Transportation pursuant to Chapter 447 of Title 49 of the United States Code for aircraft capable of carrying ten or more individuals or 6,000 pounds or more of cargo or that otherwise is certified or registered to the extent required to fall within the purview of Section 1110.

"Citizen of the United States" has the meaning specified for such term in Section 40102(a)(15) of Title 49 of the United States Code or any similar legislation of the United States enacted in substitution or replacement therefor.

"Claim" has the meaning specified in Section 4.02(a) of the Participation Agreement.

"Class E Trust" has the meaning specified in the Intercreditor Agreement.

"Closing" has the meaning specified in Section 2.03 of the Participation Agreement.

"Closing Date" means the date set forth on the cover page of the Indenture.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" has the meaning specified in the granting clause of the Indenture.

"Company" means American Airlines, Inc., and its successors and permitted assigns.



N604AA  
Annex A to  
Participation Agreement and  
Indenture and Security Agreement

"Compulsory Acquisition" means requisition of title or other compulsory acquisition, capture, seizure, deprivation, confiscation or detention for any reason of the Aircraft by any government that results in the loss of title or use of the Aircraft by the Company (or any Permitted Lessee) for a period in excess of 180 days, but shall exclude requisition for use or hire not involving requisition of title.

"Confidential Information" has the meaning specified in Section 10.16 of the Indenture.

"Controlling Party" has the meaning specified in Section 2.06 of the Intercreditor Agreement.

"Corporate Trust Office" means the Corporate Trust Division of the Loan Trustee located at State Street Bank and Trust Company of Connecticut, National Association, 225 Asylum Street, Goodwin Square, Hartford, Connecticut, 06103, Attention: Corporate Trust Division, or such other office at which the Loan Trustee's corporate trust business shall be administered that the Loan Trustee shall have specified by notice in writing to the Company.

"CRAF Program" means the Civil Reserve Air Fleet Program authorized under 10 U.S.C. Section 9511 et seq. or any similar or substitute program under the laws of the United States.

"Debt Rate" means (i) with respect to the Series G Equipment Notes, the Original Series C Equipment Notes and the Original Series D Equipment Notes, the rate per annum specified as the "Debt Rate" in Schedule I to the Indenture, (ii) with respect to any New Series C Equipment Notes, New Series D Equipment Notes and Second New Series D Equipment Notes, the rate per annum specified as such in an Indenture Refunding Amendment applicable to such Series and (iii) with respect to any Series E Equipment Notes, the rate per annum specified in an amendment to the Indenture at the time of issuance of such Series E Equipment Notes.

"Department of Transportation" means the United States Department of Transportation and any agency or instrumentality of the United States government succeeding to its functions.

"Direction" has the meaning specified in Section 2.16 of the Indenture.

"Dollars" and "\$" mean the lawful currency of the United States.

"Engine" means (a) each of the two engines listed by manufacturer's serial number and further described in Annex A to the Indenture Supplement originally executed and delivered under the Indenture, whether or not from time to time installed on the Airframe or installed on any other airframe or on any other aircraft and (b) any Replacement Engine that may from time to time be

substituted for an Engine pursuant to Section 7.04 or 7.05 of the Indenture; together in each case with any and all related Parts. At such time as a Replacement Engine shall be so substituted and the Engine for which substitution is made shall be released from the Lien of the Indenture, such replaced Engine shall cease to be an Engine under the Indenture.

"Equipment Note" means and includes any Series G Equipment Note, Original Series C Equipment Note, Original Series D Equipment Note, Series E Equipment Note, New Series C Equipment Note, New Series D Equipment Note or Second New Series D Equipment Note, and any Equipment Note issued in exchange therefor or replacement thereof pursuant to Section 2.07 and 2.08 of the Indenture.

"Equipment Note Register" has the meaning specified in Section 2.07 of the Indenture.

"Equipment Note Registrar" has the meaning specified in Section 2.07 of the Indenture.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA as in effect at the date of the Participation Agreement and any subsequent provisions of ERISA amendatory thereof, supplemental thereto or substituted therefor.

"Event of Default" has the meaning specified in Section 4.01 of the Indenture.

"Event of Loss" means, with respect to the Aircraft, Airframe or any Engine, any of the following events with respect to such property:

(a) the loss of such property or of the use thereof due to destruction, damage beyond repair or rendition of such property permanently unfit for normal use for any reason whatsoever;

(b) any damage to such property which results in an insurance settlement with respect to such property on the basis of a total loss, a compromised total loss or a constructive total loss;

(c) the theft or disappearance of such property for a period in excess of 180 days;

(d) the requisition for use of such property by any government (other than a requisition for use by a Government or the government of the country of registry of the Aircraft) that shall have resulted in the loss of possession of such property by the Company (or any Permitted Lessee) for a period in excess of 12 consecutive months;

(e) the operation or location of the Aircraft, while under requisition for use by any government, in any area excluded from coverage by any insurance policy in effect with respect to the Aircraft required by the terms of Section 7.06 of the Indenture, unless the Company shall have obtained indemnity or insurance in lieu thereof from such government;

(f) any Compulsory Acquisition;

(g) as a result of any law, rule, regulation, order or other action by the FAA or other government of the country of registry, the use of the Aircraft or Airframe in the normal business of air transportation shall have been prohibited by virtue of a condition affecting all aircraft of the same type for a period of 18 consecutive months, unless the Company shall be diligently carrying forward all steps that are necessary or desirable to permit the normal use of the Aircraft or Airframe or, in any event, if such use shall have been prohibited for a period of three consecutive years; and

(h) with respect to an Engine only, any divestiture of title to or interest in an Engine or any event with respect to an Engine that is deemed to be an Event of Loss with respect to such Engine pursuant to Section 7.02(a)(vii) of the Indenture.

An Event of Loss with respect to the Aircraft shall be deemed to have occurred if an Event of Loss occurs with respect to the Airframe unless the Company elects to substitute a Replacement Airframe pursuant to Section 7.05(a)(i) of the Indenture.

"FAA" means the United States Federal Aviation Administration and any agency or instrumentality of the United States government succeeding to its functions.

"FAA Bill of Sale" means, collectively, (a) the bill of sale for the Aircraft on AC Form 8050-2, executed by the Manufacturer in favor of Boeing Domestic Sales Corporation and recorded with the FAA and (b) the bill of sale for the Aircraft on AC Form 8050-2, executed by Boeing Domestic Sales Corporation in favor of the Company and recorded with the FAA.

"Federal Funds 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 such day (or, if such day is not a Business Day, for the next 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 State Street from three Federal funds brokers of recognized standing selected by it.

"Government" means the government of any of Canada, France, Germany, Japan, The Netherlands, Sweden, Switzerland, the United Kingdom or the United States and any instrumentality or agency thereof.

"Indemnatee" has the meaning specified in Section 4.02(b) of the Participation Agreement.

"Indenture" means that certain Indenture and Security Agreement, dated as of the Closing Date, between the Company and the Loan Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms, including by an Indenture Refunding Amendment or an Indenture Supplement.

"Indenture Indemnatee" means (i) the Loan Trustee, (ii) State Street, (iii) so long as it holds any Equipment Note as agent and trustee of any Pass Through Trustee, the Subordination Agent, (iv) each Liquidity Provider and the Policy Provider and (v) so long as it is the holder of any Equipment Notes, each Pass Through Trustee and each of their respective directors, officers, employees, agents and servants. No holder of a Pass Through Certificate in its capacity as such shall be an Indenture Indemnatee.

"Indenture Refunding Amendment" means an amendment to the Indenture entered into for purposes of effecting a Refunding.

"Indenture Supplement" means a supplement to the Indenture, substantially in the form of Exhibit A to the Indenture, which shall particularly describe the Aircraft, and any Replacement Airframe and/or Replacement Engine included in the property subject to the Lien of the Indenture.

"Intercreditor Agreement" means that certain Intercreditor Agreement, dated as of the Closing Date, among the Pass Through Trustees, the Liquidity Providers, the Policy Provider and the Subordination Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Interest Period" means (i) in the case of the first Interest Period, the period commencing on (and including) the Closing Date and ending on (but excluding) the first Payment Date following the Closing Date and (ii) in the case of each subsequent Interest Period, the period commencing on (and including) the last day of the immediately preceding Interest Period, and ending on (but excluding) the next Payment Date.

"Interest Rate Determination Date" means, with respect to any Interest Period, the second Business Day prior to the first day of such Interest Period.

"Interests" has the meaning specified in Section 7.06(a) of the Indenture.

"Lease" means any lease permitted by the terms of Section 7.02(a) of the Indenture.

"LIBOR" means, with respect to any period, LIBOR for such period as determined pursuant to the Reference Agency Agreement.

"Lien" means any mortgage, pledge, lien, charge, claim, encumbrance, lease, sublease, sub-sublease or security interest.

"Liquidity Facilities" means, collectively, the Above-Cap Liquidity Agreement and the Primary Liquidity Facilities.

"Liquidity Provider" means, at any time, any Primary Liquidity Provider or the Above-Cap Liquidity Provider, as applicable.

"Loan Amount" has the meaning specified in Section 7.06(b) of the Indenture.

"Loan Trustee" has the meaning specified in the introductory paragraph of the Indenture.

"Loan Trustee Liens" means any Lien attributable to State Street or the Loan Trustee with respect to the Aircraft, any interest therein or any other portion of the Collateral arising as a result of (i) claims against State Street or the Loan Trustee not related to its interest in the Aircraft or the administration of the Collateral pursuant to the Indenture, (ii) acts of State Street or the Loan Trustee not permitted by, or the failure of State Street or the Loan Trustee to take any action required by, the Operative Documents or the Pass Through Documents, (iii) claims against State Street or the Loan Trustee relating to Taxes or Claims that are excluded from the indemnification provided by Section 4.02 of the Participation Agreement pursuant to said Section 4.02 or (iv) claims against State Street or the Loan Trustee arising out of the transfer by any such party of all or any portion of its interest in the Aircraft, the Collateral, the Operative Documents or the Pass Through Documents, except while an Event of Default is continuing and prior to the time that the Loan Trustee has received all amounts due to it pursuant to the Indenture.

"Loss Payment Date" has the meaning specified in Section 7.05(a) of the Indenture.

"Majority in Interest of Noteholders" means, as of a particular date of determination and subject to Section 2.16 of the Indenture, the holders of at least a majority in aggregate unpaid principal amount of all Equipment Notes outstanding as of such date (excluding any Equipment Notes held by the Company, any affiliate thereof or a Pass Through Trust the pass through

certificates issued by which are owned, directly or indirectly, by the Company, unless all Equipment Notes are held by the Company, any affiliate thereof or a Pass Through Trust the pass through certificates issued by which are owned, directly or indirectly, by the Company).

"Make-Whole Amount" means: (a) with respect to any Original Series C Equipment Note or Original Series D Equipment Note, the amount (as determined by an investment bank of national standing selected by the Company), if any, by which (i) the present value of the remaining scheduled payments of principal and interest from the redemption date to maturity of such Equipment Note computed by discounting each such payment on a semiannual basis from its respective Payment Date (assuming a 360-day year of twelve 30-day months) using a discount rate equal to the Treasury Yield exceeds (ii) the outstanding principal amount of such Equipment Note plus accrued but unpaid interest thereon to the date of redemption; (b) with respect to any New Series C Equipment Note, New Series D Equipment Note or Second New Series D Equipment Note, the amount computed in the manner set forth in an Indenture Refunding Amendment applicable to such Series; and (c) with respect to any Series E Equipment Note, the amount computed in the manner set forth in an amendment to the Indenture at the time of issuance of the Series E Equipment Notes. For purposes of determining the Make-Whole Amount, "Treasury Yield" means, at the time of determination, the interest rate (expressed as a quarterly equivalent and as a decimal and, in the case of United States Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the quarterly yield to maturity for United States Treasury securities maturing on the Average Life Date and trading in the public securities market either as determined by interpolation between the most recent weekly average yield to maturity for two series of United States Treasury securities trading in the public securities markets, (A) one maturing as close as possible to, but earlier than, the Average Life Date and (B) the other maturing as close as possible to, but later than, the Average Life Date, in each case as published in the most recent H.15(519) or, if a weekly average yield to maturity for United States Treasury securities maturing on the Average Life Date is reported on the most recent H.15(519), such weekly average yield to maturity as published in such H.15(519). "H.15(519)" means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the Federal Reserve System. The date of determination of a Make-Whole Amount shall be the third Business Day prior to the applicable redemption date and the "most recent H.15(519)" means the H.15(519) published prior to the close of business on the third Business Day prior to the applicable redemption date. "Average Life Date" means, for each Equipment Note to be redeemed, the date which follows the redemption date by a period equal to the Remaining Weighted Average Life at the redemption date of such Equipment Note. "Remaining Weighted Average Life" of an Equipment Note, at the redemption date of such Equipment Note, means the number of days equal to the quotient obtained by dividing: (i) the sum of the products obtained by multiplying (A) the amount of each then remaining installment of principal, including

the payment due on the maturity date of such Equipment Note, by (B) the number of days from and including the redemption date to but excluding the scheduled payment date of such principal installment by (ii) the then unpaid principal amount of such Equipment Note.

"Manufacturer" means The Boeing Company, a Delaware corporation, and its successors and assigns.

"Manufacturer's Consent" means the Manufacturer's Consent and Agreement to Assignment of Warranties, dated as of the Closing Date, substantially in the form of Exhibit E to the Participation Agreement.

"Mortgage Convention" means the Convention on the International Recognition of Rights in Aircraft as in effect on the date hereof or as hereafter amended, modified or supplemented.

"New Series" has the meaning specified in Exhibit A to the Intercreditor Agreement.

"New Series C Equipment Notes" means Equipment Notes that are issued as a New Series in connection with a Refunding of the Original Series C Equipment Notes, in the original principal amount and maturities and bearing interest as specified in Schedule I to the applicable Indenture Refunding Amendment under the heading "Series C Equipment Notes".

"New Series D Equipment Notes" means Equipment Notes that are issued as a New Series in connection with a Refunding of the Original Series D Equipment Notes, in the original principal amount and maturities and bearing interest as specified in Schedule I to the applicable Indenture Refunding Amendment under the heading "Series D Equipment Notes".

"New Trust" has the meaning specified in Exhibit A to the Intercreditor Agreement.

"Noteholder" means any Person in whose name an Equipment Note is registered on the Equipment Note Register (including, for so long as it is the registered holder of any Equipment Notes, the Subordination Agent on behalf of the Pass Through Trustees pursuant to the provisions of the Intercreditor Agreement).

"Noteholder Liens" means any Lien attributable to any Noteholder on or against the Aircraft, any interest therein or any portion of the Collateral, arising out of any claim against such Noteholder that is not related to the Operative Documents or Pass Through Documents, or out of any act or omission of such Noteholder that is not related to the transactions contemplated by, or that

constitutes a breach by such Noteholder of its obligations under, the Operative Documents or the Pass Through Documents.

"Operative Documents" means, collectively, the Participation Agreement, the Indenture, each Indenture Supplement, the Manufacturer's Consent and the Equipment Notes.

"Original Series C Equipment Notes" means Equipment Notes issued on the Closing Date and designated as "Series C Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in Schedule I to the Indenture under the heading "Series C Equipment Notes."

"Original Series D Equipment Notes" means Equipment Notes issued on the Closing Date and designated as "Series D Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in Schedule I to the Indenture under the heading "Series D Equipment Notes."

"Other Party Liens" means any Lien attributable to the Pass Through Trustee (other than in its capacity as Noteholder), the Subordination Agent (other than in its capacity as Noteholder), any Liquidity Provider or the Policy Provider on or against the Aircraft, any interest therein, or any portion of the Collateral arising out of any claim against such party that is not related to the Operative Documents or Pass Through Documents, or out of any act or omission of such party that is not related to the transactions contemplated by, or that constitutes a breach by such party of its obligations under, the Operative Documents or the Pass Through Documents.

"Participation Agreement" has the meaning set forth under the definition of "Agreement".

"Parts" means any and all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature (other than (a) complete Engines or engines, (b) any items leased by the Company or any Permitted Lessee, (c) cargo containers and (d) components or systems installed on or affixed to the Airframe that are used to provide individual telecommunications or electronic entertainment to passengers aboard the Aircraft) so long as the same shall be incorporated or installed in or attached to the Airframe or any Engine or so long as the same shall be subject to the Lien of the Indenture in accordance with the terms of Section 7.04 thereof after removal from the Airframe or any such Engine.

"Pass Through Certificates" means the pass through certificates issued by the Pass Through Trustees.



"Pass Through Documents" means the Pass Through Trust Agreements, the Intercreditor Agreement, the Liquidity Facilities, the Policy Provider Agreement and the Policy.

"Pass Through Trust" means each of the separate grantor trusts then holding Equipment Notes, which grantor trusts have been or will be created pursuant to the Pass Through Trust Agreements to facilitate certain of the transactions contemplated by the Operative Documents.

"Pass Through Trust Agreement" means each of the separate Trust Supplements relating to the Pass Through Trusts, together in each case with the Basic Pass Through Trust Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Pass Through Trustee" has the meaning specified in the introductory paragraph to the Participation Agreement and also includes any New Trustee (as defined in Exhibit A to the Intercreditor Agreement).

"Pass Through Trustees" means, collectively, the Pass Through Trustees under each Pass Through Trust Agreement.

"Past Due Rate" means, with respect to a particular Series, a rate per annum equal to the then applicable Debt Rate plus 1% and, in any case other than with respect to a particular Series, the Debt Rate for the Series G Equipment Notes plus 1%.

"Payment Date" means, for any Equipment Note, each March 23, June 23, September 23 and December 23 commencing with December 23, 2002 (or, in the case of a Series G Note, if any such day is not a Business Day, the immediately succeeding Business Day).

"Payment Default" means the occurrence of an event that would give rise to an Event of Default under Section 4.01(a) of the Indenture upon the giving of notice or the passing of time or both.

"Permitted Investments" means each of (a) direct obligations of the United States and agencies thereof; (b) obligations fully guaranteed by the United States; (c) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States or one of the states thereof having combined capital and surplus and retained earnings of at least \$100,000,000 and having a rating of A, its equivalent or better by Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P") (or,

if neither such organization shall rate such institution at any time, by any nationally recognized rating organization in the United States); (d) commercial paper of any holding company of a bank, trust company or national banking association described in clause (c); (e) commercial paper of companies having a rating assigned to such commercial paper by either Moody's or S&P (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States) equal to either of the two highest ratings assigned by such organization; (f) Dollar-denominated certificates of deposit issued by, or time deposits with, the European subsidiaries of (i) any bank, trust company or national banking association described in clause (c), or (ii) any other bank or financial institution described in clause (h) or (i) below; (g) United States-issued Yankee certificates of deposit issued by, or bankers' acceptances of, or commercial paper issued by, any bank having combined capital and surplus and retained earnings of at least \$100,000,000 and headquartered in Canada, Japan, the United Kingdom, France, Germany, Switzerland or The Netherlands and having a rating of A, its equivalent or better by Moody's or S&P (or, if neither such organization shall rate such institution at any time, by any nationally recognized rating organization in the United States); (h) Dollar-denominated time deposits with any Canadian bank having a combined capital and surplus and retained earnings of at least \$100,000,000 and having a rating of A, its equivalent or better by Moody's or S&P (or, if neither such organization shall rate such institution at any time, by any nationally recognized rating organization in the United States); (i) Canadian Treasury Bills fully hedged to Dollars; (j) repurchase agreements with any financial institution having combined capital and surplus and retained earnings of at least \$100,000,000 collateralized by transfer of possession of any of the obligations described in clauses (a) through (i) above; (k) bonds, notes or other obligations of any state of the United States, or any political subdivision of any state, or any agencies or other instrumentalities of any such state, including, but not limited to, industrial development bonds, pollution control revenue bonds, public power bonds, housing bonds, other revenue bonds or any general obligation bonds, provided that, at the time of their purchase, such obligations are rated A, its equivalent or better by Moody's or S&P (or, if neither such organization shall rate such obligations at any time, by any nationally recognized rating organization in the United States); (l) bonds or other debt instruments of any company, if such bonds or other debt instruments, at the time of their purchase, are rated A, its equivalent or better by Moody's or S&P (or, if neither such organization shall rate such obligations at such time, by any nationally recognized rating organization in the United States); (m) mortgage backed securities guaranteed by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association or rated AAA, its equivalent or better by Moody's or S&P (or, if neither such organization shall rate such obligations at any time, by any nationally recognized rating organization in the United States) or, if unrated, deemed to be of a comparable quality by the Loan Trustee; (n) asset-backed securities rated A, its equivalent or better by Moody's or S&P (or, if neither such organization shall rate such obligations

at any time, by any nationally recognized rating organization in the United States) or, if unrated, deemed to be of a comparable quality by the Loan Trustee; and (o) such other investments approved in writing by the Loan Trustee; provided that, the instruments described in the foregoing clauses shall have a maturity no later than the earliest date when such investments may be required for distribution. Any of the investments described herein may be made through or with, as applicable, the bank acting as Pass Through Trustee or Loan Trustee or any of their affiliates.

"Permitted Lessee" means any Person to whom the Company is permitted to lease the Airframe or any Engine pursuant to Section 7.02(a) of the Indenture.

"Permitted Lien" has the meaning specified in Section 7.01 of the Indenture.

"Person" means any person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof.

"Policy" means the Financial Guaranty Insurance Policy No. 37875, issued as of the Closing Date by the Policy Provider in favor of the Subordination Agent, for the benefit of the Class G Certificateholders (as defined in the Intercreditor Agreement), as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Policy Provider" means MBIA Insurance Corporation, a New York-domiciled stock insurance company.

"Policy Provider Agreement" means the Insurance and Indemnity Agreement, dated as of the Closing Date, among the Company, the Subordination Agent, the Class G Trustee and the Policy Provider, including the related Policy Provider Fee Letter referred to therein, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Prepayment Premium" is defined in Schedule I to the Indenture.

"Primary Liquidity Facilities" means the two Revolving Credit Agreements, each dated as of the Closing Date, each between the Subordination Agent, as agent and trustee for the applicable Pass Through Trust, and the initial Primary Liquidity Provider, and from and after the replacement of either such agreement pursuant to the Intercreditor Agreement (including any replacement of the Revolving Credit Agreement relating to the Pass Through Trust holding the Original Series C Equipment Notes in connection with a Refunding thereof), the Replacement Primary Liquidity

Facility (as defined in the Intercreditor Agreement) therefor, if any, in each case as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Primary Liquidity Provider" means WestLB AG, a joint stock company organized under the laws of Germany, acting through its New York Branch, or any Replacement Primary Liquidity Provider (as defined in the Intercreditor Agreement) that has issued a Replacement Primary Liquidity Facility (as defined in the Intercreditor Agreement) to replace a Primary Liquidity Facility pursuant to the Intercreditor Agreement.

"Purchase Agreement" means the Purchase Agreement as described in Schedule I to the Participation Agreement.

"Rating Agencies" has the meaning specified in the Intercreditor Agreement.

"Ratings Confirmation" has the meaning specified in the Intercreditor Agreement.

"Reference Agency Agreement" means the Reference Agency Agreement, dated as of the Closing Date, among State Street, as reference agent thereunder, the Subordination Agent, the Loan Trustee and the Company.

"Reference Agent" means State Street as reference agent under the Reference Agency Agreement, and any entity which may from time to time be acting as reference agent under the Reference Agency Agreement.

"Refunding" has the meaning specified in Exhibit A to the Intercreditor Agreement.

"Related Indemnitee Group" has the meaning specified in Section 4.02(b) of the Participation Agreement.

"Replacement Aircraft" means the Aircraft of which a Replacement Airframe is part.

"Replacement Airframe" means a Boeing aircraft of the model further described in Annex A to the Indenture Supplement dated the Closing Date or a comparable or improved model of the Manufacturer (except (a) Engines or engines from time to time installed thereon and any and all Parts related to such Engine or engines and (b) items excluded from the definition of Parts (except Engines or engines)), that shall have been made subject to the Lien of the Indenture pursuant to Section 7.05 thereof, together with all Parts relating to such aircraft.

"Replacement Engine" means an engine of the make and model specified in Annex A to the Indenture Supplement dated the Closing Date (or an engine of the same or another manufacturer of a comparable or an improved model and suitable for installation and use on the Airframe with the other Engine (or any other Replacement Engine being substituted simultaneously therewith)) that shall have been made subject to the Lien of the Indenture pursuant to Section 7.04 or Section 7.05 thereof, together with all Parts relating to such engine.

"Responsible Officer" means, with respect to the Company, its Chairman of the Board, its President, any Senior Vice President, the Chief Financial Officer, any Vice President, the Treasurer, the Secretary or any other management employee (a) whose power to take the action in question has been authorized, directly or indirectly, by the Board of Directors of the Company, (b) working under the supervision of such Chairman of the Board, President, Senior Vice President, Chief Financial Officer, Vice President, Treasurer or Secretary and (c) whose responsibilities include the administration of the transactions and agreements contemplated by the Participation Agreement and the Indenture.

"Second New Series D Equipment Notes" means Equipment Notes that are issued as a New Series in connection with a Refunding of any American New Series D Equipment Notes, in the original principal amount and maturities and bearing interest as specified in Schedule I to the applicable Indenture Refunding Amendment.

"Section 1110" means Section 1110 of the Bankruptcy Code, as in effect on the Closing Date or any successor or analogous section of the federal bankruptcy law in effect from time to time.

"Secured Obligations" has the meaning specified in Section 2.06 of the Indenture.

"Series" means any series of Equipment Notes, including the Series G Equipment Notes, the Series C Equipment Notes, the Series D Equipment Notes or the Series E Equipment Notes.

"Series C Equipment Notes" means the Original Series C Equipment Notes or, following a Refunding of the Original Series C Equipment Notes, New Series C Equipment Notes.

"Series D Equipment Notes" means (a) the Original Series D Equipment Notes, or (b) following a Refunding of the Original Series D Equipment Notes, the New Series D Equipment Notes, or (c), following a Refunding of the American New Series D Equipment Notes, the Second New Series D Equipment Notes.

"Series E Equipment Notes" means Equipment Notes, if any, issued and designated as "Series E Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in an amendment to the Indenture at the time of issuance of the Series E Equipment Notes.

"Series G Equipment Notes" means Equipment Notes issued and designated as "Series G Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in Schedule I to the Indenture under the heading "Series G Equipment Notes."

"State Street" has the meaning specified in the introductory paragraph to the Participation Agreement.

"Subordination Agent" has the meaning specified in the introductory paragraph to the Participation Agreement.

"Tax" and "Taxes" means all governmental fees (including, without limitation, license, filing and registration fees) and all taxes (including, without limitation, franchise, excise, stamp, value added, income, gross receipts, sales, use and property taxes), withholdings, assessments, levies, imposts, duties or charges, of any nature whatsoever, together with any related penalties, fines, additions to tax or interest thereon imposed, withheld, levied or assessed by any country, taxing authority or governmental subdivision thereof or therein or by any international authority, including any taxes imposed on any Person as a result of such Person being required to collect and pay over withholding taxes.

"Transportation Code" means that portion of Title 49 of the United States Code comprising those provisions formerly referred to as the Federal Aviation Act of 1958, as amended, or any subsequent legislation that amends, supplements or supersedes such provisions.

"Trust Supplements" means those agreements supplemental to the Basic Pass Through Trust Agreement referred to in Schedule II to the Participation Agreement.

"Underwriting Agreement" means that certain Underwriting Agreement, dated as of September 17, 2002, among the Company and the underwriters named therein, relating to the purchase of the Class G Certificates (as defined in the Intercreditor Agreement) by such underwriters, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"United States" means the United States of America.

"U.S. Government Obligations" means securities that are direct obligations of the United States for the payment of which its full faith and credit is pledged which are not callable or redeemable, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligations or a specific payment of interest on or principal of any such U.S. Government Obligations held by such custodian for the account of the holder of a depository receipt so long as such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of interest on or principal of the U.S. Government Obligations evidenced by such depository receipt.

"Warranty Bill of Sale" means, collectively, (a) the warranty (as to title) bill of sale covering the Aircraft, executed by the Manufacturer in favor of Boeing Domestic Sales Corporation and specifically referring to each Engine, as well as the Airframe, constituting a part of the Aircraft and (b) the warranty (as to title) bill of sale covering the Aircraft, executed by Boeing Domestic Sales Corporation in favor of the Company and specifically referring to each Engine, as well as the Airframe, constituting a part of the Aircraft.

"Warranty Rights" means the Warranty Rights as described in Schedule I to the Participation Agreement.

INDENTURE AND SECURITY AGREEMENT

Dated as of September 24, 2002

between

AMERICAN AIRLINES, INC.,

and

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
as Loan Trustee

One Boeing 757-223 Aircraft  
U.S. Registration No. N604AA



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INDENTURE AND SECURITY AGREEMENT

This INDENTURE AND SECURITY AGREEMENT, dated as of September 24, 2002 is made by and between AMERICAN AIRLINES, INC., a Delaware corporation (together with its successors and permitted assigns, the "Company"), and STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association, as Loan Trustee hereunder (together with its permitted successors hereunder, the "Loan Trustee").

W I T N E S S E T H:

WHEREAS, the parties desire by this Indenture (such term and other capitalized terms used herein without definition being defined as provided in Article I), among other things, to provide for (i) the issuance by the Company of the Equipment Notes and (ii) the assignment, mortgage and pledge by the Company to the Loan Trustee, as part of the Collateral hereunder, among other things, of all of the Company's estate, right, title and interest in and to the Aircraft, as security for, among other things, the Company's obligations to the Loan Trustee, for the ratable benefit and security of the Noteholders, subject to Section 2.13 and Article III;

WHEREAS, all things have been done to make the Equipment Notes, when executed by the Company and authenticated and delivered by the Loan Trustee hereunder, the valid, binding and enforceable obligations of the Company; and

WHEREAS, all things necessary to make this Indenture a legal, valid and binding obligation of the Company for the uses and purposes herein set forth, in accordance with its terms, have been done and performed and have occurred;

GRANTING CLAUSE

NOW, THEREFORE, to secure the prompt and complete payment (whether at stated maturity, by acceleration or otherwise) of principal of, interest on, and Break Amount, if any, Prepayment Premium, if any, and Make-Whole Amount, if any, with respect to, the Equipment Notes and all other amounts payable by the Company under the Operative Documents and the performance and observance by the Company of all the agreements and covenants to be performed or observed by the Company for the benefit of the Noteholders and the Indenture Indemnitees contained in the Operative Documents, and in consideration of the premises and of the covenants contained in the Operative Documents, and for other good and valuable consideration given by the Loan Trustee, the Noteholders and the Indenture Indemnitees to the Company at or before the Closing Date, the receipt of which is hereby acknowledged, the Company does hereby grant, bargain, sell, convey, transfer, mortgage, assign, pledge and confirm unto the Loan Trustee and its successors in trust and permitted assigns, for the security and benefit of the Loan Trustee, the Noteholders and the Indenture Indemnitees, a first priority security interest in, and mortgage lien on, all estate, right, title and interest of the Company in, to and under, all and singular, the following

described properties, rights, interests and privileges whether now owned or hereafter acquired (hereinafter sometimes referred to as the "Collateral"):

(1) the Aircraft, including the Airframe and the Engines, whether or not any such Engine may from time to time be installed on the Airframe or any other airframe or any other aircraft, and any and all Parts relating thereto, and, to the extent provided herein, all substitutions and replacements of, and additions, improvements, accessions and accumulations to, the Aircraft, including the Airframe, the Engines and any and all Parts (in each case other than any substitutions, replacements, additions, improvements, accessions and accumulations that constitute items excluded from the definition of Parts by clauses (b), (c) and (d) thereof) relating thereto (such Airframe and Engines as more particularly described in the Indenture Supplement executed and delivered with respect to the Aircraft on the Closing Date or with respect to any substitutions or replacements therefor), and together with all flight records, logs, manuals, maintenance data and inspection, modification and overhaul records and other documents at any time required to be maintained with respect to the foregoing, in accordance with the rules and regulations of the FAA if the Aircraft is registered under the laws of the United States or the rules and regulations of the government of the country of registry if the Aircraft is registered under the laws of a jurisdiction other than the United States;

(2) the Warranty Rights, together with all rights, powers, privileges, options and other benefits of the Company under the same;

(3) all requisition proceeds with respect to the Aircraft or any Part thereof, and all insurance proceeds with respect to the Aircraft or any Part thereof, but excluding all proceeds of, and rights under, any insurance maintained by the Company and not required under Section 7.06(b);

(4) all moneys and securities now or hereafter paid or deposited or required to be paid or deposited to or with the Loan Trustee by or for the account of the Company pursuant to any term of any Operative Document and held or required to be held by the Loan Trustee hereunder or thereunder; and

(5) all proceeds of the foregoing;

PROVIDED, HOWEVER, that notwithstanding any of the foregoing provisions, so long as no Event of Default shall have occurred and be continuing, the Company shall have the right, to the exclusion of the Loan Trustee, (i) to quiet enjoyment of the Aircraft, the Airframe, the Parts and the Engines, and to possess, use, retain and control the Aircraft, the Airframe, the Parts and the Engines and all revenues, income and profits derived therefrom and (ii) with respect to the Warranty Rights, to exercise in the Company's name all rights and powers of the Buyer (as defined in the Purchase Agreement) under the Warranty Rights and to retain any recovery or benefit resulting from the

enforcement of any warranty or indemnity or other obligation under the Warranty Rights; provided, further, that notwithstanding the occurrence and continuation of an Event of Default, the Loan Trustee shall not enter into any amendment or modification of the Purchase Agreement that would alter the rights, benefits or obligations of the Company thereunder;

TO HAVE AND TO HOLD all and singular the aforesaid property unto the Loan Trustee, and its successors and permitted assigns, in trust for the ratable benefit and security of the Noteholders and the Indenture Indemnitees, except as otherwise provided in this Indenture, including Section 2.13 and Article III, without any preference, distinction or priority of any one Equipment Note over any other by reason of priority of time of issue, sale, negotiation, date of maturity thereof or otherwise for any reason whatsoever, and for the uses and purposes and in all cases and as to all property specified in paragraphs (1) through (5) inclusive above, subject to the terms and provisions set forth in this Indenture.

It is expressly agreed that notwithstanding anything herein to the contrary, the Company shall remain liable under the Purchase Agreement to perform all of its obligations thereunder, and, except to the extent expressly provided in any Operative Document, none of the Loan Trustee, any Noteholders or any Indenture Indemnitee shall be required or obligated in any manner to perform or fulfill any obligations of the Company under or pursuant to any thereof, or to make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim or take any action to collect or enforce the payment of any amount that may have been assigned to it or to which it may be entitled at any time or times.

Notwithstanding anything herein to the contrary (but without in any way releasing the Company from any of its duties or obligations under the Purchase Agreement), the Loan Trustee, the Noteholders and the Indenture Indemnitees confirm for the benefit of the Manufacturer that in exercising any rights under the Warranty Rights, or in making any claim with respect to the Aircraft or other goods and services delivered or to be delivered pursuant to the Purchase Agreement, the terms and conditions of the Purchase Agreement relating to the Warranty Rights, including, without limitation, the warranty disclaimer provisions for the benefit of the Manufacturer, shall apply to and be binding upon the Loan Trustee, the Noteholders and the Indenture Indemnitees to the same extent as the Company. The Company hereby directs the Manufacturer, so long as an Event of Default shall have occurred and be continuing, to pay all amounts, if any, payable to the Company pursuant to the Warranty Rights directly to the Loan Trustee to be held and applied as provided herein. Nothing contained herein shall subject the Manufacturer to any liability to which it would not otherwise be subject under the Purchase Agreement or modify in any respect the contract rights of the Manufacturer thereunder except as provided in the Manufacturer's Consent.

The Company does hereby constitute the Loan Trustee the true and lawful attorney of the Company (which appointment is coupled with an interest) with full power (in the name of the Company or otherwise) to ask, require, demand and receive any and all monies and claims for monies (in each case including insurance and requisition proceeds) due and to become due to the

Company under or arising out of the Purchase Agreement (to the extent assigned hereby), and all other property which now or hereafter constitutes part of the Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or to take any action or to institute any proceedings which the Loan Trustee may deem to be necessary or advisable in the premises; provided that the Loan Trustee shall not exercise any such rights except during the continuance of an Event of Default. The Company agrees that promptly upon receipt thereof, to the extent required by the Operative Documents, it will transfer to the Loan Trustee any and all monies from time to time received by the Company constituting part of the Collateral, for distribution by the Loan Trustee pursuant to this Indenture.

The Company does hereby warrant and represent that it has not sold, assigned or pledged, and hereby covenants and agrees that it will not sell, assign or pledge, so long as this Indenture shall remain in effect and the Lien hereof shall not have been released pursuant to the provisions hereof, any of its estate, right, title or interest hereby assigned, to any Person other than the Loan Trustee, except as otherwise provided in or permitted by any Operative Document.

The Company agrees that at any time and from time to time, upon the written request of the Loan Trustee, the Company shall promptly and duly execute and deliver or cause to be duly executed and delivered any and all such further instruments and documents as the Loan Trustee may reasonably deem necessary to perfect, preserve or protect the mortgage, security interests and assignments created or intended to be created hereby or to obtain for the Loan Trustee the full benefit of the assignment hereunder and of the rights and powers herein granted, provided that any instrument or other document so executed by the Company will not expand any obligations or limit any rights of the Company in respect of the transactions contemplated by the Operative Documents.

IT IS HEREBY COVENANTED AND AGREED by and between the parties hereto as follows:

#### ARTICLE I

#### DEFINITIONS

Section 1.01. Definitions. For all purposes of this Indenture, unless the context otherwise requires, capitalized terms used but not defined herein shall have the respective meanings set forth or incorporated by reference in Annex A.

Section 1.02. Other Definitional Provisions.

(a) The definitions stated herein and in Annex A apply equally to both the singular and the plural forms of the terms defined.

(b) All references in this Indenture to designated "Articles", "Sections",



"Subsections", "Schedules", "Exhibits", "Annexes" and other subdivisions are to the designated Article, Section, Subsection, Schedule, Exhibit, Annex or other subdivision of this Indenture, unless otherwise specifically stated.

(c) The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, Subsection, Schedule, Exhibit, 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 Indenture to a "government" are to such government and any instrumentality or agency thereof.

## ARTICLE II

### THE EQUIPMENT NOTES

Section 2.01. Form of Equipment Notes. The Equipment Notes shall be substantially in the form set forth below:

THIS EQUIPMENT NOTE HAS NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR PURSUANT TO THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. ACCORDINGLY, THIS EQUIPMENT NOTE MAY NOT BE OFFERED FOR SALE OR SOLD UNLESS EITHER REGISTERED UNDER THE ACT AND SUCH APPLICABLE STATE OR OTHER LAWS OR EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS ARE AVAILABLE.

AMERICAN AIRLINES, INC.  
SERIES 2002 [\_\_\_\_] EQUIPMENT NOTE DUE [\_\_\_\_]  
ISSUED IN CONNECTION WITH THE BOEING [\_\_\_\_] AIRCRAFT  
BEARING UNITED STATES REGISTRATION NUMBER N[\_\_\_\_]AN

No. \_\_\_\_\_ Date: [\_\_\_\_, \_\_\_\_] \$ \_\_\_\_\_

[DEBT RATE MATURITY DATE  
[\_\_\_\_]](1) [\_\_\_\_, \_\_\_\_]

AMERICAN AIRLINES, INC. (together with its successors and permitted assigns, the "Company") hereby promises to pay to \_\_\_\_\_, or the registered assignee thereof, the principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) [on \_\_\_\_\_](2) [in installments on the Payment Dates set forth in Schedule I hereto, each such installment to be in an amount computed by multiplying the original principal amount of this Equipment Note by the percentage set forth in Schedule I hereto opposite the Payment Date on which such installment is due,](3) and to pay, on each Payment Date, interest in arrears on the principal amount remaining unpaid from time to time from [\_\_\_\_](4) or from the most recent date to which interest has been paid or duly provided for until paid in full at a rate per annum [for each Interest Period equal to the Debt Rate for the Series G Equipment Notes for such Interest Period (calculated on the basis of a year of 360 days and actual days elapsed during the period for which such amount accrues).](5) [(calculated on the basis of a year of 360 days comprised of twelve 30-day months) equal to the Debt Rate shown above.](6) [Interest shall be payable with respect to the first but not the last day of each Interest Period.](5) [Notwithstanding the foregoing, the final payment made on this Equipment Note shall be in an amount sufficient to discharge in full the unpaid principal amount and all accrued and unpaid interest on, and any other amounts due under, this Equipment Note.](3) Notwithstanding anything to the contrary contained herein, if any date on which a payment under this Equipment Note becomes due and payable is not a Business Day, then such payment shall not be made on such scheduled date but shall be made on the next succeeding Business Day [and such extension of time shall be included in the computation of interest

- (1) To be inserted in the case of a Series C or Series D Equipment Note.
- (2) To be inserted in Series C Equipment Notes.
- (3) To be inserted in Series G and Series D Equipment Notes.
- (4) Insert the Closing Date for the Series G, Original Series C and Original Series D Equipment Notes. Insert the closing date of the applicable Refunding for New Series C, New Series D, American New Series D and Second New Series D Equipment Notes.
- (5) To be inserted in the case of a Series G Equipment Note.
- (6) To be inserted in the case of a Series C or Series D Equipment Note.

payable.](7) [and if such payment is made on such next succeeding Business Day, no interest shall accrue on the amount of such payment from and after such scheduled date.](8)

For purposes hereof, the term "Indenture" means the Indenture and Security Agreement, dated as of September \_\_, 2002, between the Company and State Street Bank and Trust Company of Connecticut, National Association, as Loan Trustee (the "Loan Trustee"), as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms. All capitalized terms used in this Equipment Note and not defined herein, unless the context otherwise requires, shall have the respective meanings set forth or incorporated by reference, and shall be construed and interpreted in the manner described, in the Indenture.

This Equipment Note shall bear interest, payable on demand, at the Past Due Rate (and not the Debt Rate) [(calculated on the basis of a year of 360 days and actual days elapsed during the period for which such amount accrues)](7) [(calculated on the basis of a year of 360 days comprised of twelve 30-day months)](8) on any principal amount and (to the extent permitted by applicable law) [Break Amount, if any, Prepayment Premium, if any,](7) [Make-Whole Amount, if any,](8) interest and any other amounts payable hereunder not paid when due for any period during which the same shall be overdue, in each case for the period the same is overdue. Amounts shall be overdue if not paid in the manner provided herein or in the Indenture when due (whether at stated maturity, by acceleration or otherwise).

There shall be maintained an Equipment Note Register for the purpose of registering transfers and exchanges of Equipment Notes at the Corporate Trust Office of the Loan Trustee, or at the office of any successor trustee, in the manner provided in Section 2.07 of the Indenture.

The principal amount and interest and other amounts due hereunder shall be payable in Dollars in immediately available funds at the Corporate Trust Office of the Loan Trustee, or as otherwise provided in the Indenture. The Company shall not have any responsibility for the distribution of any such payment to the Noteholder of this Equipment Note. Each such payment shall be made on the date such payment is due and without any presentment or surrender of this Equipment Note, except that in the case of any final payment with respect to this Equipment Note, the Equipment Note shall be surrendered to the Loan Trustee for cancellation.

The holder hereof, by its acceptance of this Equipment Note, agrees that, except as provided in the Indenture, including the subordination provisions referred to below, each payment of an installment of principal amount, interest [, Break Amount, if any, and

(7) To be inserted in the case of a Series G Equipment Note.

(8) To be inserted in the case of a Series C or Series D Equipment Note.

Prepayment Premium, if any](9) [and Make-Whole Amount, if any](10), received by it hereunder shall be applied: first, [to the payment of accrued interest on this Equipment Note (as well as any interest on any overdue principal amount, and, to the extent permitted by law, any overdue Break Amount, if any, overdue Prepayment Premium, if any, overdue interest and other overdue amounts hereunder) to the date of such payment](9) [to the payment of accrued interest on this Equipment Note (as well as any interest on any overdue principal amount, and, to the extent permitted by law, any overdue Make-Whole Amount, if any, any overdue interest and other overdue amounts hereunder) to the date of such payment](10); second, [to the payment of Break Amount, if any, and Prepayment Premium, if any,](9) [to the payment of Make-Whole Amount, if any](10); third, to the payment of the principal amount of this Equipment Note (or portion hereof) then due, and any other amount then due hereunder or under the Indenture with respect to this Equipment Note; and fourth, the balance remaining thereafter, if any, to the payment of the principal amount of this Equipment Note applied to any scheduled installments in the inverse order of their normal maturity (provided that this Equipment Note shall not be subject to redemption except as provided in Sections 2.10, 2.11 and 2.12 of the Indenture).

This Equipment Note is one of the Equipment Notes referred to in the Indenture which have been or are to be issued by the Company pursuant to the terms of the Indenture. The Collateral is held by the Loan Trustee as security, in part, for the Equipment Notes. The provisions of this Equipment Note are subject to the Indenture and the Participation Agreement. Reference is hereby made to the Indenture and the Participation Agreement for a complete statement of the rights and obligations of the holder of, and the nature and extent of the security for, this Equipment Note and the rights and obligations of the holders of, and the nature and extent of the security for, any other Equipment Notes executed and delivered under the Indenture, to all of which terms and conditions in the Indenture and the Participation Agreement each holder hereof agrees by its acceptance of this Equipment Note.

As provided in the Indenture and subject to certain limitations therein set forth, this Equipment Note is exchangeable for a like aggregate principal amount of Equipment Notes of the same Series of different authorized denominations, as requested by the holder surrendering the same. Prior to the due presentment for registration of transfer of this Equipment Note, the Company and the Loan Trustee shall deem and treat the Person in whose name this Equipment Note is registered on the Equipment Note Register as the absolute owner and holder hereof for the purpose of receiving all amounts payable with respect to this Equipment Note and for all purposes, and neither of the Company nor the Loan Trustee shall be affected by notice to the contrary.

This Equipment Note is subject to redemption as provided in Sections 2.10, 2.11 and

- (9) To be inserted in the case of a Series G Equipment Note.
- (10) To be inserted in the case of a Series C or Series D Equipment Note.

2.12 of the Indenture but not otherwise.

The indebtedness evidenced by this Equipment Note [shall rank in right of payment equally with all other Series G Equipment Notes and shall rank senior in right of payment to Series C Equipment Notes and Series D Equipment Notes.](11) [is, to the extent and in the manner provided in the Indenture, subordinate and subject in right of payment to the prior payment in full of the Secured Obligations (as defined in the Indenture) in respect of](12) [Series G Equipment Notes](13) [Series G Equipment Notes and Series C Equipment Notes](14) [Series G Equipment Notes, Series C Equipment Notes and Series D Equipment Notes](15) and this Equipment Note is issued subject to such provisions. The Noteholder of this Equipment Note, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Loan Trustee on such Noteholder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Indenture and (c) appoints the Loan Trustee such Noteholder's attorney-in-fact for such purpose.

[Without limiting the foregoing, the](16) [The](17) Noteholder of this Equipment Note, by accepting the same, agrees that if such Noteholder, in its capacity as a Noteholder, shall receive any payment or distribution on any Secured Obligation in respect of this Equipment Note that it is not entitled to receive under Section 2.13 or Article III of the Indenture, it shall hold any amount so received in trust for the Loan Trustee and forthwith turn over such amount to the Loan Trustee in the form received to be applied as provided in Article III of the Indenture.

Unless the certificate of authentication hereon has been executed by or on behalf of the Loan Trustee by manual signature, this Equipment Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

THIS EQUIPMENT NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

IN WITNESS WHEREOF, the Company has caused this Equipment Note to be executed in its corporate name by its officer thereunto duly authorized on the date hereof.

- (11) To be inserted in the case of a Series G Equipment Note.
- (12) To be inserted in the case of a Series C, Series D or Series E Equipment Note.
- (13) To be inserted in the case of a Series C Equipment Note.
- (14) To be inserted in the case of a Series D Equipment Note.
- (15) To be inserted in the case of a Series E Equipment Note.
- (16) To be inserted in the case of a Series C, Series D, or Series E Equipment Note.
- (17) To be inserted in the case of a Series G Equipment Note.

AMERICAN AIRLINES, INC.

By:.....  
Name:  
Title:

LOAN TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Equipment Notes referred to in the within-mentioned Indenture.

[-----]  
not in its individual capacity but solely as  
Loan Trustee

By: .....  
Name:  
Title:

SCHEDULE I(18)

EQUIPMENT NOTE AMORTIZATION

Payment Date	Percentage of Original Principal Amount to be Paid
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[SEE "EQUIPMENT NOTES AMORTIZATION" ON SCHEDULE I TO  
INDENTURE WHICH IS TO BE INSERTED UPON ISSUANCE]

\* \* \*

Section 2.02. Issuance and Terms of Equipment Notes. The Equipment Notes shall be dated the date of issuance thereof, shall be issued in (a) separate series consisting of Series G Equipment Notes, Series C Equipment Notes, Series D Equipment Notes and, if issued, Series E Equipment Notes and (b) the maturities and principal amounts and shall bear interest at the applicable Debt Rates specified in Schedule I (or, in the case of a New Series C Equipment Note, a New Series D Equipment Note or a Second New Series D Equipment Note, as specified in the applicable Indenture Refunding Amendment or, in the case of a Series E Equipment Note issued after the Closing Date, as specified in an amendment to this Indenture). On the Closing Date, each Series G Equipment Note, Series C Equipment Note and Series D Equipment Note shall be issued to the Subordination Agent on behalf of each of the Pass Through Trustees for the Pass Through Trusts created under the Pass Through Trust Agreements referred to in Schedule II. Any New Series C Equipment Notes, New Series D Equipment Notes and Second New Series D Equipment Notes issued as contemplated by Section 2.11(b) shall be issued to the Subordination Agent on the closing date of the applicable Refunding. Subject to complying with the conditions set forth in Section 6.02(g) of the Participation Agreement, the Company shall have the option to issue Series E Equipment Notes at or after the Closing Date. The Equipment Notes shall be issued in registered form only. The Equipment Notes shall be issued in denominations of \$1,000 and integral multiples thereof, except that one Equipment Note of each Series may be in an amount that is not an integral multiple of \$1,000.

Each Equipment Note shall bear interest, in the case of the Series G Equipment Notes, at the Debt Rate for each Interest Period for such Series, and, in the case of Series C Equipment Notes and Series D Equipment Notes, at the Debt Rate specified for such Series (in the case of the Series G Equipment Notes, calculated on the basis of a year of 360 days and actual days elapsed during the period for which such amount accrues, and in the case of the Series C

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18 To be inserted in installment Equipment Notes.

Equipment Notes and the Series D Equipment Notes, calculated on the basis of a year of 360 days comprised of twelve 30-day months), payable in arrears on each Payment Date on the unpaid principal amount thereof from time to time outstanding until such principal amount is paid in full, as further provided in the form of Equipment Note set forth in Section 2.01. Interest shall be payable with respect to the first but not the last day of each Interest Period for the Series G Equipment Notes. The principal amount of each Series G Equipment Note and Series D Equipment Note shall be payable in installments on the Payment Dates set forth in Schedule I to such Equipment Note, each such installment to be in an amount computed by multiplying the original principal amount of such Equipment Note by the corresponding percentage set forth in Schedule I hereto applicable to such Series, the applicable portion of which shall be attached as Schedule I to such Equipment Note, opposite the Payment Date on which such installment is due. The principal amount of each Series C Equipment Note shall be due in a single payment on September 23, 2007. The principal amount of each New Series C Equipment Note, New Series D Equipment Note and Second New Series D Equipment Note shall be payable as specified in the applicable Indenture Refunding Amendment. Each Series E Equipment Note shall be payable in installments or in a single payment as set forth in an amendment to this Indenture, and if payable in installments, such installments shall be calculated as set forth in the third preceding sentence. Notwithstanding the foregoing, the final payment made under each Series G Equipment Note, Series C Equipment Note and Series D Equipment Note shall be in an amount sufficient to discharge in full the unpaid principal amount and all accrued and unpaid interest on, and any other amounts due under, such Equipment Note. Each Equipment Note shall bear interest, payable on demand, at the Past Due Rate (and not at the Debt Rate) (in the case of the Series G Equipment Notes, calculated on the basis of a year of 360 days and actual days elapsed during the period for which such amount accrues, and in the case of the Series C Equipment Notes and the Series D Equipment Notes calculated on the basis of a year of 360 days comprised of twelve 30-day months) on any principal amount and (to the extent permitted by applicable law), Break Amount, if any, Prepayment Premium, if any, Make Whole Amount, if any, interest and any other amounts payable thereunder not paid when due for any period during which the same shall be overdue, in each case for the period the same is overdue. Amounts shall be overdue under an Equipment Note if not paid in the manner provided therein or in this Indenture when due (whether at stated maturity, by acceleration or otherwise). Notwithstanding anything to the contrary contained herein, if any date on which a payment hereunder or under any Equipment Note becomes due and payable is not a Business Day, then such payment shall not be made on such scheduled date but shall be made on the next succeeding Business Day, and in the case of a Series G Equipment Note, such extension of time shall be included in the computation of interest payable, and in the case of the Series C Equipment Notes and the Series D Equipment Notes, if such payment is made on such next succeeding Business Day, no interest shall accrue on the amount of such payment from and after such scheduled date.

The Equipment Notes shall be executed on behalf of the Company by the manual or facsimile signature of one of its authorized officers. Equipment Notes bearing the signatures of individuals who were at the time of execution the proper officers of the Company shall bind the



Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Equipment Notes or did not hold such offices at the respective dates of such Equipment Notes. No Equipment Note shall be secured by or entitled to any benefit under this Indenture or be valid or obligatory for any purposes unless there appears on such Equipment Note a certificate of authentication in the form provided herein executed by the Loan Trustee by the manual signature of one of its authorized officers, and such certificate upon any Equipment Notes shall be conclusive evidence, and the only evidence, that such Equipment Note has been duly authenticated and delivered hereunder.

Section 2.03. Method of Payment. The principal amount of, interest on, Break Amount, if any, Prepayment Premium, if any, Make-Whole Amount, if any, and, except to the extent expressly provided herein, all other amounts due to any Noteholder under each Equipment Note or otherwise payable hereunder shall be payable by the Company in Dollars by wire transfer of immediately available funds not later than 10:00 a.m. (New York City time) on the due date of payment to the Loan Trustee at the Corporate Trust Office for distribution among the Noteholders in the manner provided herein. The Company shall not have any responsibility for the distribution of such payment to any Noteholder. Notwithstanding the foregoing or any provision in any Equipment Note to the contrary, the Loan Trustee will use reasonable efforts to pay or cause to be paid, if so directed in writing by any Noteholder (with a copy to the Company), all amounts paid by the Company hereunder and under such Noteholder's Equipment Note or Equipment Notes to such Noteholder or a nominee therefor (including all amounts distributed pursuant to Article III) by transferring, or causing to be transferred, by wire transfer of immediately available funds in Dollars, prior to 12:00 p.m. (New York City time) on the due date of payment, to an account maintained by such Noteholder with a bank located in the continental United States the amount to be distributed to such Noteholder, for credit to the account of such Noteholder maintained at such bank; provided that, in the event the Equipment Notes are not held by the Subordination Agent on behalf of the Pass Through Trustees, the Loan Trustee may at its option pay such amounts by check mailed to the Noteholder's address as it appears on the Equipment Note Register. If, after its receipt of funds at the place and prior to the time specified above in the immediately preceding sentence, the Loan Trustee shall fail (other than as a result of a failure of the Noteholder to provide it with wire transfer instructions) to make any such payment required to be paid by wire transfer as provided in the immediately preceding sentence on the Business Day it receives such funds, the Loan Trustee, in its individual capacity and not as trustee, agrees to compensate such Noteholders for loss of use of funds at the Federal Funds Rate until such payment is made and the Loan Trustee shall be entitled to any interest earned on such funds until such payment is made. Any payment made hereunder shall be made without any presentment or surrender of any Equipment Note, except that, in the case of the final payment in respect of any Equipment Note, such Equipment Note shall be surrendered to the Loan Trustee for cancellation. Notwithstanding any other provision of this Indenture to the contrary, the Loan Trustee shall not be required to make, or cause to be made, wire transfers as aforesaid prior to the first Business Day on which it is practicable for the Loan Trustee to do so in view of the time of day when the funds to be so transferred were received by it if such funds

were received after 1:00 p.m. (New York City time) at the place of payment.

Section 2.04. Withholding Taxes. The Loan Trustee shall exclude and withhold at the appropriate rate from each payment of principal amount of, interest on, Make-Whole Amount, if any, and other amounts due hereunder or under each Equipment Note (which exclusion and withholding shall constitute payment of such amounts payable hereunder or in respect of such Equipment Notes, as applicable) any and all withholding taxes applicable thereto as required by law. The Loan Trustee agrees to act as such withholding agent and, in connection therewith, whenever any present or future taxes or similar charges are required to be withheld with respect to any amounts payable hereunder or in respect of the Equipment Notes, to withhold such amounts (which withholding shall constitute payment of such amounts payable hereunder or in respect of such Equipment Notes, as applicable) and timely pay the same to the appropriate authority in the name of and on behalf of the Noteholders, that it will file any necessary withholding tax returns or statements when due, and that as promptly as possible after the payment thereof it will deliver to each Noteholder (with a copy to the Company) appropriate documentation showing the payment thereof, together with such additional documentary evidence as any such Noteholder may reasonably request from time to time. The Loan Trustee agrees to file any other information reports as it may be required to file under United States law.

Section 2.05. Application of Payments. Subject always to Section 2.13 and except as otherwise provided in Article III, in the case of each Equipment Note, each payment of an installment of principal amount, Break Amount, if any, Prepayment Premium, if any, Make-Whole Amount, if any, and interest or other amounts due thereon shall be applied:

first, to the payment of accrued interest on such Equipment Note (as well as any interest on any overdue principal amount and (to the extent permitted by law) any overdue Break Amount, any overdue Prepayment Premium, any overdue Make-Whole Amount, any overdue interest and any other overdue amounts thereunder) to the date of such payment;

second, to the payment of any Break Amount, if any, Prepayment Premium, if any, or Make-Whole Amount, if any, with respect to such Equipment Note;

third, to the payment of principal amount of such Equipment Note (or portion thereof) then due and any other amount due hereunder with respect to such Equipment Note; and

fourth, the balance, if any, remaining thereafter, to the payment of the principal amount of such Equipment Note remaining unpaid (provided that such Equipment Note shall not be subject to redemption except as provided in Sections 2.10, 2.11 and 2.12 hereof).

Section 2.06. Termination of Interest in Collateral. No Noteholder or Indenture

Indemnitee shall, as such, have any further interest in, or other right with respect to, the Collateral when and if the principal amount of, Break Amount, if any, Prepayment Premium, if any, Make-Whole Amount, if any, and interest (including interest on any overdue amounts) on and all other amounts due under all Equipment Notes held by such Noteholder and all other sums then payable to such Noteholder or Indenture Indemnitee, as the case may be, hereunder and under the Participation Agreement and the other Operative Documents by the Company (collectively, "Secured Obligations") shall have been paid in full.

Section 2.07. Registration, Transfer and Exchange of Equipment Notes. The Loan Trustee shall keep a register or registers (the "Equipment Note Register") in which the Loan Trustee shall provide for the registration of Equipment Notes and the registration of transfers of Equipment Notes. No such transfer shall be given effect unless and until registration hereunder shall have occurred. The Equipment Note Register shall be kept at the Corporate Trust Office of the Loan Trustee. The Loan Trustee is hereby appointed "Equipment Note Registrar" for the purpose of registering Equipment Notes and transfers of Equipment Notes as herein provided. A holder of any Equipment Note intending to exchange or transfer such Equipment Note shall surrender such Equipment Note to the Loan Trustee at the Corporate Trust Office, together with a written request from the registered holder thereof for the issuance of a new Equipment Note of the same Series, specifying, in the case of a surrender for transfer, the name and address of the new holder or holders. Upon surrender for registration of transfer of any Equipment Note and subject to satisfaction of Section 2.09, the Company shall execute, and the Loan Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Equipment Notes of a like aggregate principal amount and of the same Series. At the option of the Noteholder, Equipment Notes may be exchanged for other Equipment Notes of the same Series of any authorized denominations of a like aggregate principal amount, upon surrender of the Equipment Notes to be exchanged to the Loan Trustee at the Corporate Trust Office. Whenever any Equipment Notes are so surrendered for exchange, the Company shall execute, and the Loan Trustee shall authenticate and deliver, the Equipment Notes which the Noteholder making the exchange is entitled to receive. All Equipment Notes issued upon any registration of transfer or exchange of Equipment Notes (whether under this Section 2.07 or under Section 2.08 or otherwise under this Indenture) shall be the valid obligations of the Company evidencing the same respective obligations, and entitled to the same security and benefits under this Indenture, as the Equipment Notes surrendered upon such registration of transfer or exchange. Every Equipment Note presented or surrendered for registration of transfer, shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Loan Trustee, duly executed by the Noteholder or such Noteholder's attorney duly authorized in writing, and the Loan Trustee shall require evidence satisfactory to it as to the compliance of any such transfer with the Securities Act of 1933, as amended, and the securities laws of any applicable state or jurisdiction. The Loan Trustee shall make a notation on each new Equipment Note of the amount of all payments of principal amount previously made on the old Equipment Note or Equipment Notes with respect to which such new Equipment Note is issued and the date to which interest on such old Equipment Note or Equipment Notes has been paid. Principal,

interest and all other amounts shall be deemed to have been paid on such new Equipment Note to the date on which such amounts shall have been paid on such old Equipment Note. The Company shall not be required to exchange any surrendered Equipment Notes as provided above (a) during the ten-day period preceding the due date of any payment on such Equipment Note or (b) that has been called for redemption. The Company and the Loan Trustee shall in all cases deem and treat the Person in whose name any Equipment Note shall have been issued and registered on the Equipment Note Register as the absolute owner and Noteholder of such Equipment Note for the purpose of receiving payment of all amounts payable with respect to such Equipment Note and for all other purposes, and neither the Company nor the Loan Trustee shall be affected by any notice to the contrary. The Loan Trustee will promptly notify the Company of each registration of a transfer of an Equipment Note. Any such transferee of an Equipment Note, by its acceptance of an Equipment Note, agrees to the provisions of the Operative Documents applicable to Noteholders, and shall be deemed to have represented, warranted and covenanted to the parties to the Participation Agreement as to the matters represented, warranted and covenanted by the Noteholders, including the Pass Through Trustees, in the Participation Agreement. Subject to compliance by the Noteholder and its transferee (if any) of the requirements set forth in this Section 2.07 and in Section 2.09, the Loan Trustee and the Company shall use all reasonable efforts to issue new Equipment Notes upon transfer or exchange within ten Business Days of the date an Equipment Note is surrendered for transfer or exchange.

Section 2.08. Mutilated, Destroyed, Lost or Stolen Equipment Notes. If any Equipment Note becomes mutilated, destroyed, lost or stolen, the Company shall, upon the written request of the holder of such Equipment Note and subject to satisfaction of this Section 2.08 and of Section 2.09, execute and the Loan Trustee shall authenticate and deliver in replacement thereof a new Equipment Note of the same Series, payable in the same principal amount, dated the same date and captioned as issued in connection with the Aircraft. If the Equipment Note being replaced has become mutilated, such Equipment Note shall be surrendered to the Loan Trustee, and a photocopy thereof shall be furnished to the Company. If the Equipment Note being replaced has been destroyed, lost or stolen, the holder of such Equipment Note shall furnish to the Company and the Loan Trustee such security or indemnity as may be required by them to save the Company and the Loan Trustee harmless and evidence satisfactory to the Company and the Loan Trustee of the destruction, loss or theft of such Equipment Note and of the ownership thereof.

Section 2.09. Payment of Expenses on Transfer; Cancellation.

(a) No service charge shall be made to a Noteholder for any registration of transfer or exchange of Equipment Notes, but the Loan Trustee, as Equipment Note Registrar, may require payment of a sum sufficient to cover any Tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Equipment Notes.

(b) The Loan Trustee shall cancel all Equipment Notes surrendered for replacement,

redemption, transfer, exchange, payment or cancellation and shall destroy the canceled Equipment Notes.

Section 2.10. Mandatory Redemption of Equipment Notes. The Company shall redeem the Equipment Notes in whole in connection with an Event of Loss in respect of the Airframe or the Airframe and the Engines installed thereon (unless the Company shall have performed the option set forth in Section 7.05(a)(i) with respect thereto) on or before the Loss Payment Date at a redemption price equal to 100% of the unpaid principal amount thereof, together with all accrued and unpaid interest thereon to (but excluding) the date of redemption, and in the case of Series G Equipment Notes, Break Amount, if any, but without any Prepayment Premium or Make-Whole Amount.

Section 2.11. Voluntary Redemption of Equipment Notes.

(a) All of the Equipment Notes of any Series may be redeemed in whole by the Company upon at least 20 days' revocable prior written notice to the Loan Trustee at a redemption price equal to 100% of the unpaid principal amount of the Equipment Notes being redeemed, together with accrued interest thereon to (but excluding) the date of redemption, in the case of the Series G Equipment Notes, Break Amount, if any, and Prepayment Premium, if any, and in the case of the Series C and Series D Equipment Notes, Make-Whole Amount, if any, and all other amounts payable hereunder or under the Participation Agreement to the Noteholders; provided, however, that, except in connection with a Refunding as referred to in paragraph (b) below, the Series C Equipment Notes may not be redeemed unless the Series G Equipment Notes have been redeemed, and the Series D Equipment Notes may not be redeemed unless the Series G Equipment Notes and Series C Equipment Notes have been redeemed. Any notice shall become irrevocable three days before the redemption date if not previously revoked.

(b) In connection with a Refunding as provided in Exhibit A to the Intercreditor Agreement, (i) all, but not less than all, of the Original Series C Equipment Notes and the Original Series D Equipment Notes, (ii) all, but not less than all, of the Original Series C Equipment Notes, (iii) if all the Original Series C Equipment Notes were redeemed in a prior Refunding, all of the Original Series D Equipment Notes, and (iv) all, but not less than all, of the American New Series D Equipment Notes, may be redeemed in whole by the Company without premium upon at least 2 days revocable prior written notice to the Loan Trustee at a redemption price equal to 100% of the unpaid principal amount of the Equipment Notes being redeemed, together with accrued interest thereon to (but excluding) the date of redemption and all other amounts payable hereunder or under the Participation Agreement to the applicable Noteholders. All redemptions pursuant to this Section 2.11(b) shall be subject to the Company complying with the conditions set forth on Exhibit A to the Intercreditor Agreement, and the Company shall deliver to the Trustee a certificate of a Responsible Officer of the Company that all such conditions have been complied with prior to or on the redemption date. The Loan Trustee agrees to cooperate with the Company at the Company's reasonable request to carry out any Refunding on the terms and conditions specified in Exhibit A to the Intercreditor Agreement.

Section 2.12. Redemptions; Notice of Redemptions; Repurchases.

(a) No redemption of any Equipment Note may be made except to the extent and in the manner expressly permitted by this Indenture.

(b) Notice of redemption pursuant to Section 2.10 or Section 2.11(a) shall be given by the Loan Trustee by first-class mail, postage prepaid, mailed not less than 15 nor more than 60 days prior to the applicable redemption date, to each Noteholder at such Noteholder's address appearing in the Equipment Note Register. All such notices of redemption shall state: (1) the redemption date, (2) the applicable basis for determining the redemption price, (3) that on the redemption date, the redemption price will become due and payable upon each such Equipment Note, and that, if any such Equipment Notes are then outstanding, interest on such Equipment Notes shall cease to accrue on and after such redemption date and (4) the place or places where such Equipment Notes are to be surrendered for payment of the redemption price.

(c) On or before the redemption date, the Company (or any person on behalf of the Company) shall, to the extent an amount equal to the redemption price for the Equipment Notes to be redeemed on the redemption date shall not then be held in the Collateral, deposit or cause to be deposited with the Loan Trustee by 11:00 a.m. (New York City time) on the redemption date in immediately available funds the redemption price of the Equipment Notes to be redeemed.

(d) Notice of redemption having been given as aforesaid (and, if applicable, not revoked as permitted by Section 2.11(a)) (and, in case of a redemption pursuant to Section 2.11(b), the conditions set forth in Exhibit A to the Intercreditor Agreement having been satisfied), the Equipment Notes to be redeemed shall, on the redemption date, become due and payable at the Corporate Trust Office of the Loan Trustee, and from and after such redemption date (unless there shall be a default in the deposit of the redemption price pursuant to Section 2.12(c)) any such Equipment Notes then outstanding shall cease to bear interest. Upon surrender of any such Equipment Note for redemption in accordance with said notice, such Equipment Note shall be redeemed at the redemption price.

(e) At such time as no Pass Through Certificates are outstanding, the Company may at any time repurchase any of the Equipment Notes at any price in the open market and may hold, resell or surrender such Equipment Notes to the Loan Trustee for cancellation.

Section 2.13. Subordination.

(a) The indebtedness evidenced by the Series C Equipment Notes is, to the extent and in the manner provided in this Indenture, subordinate and subject in right of payment to the prior payment in full of the Secured Obligations in respect of the Series G Equipment Notes, and the Series C Equipment Notes are issued subject to such provisions. The indebtedness evidenced by the Series D Equipment Notes is, to the extent and in the manner provided in this Indenture, subordinate and subject in right of payment to the prior payment in full of the Secured

Obligations in respect of the Series G Equipment Notes and the Series C Equipment Notes, and the Series D Equipment Notes are issued subject to such provisions. The indebtedness evidenced by the Series E Equipment Notes, if issued, shall be, to the extent and in the manner provided in this Indenture, subordinate and subject in right of payment to the prior payment in full of the Secured Obligations in respect of the Series G Equipment Notes, the Series C Equipment Notes and the Series D Equipment Notes, and the Series E Equipment Notes, if issued, shall be issued subject to such provisions. By acceptance of its Equipment Notes of any Series, each Noteholder of such Series (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Loan Trustee on such Noteholder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Indenture and (c) appoints the Loan Trustee as such Noteholder's attorney-in-fact for such purpose.

(b) The Company, the Loan Trustee and, by acceptance of its Equipment Notes of any Series, each Noteholder of such Series, hereby agree that no payment or distribution shall be made on or in respect of the Secured Obligations owed to such Noteholder of such Series, including any payment or distribution of cash, property or securities after the occurrence of any of the events referred to in Section 4.01(f) or after the commencement of any proceedings of the type referred to in Sections 4.01(g), (h) or (i), except as expressly provided in Article III.

(c) By the acceptance of its Equipment Notes of any Series, each Noteholder of such Series agrees that if such Noteholder, in its capacity as a Noteholder, shall receive any payment or distribution on any Secured Obligations in respect of such Series that it is not entitled to receive under this Section 2.13 or Article III hereof, it will hold any amount so received in trust for the Loan Trustee and forthwith turn over such amount to the Loan Trustee in the form received to be applied as provided in Article III.

Section 2.14. Certain Payments. The Company agrees to pay to the Loan Trustee for distribution in accordance with Section 3.05:

(a) an amount or amounts equal to the fees payable to the Primary Liquidity Provider under Section 2.03 of each Primary Liquidity Facility and the related Fee Letter (as defined in the Intercreditor Agreement), multiplied by a fraction, the numerator of which shall be the sum of the then outstanding aggregate principal amount of the Series G Equipment Notes and Series C Equipment Notes and the denominator of which shall be the sum of the then outstanding aggregate principal amount of all "Series G Equipment Notes" and "Series C Equipment Notes" issued under each of the "Indentures" (in each case as defined in the Intercreditor Agreement);

(b) the fees, expenses and disbursements (including indemnities) owed to the Policy Provider under the Policy Provider Agreement, multiplied by a fraction, the numerator of which shall be the sum of the then outstanding aggregate principal amount of the Series G Equipment Notes, and the denominator of which shall be the sum of the outstanding aggregate principal amount of all "Series G Equipment Notes" issued under

each of the "Indentures" (in each case as defined in the Intercreditor Agreement);

(c) the amount equal to interest on any Downgrade Advance (other than any Applied Downgrade Advance) payable under Section 3.07 of each Primary Liquidity Facility minus Investment Earnings from such Downgrade Advance, multiplied by the fraction specified in the foregoing clause (a);

(d) the amount equal to interest on any Non-Extension Advance (other than any Applied Non-Extension Advance) payable under Section 3.07 of each Primary Liquidity Facility minus Investment Earnings from such Non-Extension Advance, multiplied by the fraction specified in the foregoing clause (a);

(e) if any payment default shall have occurred and be continuing with respect to interest on any Series G Equipment Note or Series C Equipment Note, (x) the excess, if any, of (1) the amount equal to the sum of interest on any Unpaid Advance or Applied Provider Advance payable under Section 3.07 of each Primary Liquidity Facility plus any other amounts payable in respect of such Unpaid Advance or Applied Provider Advance under Section 3.01, 3.03 or 3.09 of the Primary Liquidity Facility under which such Unpaid Advance or Applied Provider Advance was made over (2) the sum of Investment Earnings from any Final Advance plus any amount of interest at the Past Due Rate actually payable (whether or not in fact paid) by the Company in respect of the overdue scheduled interest on the Equipment Notes of the applicable Series corresponding to the Class of Pass Through Certificates in respect of which such Unpaid Advance or Applied Provider Advance was made, multiplied by (y) a fraction, the numerator of which shall be the then aggregate overdue amounts of interest on the Series G Equipment Notes and Series C Equipment Notes (other than interest becoming due and payable solely as a result of acceleration of any such Equipment Notes) and the denominator of which shall be the then aggregate overdue amounts of interest on all "Series G Equipment Notes" and "Series C Equipment Notes" issued under each of the "Indentures" (in each case as defined in the Intercreditor Agreement) (other than interest becoming due and payable solely as a result of acceleration of any such "Equipment Notes");

(f) any amounts owed to the Primary Liquidity Provider by the Subordination Agent as borrower under Section 3.01 (other than in respect of an Unpaid Advance or Applied Provider Advance), 3.03 (other than in respect of an Unpaid Advance or Applied Provider Advance ), 7.05 and 7.07 of each Primary Liquidity Facility (or similar provisions of any Replacement Primary Liquidity Facility) multiplied by the fraction specified in the foregoing clause (a); and

(g) an amount or amounts equal to the compensation, including reasonable expenses and disbursements, payable to the Subordination Agent under Section 6.07 of the Intercreditor Agreement, multiplied by the fraction specified in the foregoing clause



(a) (but in any event without duplication of any amount or amounts payable by the Company in respect of such compensation under any other Operative Document or Pass Through Document).

For purposes of this paragraph, the terms "Advance", "Applied Downgrade Advance", "Applied Non-Extension Advance", "Applied Provider Advance", "Cash Collateral Account", "Class", "Downgrade Advance", "Final Advance", "Investment Earnings", "Non-Extension Advance", "Replacement Primary Liquidity Facility" and "Unpaid Advance" shall have the meanings specified in each Primary Liquidity Facility or the Intercreditor Agreement.

Section 2.15. Repayment of Monies for Equipment Note Payments Held by the Loan Trustee. Any money held by the Loan Trustee in trust for any payment of the principal of, Break Amount, if any, Prepayment Premium, if any, Make-Whole Amount, if any, or interest or any other amounts due on, any Equipment Note, including, without limitation, any money deposited pursuant to Section 2.12(c) or Section 10.01, and remaining unclaimed for two years after the due date for such payment (or such lesser time as the Loan Trustee shall be satisfied, after 60 days' notice from the Company, is one month prior to the escheat period provided under applicable state law) shall be paid to the Company. The Noteholders of any outstanding Equipment Notes shall thereafter, as unsecured general creditors, look only to the Company for payment thereof, and all liability of the Loan Trustee with respect to such trust money shall thereupon cease; provided that the Loan Trustee, before being required to make any such repayment, may at the expense of the Company cause to be mailed to each such Noteholder notice that such money remains unclaimed and that, after a date specified therein which shall not be less than 30 days from the date of mailing, any unclaimed balance of such money then remaining will be repaid to the Company as provided herein.

Section 2.16. Directions by Subordination Agent. So long as the Subordination Agent is a Noteholder, notwithstanding anything contained herein or in any other Operative Document to the contrary, in exercising its right to vote the Equipment Notes held by it, or in giving or taking any direction, consent, request, demand, instruction, authorization, notice, waiver or other action provided by this Indenture or in respect of the Equipment Notes to be given or taken by a Noteholder (each such vote or other action, a "Direction") in respect of such Equipment Notes, the Subordination Agent may act in accordance with any votes, directions, consents, requests, demands, instructions, authorizations, notices, waivers or other actions given or taken by any applicable Pass Through Trustee or the Controlling Party pursuant to the Intercreditor Agreement, including without limitation pursuant to Section 2.06, Article IV or Section 8.01(b) thereof. The Subordination Agent shall be permitted (x) to give a Direction with respect to less than the entire principal amount of any single Equipment Note held by it, and (y) to give different Directions with respect to different portions of the principal amount of any single Equipment Note held by it. Any Direction given by the Subordination Agent at any time with respect to more than a majority in aggregate unpaid principal amount of all of the Equipment Notes issued and then outstanding hereunder shall be deemed to have been given by a Majority

ARTICLE III

RECEIPT, DISTRIBUTION AND APPLICATION OF INCOME  
FROM THE COLLATERAL

Section 3.01. Basic Distributions. Except as otherwise provided in Sections 3.02, 3.03, 3.04 and 3.05, each periodic payment by the Company of regularly scheduled installments of principal or interest on the Equipment Notes received by the Loan Trustee shall be promptly distributed in the following order of priority:

first, so much of such payment as shall be required to pay in full the aggregate amount of the payment or payments of principal amount and interest (as well as any interest on any overdue principal amount and, to the extent permitted by applicable law, on any overdue interest and any other overdue amounts) then due under all Series G Equipment Notes shall be distributed to the Noteholders of Series G Equipment Notes ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due under each Series G Equipment Note bears to the aggregate amount of the payments then due under all Series G Equipment Notes;

second, after giving effect to clause "first" above, so much of such payment remaining as shall be required to pay in full the aggregate amount of the payment or payments of principal amount and interest (as well as any interest on any overdue principal amount and, to the extent permitted by applicable law, on any overdue interest and other overdue amounts) then due under all Series C Equipment Notes shall be distributed to the Noteholders of Series C Equipment Notes ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due under each Series C Equipment Note bears to the aggregate amount of the payments then due under all Series C Equipment Notes;

third, after giving effect to clause "second" above, so much of such payment remaining as shall be required to pay in full the aggregate amount of the payment or payments of principal amount and interest (as well as any interest on any overdue principal amount and, to the extent permitted by applicable law, on any overdue interest and any other overdue amounts) then due under all Series D Equipment Notes shall be distributed to the Noteholders of Series D Equipment Notes ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due under each Series D Equipment Note bears to the aggregate amount of the payments then due under all Series D Equipment Notes;

fourth, after giving effect to clause "third" above, if any Series E Notes have been issued hereunder, so much of such payment remaining as shall be required to pay in full the aggregate amount of the payment or payments of principal amount and interest (as well as any interest on any overdue principal amount and, to the extent permitted by applicable law, on any overdue interest and any other overdue amounts) then due under all Series E Equipment Notes shall be distributed to the Noteholders of Series E Equipment Notes ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due under each Series E Equipment Note bears to the aggregate amount of the payments then due under all Series E Equipment Notes; and

fifth, the balance, if any, of such installment remaining thereafter shall be distributed to the Company.

Section 3.02. Event of Loss; Optional Redemption. Except as otherwise provided in Sections 3.03, 3.04 and 3.05 and subject to the following proviso, any payments received by the Loan Trustee with respect to the Aircraft as the result of (a) an Event of Loss (including amounts paid by the Company pursuant to Section 2.10) or (b) an optional redemption of all of the Equipment Notes pursuant to Section 2.11(a) shall be applied to redemption of the Equipment Notes pursuant to Section 2.10 or Section 2.11(a), as applicable, and to payment of all other Secured Obligations by applying such funds in the following order of priority:

first, (i) to reimburse the Loan Trustee and the Noteholders for any reasonable costs or expenses incurred in connection with such redemption for which they are entitled to reimbursement, or indemnity by the Company, under the Operative Documents; and then (ii) to pay any other amounts then due (except as provided in clause "second" below) to the Loan Trustee, the Noteholders and the Indenture Indemnitees under this Indenture, the Participation Agreement or the Equipment Notes;

second, (i) to pay the amounts specified in subclause (i) of clause "third" of Section 3.04 plus Prepayment Premium, if any, then due and payable in respect of the Series G Equipment Notes ; (ii) after giving effect to subclause (i) above, to pay the amounts specified in subclause (ii) of clause "third" of Section 3.04 plus Make-Whole Amount, if any, then due and payable in respect of the Series C Equipment Notes; (iii) after giving effect to subclause (ii) above, to pay the amounts specified in subclause (iii) of clause "third" of Section 3.04 plus Make-Whole Amount, if any, then due and payable in respect of the Series D Equipment Notes; and (iv) after giving effect to subclause (iii) above, if any Series E Equipment Notes shall have been issued hereunder, to pay the amounts specified in subclause (iv) of clause "third" of Section 3.04 plus Make-Whole Amount, if any, then due and payable in respect of the Series E Equipment Notes; and

third, the balance, if any, of such payments shall be distributed to the Company.

provided, however, that (x) any insurance, condemnation or similar proceeds resulting from an Event of Loss that are received by the Loan Trustee shall be held or disbursed by the Loan Trustee as provided by Sections 7.05(c) and 7.06(d) (provided that such money held by the Loan Trustee shall be invested as provided in Section 5.06) and (y) no Make-Whole Amount or Prepayment Premium shall be payable on the Equipment Notes in connection with their redemption as a result of an Event of Loss in respect of the Airframe.

Section 3.03 Optional Redemption in connection with a Refunding. Any payments received by the Loan Trustee as the result of an optional redemption of the Original Series C Equipment Notes, the Original Series D Equipment Notes or the American New Series D Equipment Notes pursuant to Section 2.11(b) shall be applied to redemption of such Series of Equipment Notes pursuant to Section 2.11(b) and to payment of all other Secured Obligations in respect of such Series of Equipment Notes by applying such funds in the following order of priority:

first, (i) to reimburse the Loan Trustee and the Noteholders for any reasonable costs or expenses incurred in connection with such redemption for which they are entitled to reimbursement, or indemnity by the Company, under the Operative Documents; and then (ii) to pay any other amounts then due (except as provided in clause "second" below) to the Loan Trustee, the Noteholders and the Indenture Indemnitees under this Indenture, the Participation Agreement or the Equipment Notes;

second, (i) if the Original Series C Equipment Notes are being redeemed, to pay the amounts specified in subclause (ii) of clause "third" of Section 3.04 then due and payable in respect of the Original Series C Equipment Notes and (ii) after giving effect to subclause (i) above, if the Original Series D Equipment Notes or the American New Series D Equipment Notes are being redeemed, to pay the amounts specified in subclause (iii) of clause "third" of Section 3.04 then due and payable in respect of such Original Series D Equipment Notes or American New Series D Equipment Notes, as applicable; and

third, the balance, if any, of such payments shall be distributed to the Company.

No Make-Whole Amount shall be payable on the Original Series C Equipment Notes, the Original Series D Equipment Notes or the American New Series D Equipment Notes in connection with their redemption pursuant to Section 2.11(b).

Section 3.04. Payments after Event of Default. Except as otherwise provided in Section 3.05, all payments received and amounts held or realized by the Loan Trustee (including any amounts realized by the Loan Trustee from the exercise of any remedies pursuant to Article IV) after both an Event of Default shall have occurred and be continuing and the Equipment Notes shall have become due and payable pursuant to Section 4.02(a), as well as all payments or amounts then held by the Loan Trustee as part of the Collateral, shall be promptly distributed by

the Loan Trustee in the following order of priority:

first, so much of such payments or amounts as shall be required to (i) reimburse the Loan Trustee, to the extent the Loan Trustee is entitled to be reimbursed or indemnified under the Operative Documents, for any Tax, expense or other loss (including, without limitation, all amounts to be expended at the expense of, or charged upon the tolls, rents, revenues, issues, products and profits of, the Collateral and every part thereof pursuant to Section 4.02(a)) incurred by the Loan Trustee (to the extent not previously reimbursed), the expenses of any sale, taking or other proceeding, reasonable attorneys' fees and expenses, court costs and any other expenditures incurred or expenditures or advances made by the Loan Trustee or the Noteholders in the protection, exercise or enforcement of any right, power or remedy or any damages sustained by the Loan Trustee or any Noteholder, liquidated or otherwise, upon such Event of Default shall be applied by the Loan Trustee as between itself and the Noteholders in reimbursement of such expenses and any other expenses for which the Loan Trustee or the Noteholders are entitled to reimbursement under any Operative Document, and (ii) to pay all amounts payable (except as provided in clauses "second" and "third" below) to the other Indenture Indemnitees hereunder and under the Participation Agreement; and in case the aggregate amount so to be distributed is insufficient to pay as aforesaid, then ratably, without priority of one over the other, in proportion to the amounts owed each hereunder;

second, so much of such payments or amounts remaining as shall be required to reimburse the then existing or prior Noteholders for payments made pursuant to Section 5.03 (to the extent not previously reimbursed) shall be distributed to such then existing or prior Noteholders ratably, without priority of one over the other, in accordance with the amount of the payment or payments made by each such then existing or prior Noteholder pursuant to Section 5.03;

third, (i) so much of such payments or amounts remaining as shall be required to pay in full the aggregate unpaid principal amount of all Series G Equipment Notes and the accrued but unpaid interest, Break Amount, if any, and all other Secured Obligations in respect of the Series G Equipment Notes to the date of distribution shall be distributed to the Noteholders of Series G Equipment Notes ratably, without priority of one over the other, in the proportion that the aggregate unpaid principal amount of all Series G Equipment Notes held by each Noteholder plus the accrued but unpaid interest and other amounts due hereunder or thereunder to the date of distribution bears to the aggregate unpaid principal amount of all Series G Equipment Notes held by all such Noteholders plus the accrued but unpaid interest and other amounts due thereon to the date of distribution; (ii) after giving effect to subclause (i) above, so much of such payments or amounts remaining as shall be required to pay in full the aggregate unpaid principal amount of all Series C Equipment Notes and the accrued but unpaid interest and all other

Secured Obligations in respect of the Series C Equipment Notes to the date of distribution shall be distributed to the Noteholders of Series C Equipment Notes ratably, without priority of one over the other, in the proportion that the aggregate unpaid principal amount of all Series C Equipment Notes held by each Noteholder plus the accrued but unpaid interest and other amounts due hereunder or thereunder to the date of distribution bears to the aggregate unpaid principal amount of all Series C Equipment Notes held by all such Noteholders plus the accrued but unpaid interest and other amounts due thereon to the date of distribution; (iii) after giving effect to subclause (ii) above, so much of such payments or amounts remaining as shall be required to pay in full the aggregate unpaid principal amount of all Series D Equipment Notes and the accrued but unpaid interest and all other Secured Obligations in respect of the Series D Equipment Notes to the date of distribution shall be distributed to the Noteholders of Series D Equipment Notes ratably, without priority of one over the other, in the proportion that the aggregate unpaid principal amount of all Series D Equipment Notes held by each Noteholder plus the accrued but unpaid interest and other amounts due hereunder or thereunder to the date of distribution bears to the aggregate unpaid principal amount of all Series D Equipment Notes held by all such Noteholders plus the accrued but unpaid interest and other amounts due thereon to the date of distribution; and (iv) after giving effect to subclause (iii) above, if any Series E Equipment Notes shall have been issued hereunder, so much of such payments or amounts remaining as shall be required to pay in full the aggregate unpaid principal amount of all Series E Equipment Notes and the accrued but unpaid interest and all other Secured Obligations in respect of the Series E Equipment Notes to the date of distribution shall be distributed to the Noteholders of Series E Equipment Notes ratably, without priority of one over the other, in the proportion that the aggregate unpaid principal amount of all Series E Equipment Notes held by each Noteholder plus the accrued but unpaid interest and other amounts due hereunder or thereunder to the date of distribution bears to the aggregate unpaid principal amount of all Series E Equipment Notes held by all such Noteholders plus the accrued but unpaid interest and other amounts due thereon to the date of distribution;

fourth, the balance, if any, of such payments or amounts shall be distributed to the Company.

No Make-Whole Amount or Prepayment Premium shall be payable on the Equipment Notes as a consequence of or in connection with an Event of Default or the acceleration of the Equipment Notes.

#### Section 3.05. Certain Payments.

(a) Any payments received by the Loan Trustee for which provision as to the application thereof is made in this Indenture other than in this Article III shall be applied as provided in those provisions. Without limiting the foregoing, any payments received by the Loan Trustee which are payable to the Company pursuant to any of the provisions of this

Indenture other than those set forth in this Article III (including Sections 5.06, 7.05 and 7.06 hereof) shall be so paid to the Company. Any payments received by the Loan Trustee for which no provision as to the application thereof is made in this Indenture and for which such provision is made in any other Operative Document shall be applied forthwith to the purpose for which such payment was made in accordance with the terms of such other Operative Document.

(b) The Loan Trustee will distribute promptly upon receipt any indemnity payment received by it from the Company pursuant to Section 4.02 of the Participation Agreement in respect of (i) State Street and the Loan Trustee, (ii) the Subordination Agent, (iii) the Pass Through Trustees, (iv) any Liquidity Provider and (v) the Policy Provider, in each case, directly to the Person entitled thereto. Any payment received by the Loan Trustee from the Company under Section 2.14 shall be distributed to the Subordination Agent to be distributed in accordance with Section 2.03(c) of the Intercreditor Agreement.

(c) Any payments received by the Loan Trustee not constituting part of the Collateral or otherwise for which no provision as to the application thereof is made in any Operative Document shall be distributed by the Loan Trustee to the Company. Further, and except as otherwise provided in Sections 3.02, 3.03, 3.04 and 3.05, all payments received and amounts realized by the Loan Trustee with respect to the Aircraft, to the extent received or realized at any time after payment in full of all Secured Obligations or after the conditions set forth in Section 10.01(a)(ii) for the defeasance of this Indenture have been satisfied, as well as any amounts remaining as part of the Collateral after the occurrence of such payment in full or defeasance, shall be distributed by the Loan Trustee to the Company.

Section 3.06. Payments to the Company. Any amounts distributed hereunder by the Loan Trustee to the Company shall be paid to the Company (within the time limits contemplated by Section 2.03) by wire transfer of funds of the type received by the Loan Trustee at such office and to such account or accounts of such entity or entities as shall be designated by notice from the Company to the Loan Trustee from time to time.

#### ARTICLE IV

##### EVENTS OF DEFAULT; REMEDIES OF LOAN TRUSTEE

Section 4.01. Events of Default. Each of the following events shall constitute an "Event of Default" whether such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body and each such Event of Default shall be deemed to exist and continue so long as, but only as long as, it shall not have been remedied:

(a) the Company shall fail to make any payment within 15 days after the same shall have become due of principal amount of, interest on, or Make-Whole Amount,

Prepayment Premium or Break Amount, if any, with respect to, any Equipment Note;

(b) the Company shall fail to make payment when the same shall become due of any amount (other than amounts referred to in Section 4.01(a)) due hereunder, under any Equipment Note or under any other Operative Document, and such failure shall continue unremedied for 30 days after the receipt by the Company of written notice thereof from the Loan Trustee or any Noteholder;

(c) the Company shall fail to carry and maintain insurance or indemnity on or with respect to the Aircraft in accordance with the provisions of Section 7.06; provided that no such failure to carry and maintain insurance shall constitute an Event of Default until the earlier of (i) the date such failure shall have continued unremedied for a period of 30 days after receipt by the Loan Trustee of the notice of cancellation or lapse referred to in Section 7.06 or (ii) the date such insurance is not in effect as to the Loan Trustee;

(d) the Company shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it under any Operative Document, and such failure shall continue unremedied for a period of 60 days after receipt by the Company of written notice thereof from the Loan Trustee or any Noteholder; provided that, if such failure is capable of being remedied, no such failure shall constitute an Event of Default for a period of one year after such notice is received by the Company so long as the Company is diligently proceeding to remedy such failure;

(e) any representation or warranty made by the Company in any Operative Document shall prove to have been incorrect in any material respect at the time made, and such incorrectness shall continue to be material to the transactions contemplated hereby and continue unremedied for a period of 60 days after receipt by the Company of written notice thereof from the Loan Trustee or any Noteholder; provided that, if such incorrectness is capable of being remedied, no such incorrectness shall constitute an Event of Default for a period of one year after such notice is received by the Company so long as the Company is diligently proceeding to remedy such incorrectness;

(f) the Company shall consent to the appointment of or the taking of possession by a receiver, trustee or liquidator of itself or of a substantial part of its property, shall admit in writing its inability to pay its debts generally as they come due or shall make a general assignment for the benefit of creditors;

(g) the Company shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization, liquidation or other relief in a case under any bankruptcy laws or insolvency laws (as in effect at such time) or an answer admitting the material allegations of a petition filed against the Company in any such case, or the Company shall seek relief by voluntary petition, answer or consent, under the provisions of any other bankruptcy or other similar law providing for the reorganization or winding-



up of corporations (as in effect at such time), or the Company shall seek an agreement, composition, extension or adjustment with its creditors under such laws;

(h) an order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without the consent of the Company, a receiver, trustee or liquidator of the Company or of any substantial part of its property, or any substantial part of its property shall be sequestered, or granting any other relief in respect of the Company as a debtor under any bankruptcy laws or insolvency laws (as in effect at such time), and any such order, judgment or decree of appointment or sequestration shall remain in force undismissed, unstayed or unvacated for a period of 90 days after the date of entry thereof; or

(i) a petition against the Company in a case under the federal bankruptcy laws or other insolvency laws (as in effect at such time) is filed and not withdrawn or dismissed within 90 days thereafter, or if, under the provisions of any law providing for reorganization or winding-up of corporations that may apply to the Company, any court of competent jurisdiction assumes jurisdiction, custody or control of the Company or of any substantial part of its property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unterminated for a period of 90 days;

provided, however, that notwithstanding anything to the contrary contained in this Section 4.01, any failure of the Company to perform or observe any covenant, condition or agreement shall not constitute an Event of Default if such failure arises by reason of an event referred to in the definition of "Event of Loss" so long as the Company is continuing to comply with all of the terms of Section 7.05.

Section 4.02. Remedies.

(a) If an Event of Default shall have occurred and be continuing and so long as the same shall continue unremedied, then and in every such case the Loan Trustee may, and upon the written instructions of a Majority in Interest of Noteholders, the Loan Trustee shall, do one or more of the following to the extent permitted by, and subject to compliance with the requirements of, applicable law then in effect (provided, however, that during any period the Aircraft is subject to the CRAF Program and is in possession of or being operated under the direction of the United States government or an agency or instrumentality of the United States, the Loan Trustee shall not, on account of any Event of Default, be entitled to exercise or pursue any of the powers, rights or remedies described in this Section 4.02 in such manner as to limit the Company's control under this Indenture (or any Permitted Lessee's control under any Lease) of the Airframe or any Engines installed thereon, unless at least 60 days' (or such lesser period as may then be applicable under the Military Airlift Command Program of the United States government) prior written notice of default hereunder shall have been given by the Loan Trustee by registered or certified mail to the Company (and any such Permitted Lessee) with a copy addressed to the Contracting Office Representative or other appropriate person for the Military Airlift Command of the United States Air Force under any contract with the Company relating to the Aircraft):

(i) declare by written notice to the Company all the Equipment Notes to be due and payable, whereupon the aggregate unpaid principal amount of all Equipment Notes then outstanding, together with accrued but unpaid interest thereon, Break Amount (in the case of the Series G Equipment Notes) and all other amounts due thereunder (but for the avoidance of doubt, without Make-Whole Amount or Prepayment Premium) shall immediately become due and payable without presentment, demand, protest or notice, all of which are hereby waived; provided that if an Event of Default referred to in Subsections 4.01(f), (g), (h) or (i) shall have occurred and be continuing, then and in every such case the unpaid principal amount then outstanding, together with accrued but unpaid interest thereon, Break Amount (in the case of the Series G Equipment Notes) and all other amounts due thereunder (but for the avoidance of doubt, without Make-Whole Amount or Prepayment Premium) shall immediately and without further act become due and payable without presentment, demand, protest or notice, all of which are hereby waived; and, following such declaration or deemed declaration:

(ii) (A) cause the Company, upon the written demand of the Loan Trustee, at the Company's expense, to deliver promptly, and the Company shall deliver promptly, all or such part of the Airframe or any Engine as the Loan Trustee may so demand to the Loan Trustee or its order, or, if the Company shall have failed to so deliver the Airframe or any Engine after such demand, the Loan Trustee, at its option, may enter upon the premises where all or any part of the Airframe or any Engine are located and take immediate possession of and remove the same together with any engine which is not an

Engine but which is installed on the Airframe, subject to all of the rights of the owner, lessor, lienor or secured party of such engine; provided that the Airframe with an engine (which is not an Engine) installed thereon may be flown or returned only to a location within the continental United States, and such engine shall be held for the account of any such owner, lessor, lienor, secured party or, if such engine is owned by the Company, may at the option of the Company with the consent of the Loan Trustee (which will not be unreasonably withheld) or at the option of the Loan Trustee with the consent of the Company (which will not be unreasonably withheld), be exchanged with the Company for an Engine in accordance with the provisions of Section 7.05(b); (B) sell all or any part of the Airframe and any Engine at public or private sale, whether or not the Loan Trustee shall at the time have possession thereof, as the Loan Trustee may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle all or any part of the Airframe or such Engine as the Loan Trustee, in its sole discretion, may determine, all free and clear of any rights or claims of the Company, and the proceeds of such sale or disposition shall be applied as set forth in Section 3.04; or (C) exercise any other remedy of a secured party under the Uniform Commercial Code of the State of New York (whether or not in effect in the jurisdiction in which enforcement is sought).

Upon every such taking of possession of Collateral under this Section 4.02, the Loan Trustee may, from time to time, at the expense of the Collateral, make all such expenditures for maintenance, insurance, repairs, alterations, additions and improvements to and of the Collateral as it may deem proper. In each such case, the Loan Trustee shall have the right to maintain, use, operate, store, lease, control or manage the Collateral and to exercise all rights and powers of the Company relating to the Collateral as the Loan Trustee shall reasonably deem best, including the right to enter into any and all such agreements with respect to the maintenance, use, operation, storage, leasing, control, management or disposition of the Collateral or any part thereof as the Loan Trustee may reasonably determine; and the Loan Trustee shall be entitled to collect and receive directly all tolls, rents, revenues, issues, income, products and profits of the Collateral and every part thereof. Such tolls, rents, revenues, issues, income, products and profits shall be applied to pay the expenses of the use, operation, storage, leasing, control, management or disposition of the Collateral, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments that the Loan Trustee may be required or may elect to make, if any, for Taxes, insurance or other proper charges assessed against or otherwise imposed upon the Collateral or any part thereof, and all other payments which the Loan Trustee may be required or expressly authorized to make under any provision of this Indenture, as well as just and reasonable compensation for the services of the Loan Trustee, and shall otherwise be applied in accordance with Article III.

If an Event of Default shall have occurred and be continuing and the Equipment Notes shall either have been accelerated pursuant to this Section 4.02 or have become due at maturity and the Loan Trustee shall be entitled to exercise rights hereunder, at the request of the Loan Trustee, the Company shall promptly execute and deliver to the Loan Trustee such instruments

of title and other documents as the Loan Trustee may reasonably deem necessary or advisable to enable the Loan Trustee or an agent or representative designated by the Loan Trustee, at such time or times and place or places as the Loan Trustee may specify, to obtain possession of all or any part of the Collateral to which the Loan Trustee shall at the time be entitled hereunder. If the Company shall for any reason fail to execute and deliver such instruments and documents after such request by the Loan Trustee, the Loan Trustee may obtain a judgment conferring on the Loan Trustee the right to immediate possession and requiring the Company to execute and deliver such instruments and documents to the Loan Trustee, to the entry of which judgment the Company hereby specifically consents to the fullest extent it may lawfully do so.

(b) The Loan Trustee shall give the Company at least 30 days' prior written notice of any public sale or of the date on or after which any private sale will be held, which notice the Company hereby agrees to the extent permitted by applicable law is reasonable notice. Any Noteholder or Noteholders shall be entitled to bid for and become the purchaser of any Collateral offered for sale pursuant to this Section 4.02 and to credit against the purchase price bid at such sale by such Noteholders all or any part of the unpaid amounts owing to such Noteholders under the Operative Documents and secured by the Lien of this Indenture (but only to the extent that such purchase price would have been paid to such Noteholders pursuant to Article III if such purchase price were paid in cash and the foregoing provision of this Section 4.02(b) were not given effect). The Loan Trustee may exercise such right without possession or production of the Equipment Notes or proof of ownership thereof, and as a representative of the Noteholders may exercise such right without notice to the Noteholders as parties to any suit or proceeding relating to the foreclosure of any Collateral. The Company shall also be entitled to bid for and become the purchaser of any Collateral offered for sale pursuant to this Section 4.02.

(c) To the extent permitted by applicable law, the Company irrevocably appoints, while an Event of Default has occurred and is continuing, the Loan Trustee the true and lawful attorney-in-fact of the Company (which appointment is coupled with an interest) in its name and stead and on its behalf, for the purpose of effectuating any sale, assignment, transfer or delivery for the enforcement of the Lien of this Indenture, whether pursuant to foreclosure or power of sale, or otherwise, to execute and deliver all such bills of sale, assignments and other instruments as may be necessary or appropriate, with full power of substitution, the Company hereby ratifying and confirming all that such attorney or any substitute shall do by virtue hereof in accordance with applicable law; provided that if so requested by the Loan Trustee or any purchaser, the Company shall ratify and confirm any such sale, assignment or transfer of delivery, by executing and delivering to the Loan Trustee or such purchaser all bills of sale, assignments, releases and other proper instruments to effect such ratification and confirmation as may be designated in any such request.

(d) At any time after the Loan Trustee has declared the unpaid principal amount of all Equipment Notes then outstanding to be due and payable and prior to the sale of any part of the Collateral pursuant to this Article IV, a Majority in Interest of Noteholders, by written notice to

the Company and the Loan Trustee, may rescind and annul such declaration and its consequences if: (i) there has been paid to or deposited with the Loan Trustee an amount sufficient to pay all overdue installments of principal amount of, and interest on, the Equipment Notes, and all other amounts owing under the Operative Documents, that have become due otherwise than by such declaration of acceleration and (ii) all other Events of Default, other than nonpayment of principal amount or interest on the Equipment Notes that have become due solely because of such acceleration, have been cured or waived.

(e) Notwithstanding anything contained herein, so long as the Pass Through Trustee under any Pass Through Trust Agreement or the Subordination Agent on its behalf is a Noteholder, the Loan Trustee will not be authorized or empowered to acquire title to any Collateral or take any action with respect to any Collateral so acquired by it if such acquisition or action would cause any Pass Through Trust to fail to qualify as a "grantor trust" for federal income tax purposes.

Section 4.03. Remedies Cumulative. To the extent permitted under applicable law, each and every right, power and remedy specifically given to the Loan Trustee herein or otherwise in this Indenture shall be cumulative and shall be in addition to every other right, power and remedy specifically given herein or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically given herein or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Loan Trustee, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Loan Trustee in the exercise of any right, remedy or power or in the pursuance of any remedy shall, to the extent permitted by applicable law, impair any such right, power or remedy or be construed to be a waiver of any default on the part of the Company or to be an acquiescence therein.

Section 4.04. Discontinuance of Proceedings. In case the Loan Trustee shall have instituted any proceedings to enforce any right, power or remedy under this Indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Loan Trustee, then and in every such case the Company and the Loan Trustee shall, subject to any determination in such proceedings, be restored to their former positions and rights hereunder with respect to the Collateral, and all rights, remedies and powers of the Loan Trustee shall continue as if no such proceedings had been undertaken (but otherwise without prejudice).

Section 4.05. Waiver of Past Defaults. Upon written instruction from a Majority in Interest of Noteholders, the Loan Trustee shall waive any past default hereunder and its consequences, and upon any such waiver such default shall cease to exist and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of the Operative Documents, but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon; provided, however, that in the absence of written instructions from

each of the affected Noteholders, the Loan Trustee shall not waive any default (i) in the payment of the principal amount, Break Amount, if any, Prepayment Premium, if any, Make-Whole Amount, if any, or interest due under any Equipment Note then outstanding (other than with the consent of the holder thereof), or (ii) in respect of a covenant or provision hereof which, under Article IX, cannot be modified or amended without the consent of each such affected Noteholder.

Section 4.06. Noteholders May Not Bring Suit Except Under Certain Conditions. A Noteholder of any Series shall not have the right to institute any suit, action or proceeding at law or in equity or otherwise with respect to this Indenture for the appointment of a receiver or for the enforcement of any other remedy under this Indenture, unless:

(1) such Noteholder previously shall have given written notice to the Loan Trustee of a continuing Event of Default;

(2) A Majority in Interest of Noteholders shall have requested the Loan Trustee in writing to institute such action, suit or proceeding and shall have offered to the Loan Trustee indemnity as provided in Section 5.03;

(3) the Loan Trustee shall have refused or neglected to institute any such action, suit or proceeding for 60 days after receipt of such notice, request and offer of indemnity; and

(4) no direction inconsistent with such written request shall have been given to the Loan Trustee during such 60-day period by a Majority in Interest of Noteholders.

Except to the extent provided in the Intercreditor Agreement or in any Indenture Supplement, it is understood and intended that no one or more of the Noteholders of any Series shall have any right in any manner whatsoever hereunder or under the Indenture Supplement or under the Equipment Notes of such Series to (i) surrender, impair, waive, affect, disturb or prejudice any Collateral, or the Lien of the Indenture on any Collateral, or the rights of the Noteholders of such Series, (ii) obtain or seek to obtain priority over or preference with respect to any other such Noteholder of such Series or (iii) enforce any right under this Indenture, except in the manner provided in this Indenture and for the equal, ratable and common benefit of all the Noteholders of such Series subject to the provisions of this Indenture.

## ARTICLE V

### DUTIES OF THE LOAN TRUSTEE

Section 5.01. Notice of Event of Default. If the Loan Trustee shall have knowledge of an Event of Default or of a default arising from a failure by the Company to pay when due any payment of principal amount of, interest on, or Break Amount, Prepayment Premium or Make-Whole Amount, if any, with respect to, any Equipment Note, the Loan Trustee shall

promptly give notice thereof to the Company and each Noteholder by telegram, cable, facsimile or telephone (to be promptly confirmed in writing); provided, however, that except in the case of a default in the payment of the principal amount, interest or Break Amount, Prepayment Premium or Make-Whole Amount, if any, due and payable under any Equipment Note, the Loan Trustee shall be protected in withholding the notice to the Noteholders required in the foregoing part of this sentence if and so long as the executive committee or trust committee of directors of the Loan Trustee and/or trust officers thereof in good faith determine that withholding such notice is in the interest of the Noteholders. Subject to the terms of Sections 4.02, 4.05, 5.02 and 5.03, the Loan Trustee shall take such action, or refrain from taking such action, with respect to such Event of Default (including with respect to the exercise of any rights or remedies hereunder) as the Loan Trustee shall be instructed in writing by a Majority in Interest of Noteholders. Subject to the provisions of Section 5.03, if the Loan Trustee shall not have received instructions as above provided within 20 Business Days after giving notice of such Event of Default to the Noteholders, the Loan Trustee may, subject to instructions thereafter received pursuant to the preceding provisions of this Section 5.01, take such action, or refrain from taking such action, but shall be under no duty to take or refrain from taking any action, with respect to such Event of Default as it shall reasonably determine to be advisable in the best interests of the Noteholders and shall use the same degree of care and skill in connection therewith as a prudent person would use under the circumstances in the conduct of his or her own affairs; provided that the Loan Trustee may not sell the Airframe or any Engine without the consent of a Majority in Interest of Noteholders.

For all purposes of this Indenture, in the absence of actual knowledge, the Loan Trustee shall not be deemed to have knowledge of a default or an Event of Default unless notified in writing by the Company or one or more Noteholders; and "actual knowledge" (as used in the foregoing clause) of the Loan Trustee shall mean actual knowledge of an officer in the Corporate Trust Division of the Loan Trustee; provided, however, that the Loan Trustee shall be deemed to have actual knowledge of (i) the failure of the Company to pay any principal amount of, or interest on, the Equipment Notes directly to the Loan Trustee when the same shall become due or (ii) the failure of the Company to maintain insurance as required under Section 7.06 if the Loan Trustee receives written notice thereof from an insurer or insurance broker.

Section 5.02. Action upon Instructions; Certain Rights and Limitations. Subject to the terms of Article IV and this Article V, upon the written instructions at any time of a Majority in Interest of Noteholders, the Loan Trustee shall promptly (i) give such notice, direction, consent, waiver or approval or exercise such right, remedy or power hereunder in respect of all or any part of the Collateral or (ii) take such other action, as shall be specified in such instructions.

The Loan Trustee will cooperate with the Company in connection with the recording, filing, re-recording and refiling of the Indenture and any supplements to it and any financing statements or other documents as is necessary to maintain the perfection hereof or otherwise protect the security interests created hereby. The Loan Trustee shall furnish to the Company

upon request such information and copies of such documents as the Loan Trustee may have and as are necessary for the Company to perform its duties under Article II hereof.

Section 5.03. Indemnification. The Loan Trustee shall not be required to take any action or refrain from taking any action under Sections 5.01 (other than the first sentence thereof) or 5.02 or Article IV unless it shall have received indemnification against any risks incurred in connection therewith in form and substance reasonably satisfactory to it, including, without limitation, adequate advances against costs that may be incurred by it in connection therewith. The Loan Trustee shall not be required to take any action under Section 5.01 (other than the first sentence thereof) or 5.02 or Article IV, nor shall any other provision of any Operative Document be deemed to impose a duty on the Loan Trustee to take any action, if the Loan Trustee shall have been advised by outside counsel that such action is contrary to the terms hereof or is otherwise contrary to law.

Section 5.04. No Duties Except as Specified in Indenture or Instructions. The Loan Trustee shall not have any duty or obligation to manage, control, lease, use, sell, operate, store, dispose of or otherwise deal with the Aircraft or any other part of the Collateral, or to otherwise take or refrain from taking any action under, or in connection with, this Indenture, except as expressly provided by the terms of this Indenture or the Participation Agreement or as expressly provided in written instructions received pursuant to the terms of Section 5.01 or 5.02; and no implied duties or obligations shall be read into this Indenture against the Loan Trustee.

Section 5.05. No Action Except under Indenture or Instructions. The Loan Trustee agrees that it will not manage, control, use, sell, lease, operate, store, dispose of or otherwise deal with the Aircraft or any other part of the Collateral except in accordance with the powers granted to, or the authority conferred upon, the Loan Trustee pursuant to this Indenture and in accordance with the express terms hereof.

Section 5.06. Investment of Amounts Held by the Loan Trustee. Any monies (including for the purpose of this Section 5.06 any cash deposited with the Loan Trustee by the Company, any cash received by the Loan Trustee pursuant to Sections 7.05(c) or 7.06(d) or otherwise) or Permitted Investments purchased by the use of such cash pursuant to this Section 5.06 or any cash constituting the proceeds of the maturity, sale or other disposition of any Permitted Investments) held by the Loan Trustee hereunder as part of the Collateral, until paid out by the Loan Trustee as herein provided, (i) subject to clause (ii) below, may be carried by the Loan Trustee on deposit with itself or on deposit to its account with any bank, trust company or national banking association incorporated or doing business under the laws of the United States or one of the states thereof having combined capital and surplus and retained earnings of at least \$75,000,000, and the Loan Trustee shall not have any liability for interest upon any such monies except as otherwise agreed in writing with the Company, or (ii) at any time and from time to time, so long as no Event of Default shall have occurred and be continuing, at the request of the Company, shall be invested and reinvested in Permitted Investments as specified in such request (if such investments are reasonably available for purchase) and sold, in any case at such prices,



including accrued interest or its equivalent, as are set forth in such request, and such Permitted Investments shall be held by the Loan Trustee in trust as part of the Collateral until so sold; provided that the Company shall upon demand pay to the Loan Trustee the amount of any loss realized upon maturity, sale or other disposition of any such Permitted Investment and, so long as no Event of Default or Payment Default shall have occurred and be continuing, the Company shall be entitled to receive from the Loan Trustee, and the Loan Trustee shall promptly pay to the Company, any profit, income, interest, dividend or gain realized upon maturity, sale or other disposition of any Permitted Investment. If an Event of Default or Payment Default shall have occurred and be continuing, any net income, profit, interest, dividend or gain realized upon maturity, sale or other disposition of any Permitted Investment shall be held as part of the Collateral and shall be applied by the Loan Trustee at the same time, on the same conditions and in the same manner as the amounts in respect of which such income, profit, interest, dividend or gain was realized are required to be distributed in accordance with the provisions hereof pursuant to which such amounts were required to be held. The Loan Trustee shall not be responsible for any losses on any investments or sales of Permitted Investments made pursuant to the procedure specified in this Section 5.06 other than by reason of its willful misconduct or negligence. If any moneys or investments are held by the Loan Trustee solely because an Event of Default has occurred and is continuing and such moneys or investments have been held for a period of 90 consecutive days during which such Event of Default is continuing without any remedial action being taken by the Loan Trustee in respect of such Event of Default pursuant to Section 4.02 hereof, and provided that there is no stay, moratorium or injunction in effect preventing the taking of such action, then, notwithstanding any other provision of the Operative Documents, all such moneys and investments held by the Loan Trustee shall be released to the Company on such 90th day, or as soon thereafter as practicable.

#### ARTICLE VI

##### THE LOAN TRUSTEE

Section 6.01. Acceptance of Trusts and Duties. State Street accepts the trusts and duties hereby created and applicable to it and agrees to perform such duties, but only upon the terms of this Indenture and agrees to receive, handle and disburse all monies received by it as Loan Trustee constituting part of the Collateral in accordance with the terms hereof. State Street shall have no liability hereunder except (a) for its own willful misconduct or negligence, (b) as provided in the fourth sentence of Section 2.03(a) and the penultimate sentence of Section 5.06, (c) for liabilities that may result from the inaccuracy of any representation or warranty of State Street in the Participation Agreement or expressly made hereunder and (d) as otherwise expressly provided in the Operative Documents.

Section 6.02. Absence of Certain Duties. Except in accordance with written instructions furnished pursuant to Sections 5.01, 5.02 or 6.06, and except as provided in, and without limiting the generality of, Sections 5.02, 5.03 and 5.04, the Loan Trustee, shall have no duty (a) to see to any registration of the Aircraft or any recording or filing of this Indenture or any other document,

or to see to the maintenance of any such registration, recording or filing, (b) to see to any insurance on the Aircraft or to effect or maintain any such insurance, whether or not the Company shall be in default with respect thereto, (c) to confirm, verify or inquire into the failure to receive any financial statements of the Company or (d) to inspect the Aircraft at any time or ascertain or inquire as to the performance or observance of any of the Company's covenants hereunder with respect to the Aircraft.

Section 6.03. No Representations or Warranties as to the Documents. Except as provided in Article V of the Participation Agreement, the Loan Trustee shall not be deemed to have made any representation or warranty as to the validity, legality or enforceability of any Operative Document or any other document or instrument, or as to the correctness of any statement (other than a statement by the Loan Trustee) contained herein or therein, except that the Loan Trustee hereby represents and warrants that each of said specified documents to which it is a party has been or will be duly executed and delivered by one of its officers who is and will be duly authorized to execute and deliver such document on its behalf.

Section 6.04. No Segregation of Monies; No Interest. Subject to Section 5.06 hereof, all moneys received by the Loan Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by mandatory provisions of law, and neither the Loan Trustee nor any agent of the Loan Trustee shall be under any liability for interest on any moneys received by it hereunder; provided, however, that any payments received, or applied hereunder, by the Loan Trustee shall be accounted for by the Loan Trustee so that any portion thereof paid or applied pursuant hereto shall be identifiable as to the source thereof.

Section 6.05. Reliance; Agents; Advice of Counsel. The Loan Trustee shall not incur any liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper reasonably believed by it to be genuine and reasonably believed by it to be signed by the proper party or parties. The Loan Trustee may accept a copy of a resolution of the Board of Directors of any party to the Participation Agreement, certified by the Secretary or an Assistant Secretary of such party as duly adopted and in full force and effect, as conclusive evidence that such resolution has been duly adopted and that the same is in full force and effect. As to any fact or matter the manner of ascertainment of which is not specifically described herein, the Loan Trustee may for all purposes hereof rely on a certificate, signed by a duly authorized officer of the Company, as to such fact or matter, and such certificate shall constitute full protection to the Loan Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon. In the administration of the trusts hereunder, the Loan Trustee may, with the consent of the Company (such consent not to be unreasonably withheld), (a) execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents (including paying agents or registrars) or attorneys, and (b) at the expense of the Collateral, consult with counsel, accountants and other skilled Persons to be selected and retained by it. The Loan Trustee shall

not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled Persons acting within such counsel's, accountants' or Person's area of competence (so long as the Loan Trustee shall have exercised reasonable care and judgment in selecting such Persons).

Section 6.06. Instructions from Noteholders. In the administration of the trusts created hereunder, the Loan Trustee shall have the right to seek instructions from a Majority in Interest of Noteholders should any provision of this Indenture appear to conflict with any other provision herein or any other Operative Document or Pass Through Document or should the Loan Trustee's duties or obligations hereunder be unclear, and the Loan Trustee shall incur no liability in refraining from acting until it receives such instructions. The Loan Trustee shall be fully protected for acting in accordance with any instructions received under this Section 6.06.

## ARTICLE VII

### OPERATING COVENANTS OF THE COMPANY

Section 7.01. Liens. The Company will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to the Aircraft, its title thereto or any of its interest therein, except:

- (a) the respective rights of the Loan Trustee and the Company as provided in the Operative Documents, the Lien of this Indenture, the rights of any Permitted Lessee under a Lease permitted hereunder and the rights of any Person existing pursuant to the Operative Documents or the Pass Through Documents;
- (b) the rights of others under agreements or arrangements to the extent expressly permitted by this Indenture;
- (c) Loan Trustee Liens, Noteholder Liens and Other Party Liens;
- (d) Liens for Taxes either not yet due or payable or being contested in good faith by appropriate proceedings so long as such proceedings do not involve any material risk of the sale, forfeiture or loss of the Airframe or any Engine or the Loan Trustee's interest therein or materially impair the Lien of this Indenture;
- (e) materialmen's, mechanics', workers', repairmen's, employees' or other like Liens arising in the ordinary course of business (including those arising under maintenance agreements entered into in the ordinary course of business) securing obligations that either are not yet overdue for a period of more than 60 days or are being contested in good faith by appropriate proceedings so long as such proceedings do not involve any material risk of the sale, forfeiture or loss of the Airframe or any Engine or

the Loan Trustee's interest therein or materially impair the Lien of this Indenture;

(f) Liens arising out of any judgment or award, so long as such judgment shall, within 60 days after the entry thereof, have been discharged, vacated or reversed, or execution thereof stayed pending appeal or other judicial review or shall have been discharged, vacated or reversed within 60 days after the expiration of such stay;

(g) any other Lien with respect to which the Company shall have provided a bond, cash collateral or other security adequate in the reasonable opinion of the Loan Trustee;

(h) salvage or similar rights of insurers under insurance policies maintained by the Company; and

(i) Liens approved in writing by the Loan Trustee with the consent of a Majority in Interest of the Noteholders.

Liens described in clauses (a) through (i) above are referred to herein as "Permitted Liens". The Company shall promptly, at its own expense, take (or cause to be taken) such action as may be necessary duly to discharge (by bonding or otherwise) any Lien other than a Permitted Lien arising at any time with respect to the Aircraft, its title thereto or any of its interest therein.

#### Section 7.02. Possession, Operation and Use, Maintenance and Registration.

(a) Possession. The Company shall not, without the prior written consent of the Loan Trustee, lease or otherwise in any manner deliver, transfer or relinquish possession of the Airframe or any Engine or install any Engine, or permit any Engine to be installed, on any airframe other than the Airframe; provided that, so long as the Company shall comply with the provisions of Section 7.06, the Company may without the prior written consent of the Loan Trustee:

(i) subject the Airframe to interchange agreements or subject any Engine to interchange or pooling agreements or arrangements, in each case customary in the airline industry and entered into by the Company in the ordinary course of its business; provided that (A) no such agreement or arrangement contemplates or requires the transfer of title to the Airframe and (B) if the Company's title to any such Engine shall be divested under any such agreement or arrangement, such divestiture shall be deemed to be an Event of Loss with respect to such Engine, and the Company shall comply with Section 7.05(b) in respect thereof;

(ii) deliver possession of the Airframe or any Engine to any Person for testing, service, repair, maintenance, overhaul work or other similar purposes or for alterations, modifications or additions to the Airframe or such Engine to the extent required or

permitted by the terms hereof;

(iii) transfer or permit the transfer of possession of the Airframe or any Engine to any Government pursuant to a lease, contract or other instrument;

(iv) subject the Airframe or any Engine to the CRAF Program or transfer possession of the Airframe or any Engine to the United States government in accordance with applicable laws, rulings, regulations or orders (including, without limitation, any transfer of possession pursuant to the CRAF Program); provided, that the Company (A) shall promptly notify the Loan Trustee upon transferring possession of the Airframe or any Engine pursuant to this clause (iv) and (B) in the case of a transfer of possession pursuant to the CRAF Program, shall notify the Loan Trustee of the name and address of the responsible Contracting Office Representative for the Military Airlift Command of the United States Air Force or other appropriate Person to whom notices must be given and to whom requests or claims must be made to the extent applicable under the CRAF Program;

(v) install an Engine on an airframe owned by the Company (or any Permitted Lessee) free and clear of all Liens, except (A) Permitted Liens and Liens that apply only to the engines (other than Engines), appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment (other than Parts) installed on such airframe (but not to the airframe as an entirety) and (B) the rights of third parties under interchange agreements or pooling or similar arrangements that would be permitted under clause (i) above;

(vi) install an Engine on an airframe leased to the Company (or any Permitted Lessee) or purchased or owned by the Company (or any Permitted Lessee) subject to a conditional sale or other security agreement; provided that (A) such airframe is free and clear of all Liens except (1) the rights of the parties to the lease or conditional sale or other security agreement covering such airframe, or their successors and assigns, and (2) Liens of the type permitted by clause (v) of this Section 7.02(a) and (B) either (1) the Company shall have obtained from the lessor or secured party of such airframe a written agreement (which may be the lease, conditional sale or other security agreement covering such airframe), in form and substance satisfactory to the Loan Trustee (it being understood that an agreement from such lessor or secured party substantially in the form of the final sentence of the penultimate paragraph of this Section 7.02(a) shall be deemed to be satisfactory to the Loan Trustee), whereby such lessor or secured party expressly agrees that neither it nor its successors or assigns will acquire or claim any right, title or interest in any Engine by reason of such Engine being installed on such airframe at any time while such Engine is subject to the Lien of this Indenture or (2) such lease, conditional sale or other security agreement provides that such Engine shall not become subject to the Lien of such lease, conditional sale or other security agreement at any time while such Engine is subject to the Lien of this Indenture, notwithstanding the installation

thereof on such airframe;

(vii) install an Engine on an airframe owned by the Company (or any Permitted Lessee), leased to the Company (or any Permitted Lessee) or purchased by the Company (or any Permitted Lessee) subject to a conditional sale or other security agreement under circumstances where neither clause (v) nor clause (vi) of this Section 7.02(a) is applicable; provided that such installation shall be deemed an Event of Loss with respect to such Engine, and the Company shall comply with Section 7.05(b) in respect thereof, if such installation shall adversely affect the Loan Trustee's security interest in such Engine, the Loan Trustee not intending hereby to waive any right or interest it may have to or in such Engine under applicable law until compliance by the Company with Section 7.05(b);

(viii) lease any Engine or the Airframe and Engines to any United States air carrier as to which there is in force a certificate issued pursuant to the Transportation Code (49 U.S.C. Sections 41101-41112) or successor provision that gives like authority; and

(ix) lease any Engine or the Airframe and Engines to (A) any foreign air carrier other than those set forth in clause (B), (B) any foreign air carrier that is at the inception of the lease based in and a domiciliary of a country listed in Exhibit B hereto and (C) any foreign air carrier consented to in writing by the Loan Trustee with the consent of a Majority in Interest of Noteholders; provided that (x) in the case of a lease to a foreign air carrier under clause (A) above, the Loan Trustee receives at the time of such lease (1) written confirmation from each of the Rating Agencies that such lease would not result in a reduction of the rating for any class of Pass Through Certificates below the then current rating for such class of Pass Through Certificates or a withdrawal or suspension of the rating of any class of Pass Through Certificates and (2) an opinion of counsel to the Company (such counsel to be reasonably satisfactory to the Loan Trustee) to the effect that there exist no possessory rights in favor of the lessee under the laws of such lessee's country which would, upon bankruptcy or insolvency of or other default by the Company and assuming at such time such lessee is not insolvent or bankrupt, prevent the taking of possession of any such Engine or the Airframe and any such Engine by the Loan Trustee in accordance with and when permitted by the terms of Section 4.02 upon the exercise by the Loan Trustee of its remedies under Section 4.02, (y) in the case of a lease to any foreign air carrier (other than a foreign air carrier principally based in Taiwan), the United States maintains diplomatic relations with the country in which such foreign air carrier is based at the time such lease is entered into and (z) in the case of any lease to a foreign air carrier, such carrier is not then subject to any bankruptcy, insolvency, liquidation, reorganization, dissolution or similar proceeding and shall not have substantially all of its property in the possession of any liquidator, trustee, receiver or similar person;

provided that the rights of any lessee or other transferee who receives possession of the Aircraft,

the Airframe or any Engine by reason of a transfer permitted by this Section 7.02(a) (other than the transfer of an Engine which is deemed an Event of Loss) shall be subject and subordinate to, and any permitted lease shall be made expressly subject and subordinate to, all the terms of this Indenture, including the Loan Trustee's rights to repossess pursuant to Section 4.02 and to avoid such lease upon such repossession, and the Company shall remain primarily liable hereunder for the performance and observance of all of the terms and conditions of this Indenture to the same extent as if such lease or transfer had not occurred, any such lease shall include appropriate provisions for the maintenance and insurance of the Aircraft, the Airframe or such Engine, and no lease or transfer or possession otherwise in compliance with this Section shall (x) result in any registration or re-registration of the Aircraft except to the extent permitted in Section 7.02(e) or the maintenance, operation or use thereof that does not comply with Section 7.02(b) and (c) or (y) permit any action not permitted to be taken by the Company with respect to the Aircraft hereunder. The Company shall promptly notify the Loan Trustee and the Rating Agencies of the existence of any such lease with a term in excess of one year.

The Loan Trustee, and each Noteholder by acceptance of an Equipment Note, agrees, for the benefit of the lessor or secured party of any airframe or engine leased to the Company (or any Permitted Lessee) or purchased or owned by the Company (or any Permitted Lessee) subject to a conditional sale or other security agreement, that the Loan Trustee and the Noteholders will not acquire or claim, as against such lessor or secured party, any right, title or interest in (A) any engine or engines owned by the lessor under such lease or subject to a security interest in favor of the secured party under such conditional sale or other security agreement as the result of such engine or engines being installed on the Airframe at any time while such engine or engines are subject to such lease or conditional sale or other security agreement or (B) any airframe owned by the lessor under such lease or subject to a security interest in favor of the secured party under such conditional sale or other security agreement as the result of any Engine being installed on such airframe at any time while such airframe is subject to such lease or conditional sale or other security agreement.

The Loan Trustee acknowledges that any "wet lease" or other similar arrangement under which the Company maintains operational control of the Aircraft shall not constitute a delivery, transfer or relinquishment of possession for purposes of this Section 7.02(a).

(b) Operation and Use. The Company agrees that the Aircraft will not be maintained, used or operated in violation of any law, rule or regulation of any government of any country having jurisdiction over the Aircraft or in violation of any airworthiness certificate, license or registration relating to the Aircraft issued by any such government, except to the extent the Company is contesting in good faith the validity or application of any such law, rule or regulation in any manner that does not involve any material risk of sale, forfeiture or loss of the Aircraft or materially impair the Lien of this Indenture; and provided, that the Company shall not be in default under, or required to take any action set forth in, this sentence if it is not possible for it to comply with the laws of a jurisdiction other than the United States (or other than any

jurisdiction in which the Aircraft is then registered) because of a conflict with the applicable laws of the United States (or such jurisdiction in which the Aircraft is then registered). The Company will not operate the Aircraft, or permit the Aircraft to be operated or located, (i) in any area excluded from coverage by any insurance required by the terms of Section 7.06 or (ii) in any war zone or recognized or, in the Company's judgment, threatened areas of hostilities unless covered by war risk insurance in accordance with Section 7.06, unless in the case of either clause (i) or (ii), (x) indemnification complying with Section 7.06(a) and (b) has been provided or (y) the Aircraft is only temporarily located in such area as a result of an isolated occurrence or isolated series of occurrences attributable to a hijacking, medical emergency, equipment malfunction, weather conditions, navigational error or other similar unforeseen circumstances and the Company is using its good faith efforts to remove the Aircraft from such area as promptly as practicable.

(c) Maintenance. The Company shall maintain, service, repair and overhaul the Aircraft (or cause the same to be done) so as to keep the Aircraft in good operating condition, ordinary wear and tear excepted, and in such condition as may be necessary to enable the airworthiness certification of the Aircraft to be maintained in good standing at all times (other than during temporary periods of storage, during maintenance or modification permitted hereunder, or during periods of grounding by applicable governmental authorities) under the Transportation Code, during such periods in which the Aircraft is registered under the laws of the United States, or, if the Aircraft is registered under the laws of any other jurisdiction, the applicable laws of such jurisdiction. In any case the Aircraft will be maintained in accordance with the maintenance standards required by or substantially equivalent to those required by the FAA or the central aviation authority of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland or the United Kingdom. The Company shall maintain or cause to be maintained all records, logs and other documents required to be maintained in respect of the Aircraft by appropriate authorities in the jurisdiction in which the Aircraft is registered.

(d) Identification of Loan Trustee's Interest. The Company agrees to affix as promptly as practicable after the Closing Date and thereafter to maintain in the cockpit of the Aircraft, in a clearly visible location, and (if not prevented by applicable law or regulations or by any government) on each Engine, a nameplate bearing the inscription "MORTGAGED TO STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, AS LOAN TRUSTEE" (such nameplate to be replaced, if necessary, with a nameplate reflecting the name of any successor Loan Trustee).

(e) Registration. The Company shall cause the Aircraft to remain duly registered, under the laws of the United States, in the name of the Company except as otherwise required by the Transportation Code; provided that the Loan Trustee shall, at the Company's expense, execute and deliver all such documents as the Company may reasonably request for the purpose of continuing such registration. Notwithstanding the preceding sentence, the Company, at its



own expense, may cause or allow the Aircraft to be duly registered under the laws of any foreign jurisdiction in which a Permitted Lessee could be principally based, in the name of the Company or of any nominee of the Company, or, if required by applicable law, in the name of any other Person (and, following any such foreign registration, may cause the Aircraft to be re-registered under the laws of the United States); provided, that in the case of jurisdictions other than those approved by the Loan Trustee with the consent of a Majority in Interest of the Noteholders (i) if such jurisdiction is at the time of registration listed on Exhibit B, the Loan Trustee shall have received at the time of such registration an opinion of counsel to the Company to the effect that (A) this Indenture and the Loan Trustee's right to repossession thereunder is valid and enforceable under the laws of such country, (B) after giving effect to such change in registration, the Lien of this Indenture shall continue as a valid Lien and shall be duly perfected in the new jurisdiction of registration and that all filing, recording or other action necessary to perfect and protect the Lien of this Indenture has been accomplished (or if such opinion cannot be given at such time, (x) the opinion shall detail what filing, recording or other action is necessary and (y) the Loan Trustee shall have received a certificate from a Responsible Officer of the Company that all possible preparations to accomplish such filing, recording and other action shall have been done, and such filing, recording and other action shall be accomplished and a supplemental opinion to that effect shall be promptly delivered to the Loan Trustee subsequent to the effective date of such change in registration), (C) the obligations of the Company under this Indenture shall remain valid, binding and (subject to customary bankruptcy and equitable remedies exceptions and to other exceptions customary in foreign opinions generally) enforceable under the laws of such jurisdiction (or the laws of the jurisdiction to which the laws of such jurisdiction would refer as the applicable governing law) and (D) all approvals or consents of any government in such jurisdiction having jurisdiction required for such change in registration shall have been duly obtained and shall be in full force and effect, and (ii) if such jurisdiction is at the time of registration not listed on Exhibit B, the Loan Trustee shall have received (in addition to the opinions set forth in clause (i) above) at the time of such registration an opinion of counsel to the Company to the effect that (A) the terms of this Indenture are legal, valid, binding and enforceable in such jurisdiction (subject to exceptions customary in such jurisdiction, provided, that, subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, and to general principles of equity, any applicable laws limiting the remedies provided in Section 4.02 do not in the opinion of such counsel make the remedies provided in Section 4.02 inadequate for the practical realization of the rights and benefits provided thereby), (B) that it is not necessary for the Loan Trustee to register or qualify to do business in such jurisdiction, (C) that there is no tort liability of the lender of an aircraft not in possession thereof under the laws of such jurisdiction other than tort liability that might have been imposed on such lender under the laws of the United States or any state thereof (it being understood that such opinion shall be waived if insurance reasonably satisfactory to the Loan Trustee is provided, at the Company's expense, to cover such risk) and (D) (unless the Company shall have agreed to provide insurance covering the risk of requisition of use or title of the Aircraft by the government of such jurisdiction so long as the Aircraft is registered under the laws of such jurisdiction) that the laws of such jurisdiction require fair compensation by the

government of such jurisdiction payable in currency freely convertible into Dollars for the loss of use or title of the Aircraft in the event of requisition by such government of such use or title. The Loan Trustee will cooperate with the Company in effecting such foreign registration. Notwithstanding the foregoing, prior to any such change in the country of registry of the Aircraft, the following conditions shall be met (or waived as provided in Section 6.01(b) of the Participation Agreement):

(i) no Event of Default shall have occurred and be continuing at the effective date of the change in registration; provided, that it shall not be necessary to comply with this condition if the change in registration results in the registration of the Aircraft under the laws of the United States or if a Majority in Interest of Noteholders consents to such change in registration;

(ii) the Loan Trustee shall have received evidence of compliance with the insurance provisions contained herein after giving effect to such change in registration; and

(iii) the Company shall have paid or made provision reasonably satisfactory to the Loan Trustee for the payment of all reasonable expenses (including reasonable attorneys' fees) of the Loan Trustee and the Noteholders in connection with such change in registration.

#### Section 7.03. Inspection; Financial Information.

(a) Inspection. At all reasonable times, but upon at least 15 Business Days' prior written notice to the Company, the Loan Trustee or its authorized representative may, subject to the other conditions of this Section 7.03(a), inspect the Aircraft and may inspect the books and records of the Company required to be maintained by the FAA or the government of another jurisdiction in which the Aircraft is then registered relating to the maintenance of the Aircraft, and upon any such inspection by the Loan Trustee or its authorized representative of such books and records, the Policy Provider or its authorized representative may also inspect and make copies (at the Policy Provider's expense) of such books and records; provided that (i) such Loan Trustee or its representative, or the Policy Provider or its representative, as the case may be, shall be fully insured at no cost to the Company in a manner satisfactory to the Company with respect to any risks incurred in connection with any such inspection or shall provide to the Company a written release satisfactory to the Company with respect to such risks, (ii) any such inspection shall be subject to the safety, security and workplace rules applicable at the location where such inspection is conducted and any applicable governmental rules or regulations, (iii) any such inspection of the Aircraft shall be a visual, walk-around inspection of the interior and exterior of the Aircraft and shall not include opening any panels, bays or the like without the Company's express consent, which consent the Company may in its sole discretion withhold, and (iv) no exercise of such inspection right shall interfere with the use, operation or maintenance of the Aircraft by, or the business of, the Company and the Company shall not be required to undertake

or incur any additional liabilities in connection therewith. All information obtained in connection with any such inspection of the Aircraft and of such books and records shall be Confidential Information and shall be treated by the Loan Trustee, the Policy Provider, if applicable, and representatives in accordance with the provisions of Section 10.16. Any inspection pursuant to this Section 7.03(a) shall be at the sole risk (including, without limitation, any risk of personal injury or death) and expense of the Loan Trustee (or its representative) or the Policy Provider (or its representative), as the case may be, making such inspection. Except during the continuance of an Event of Default, all inspections by the Loan Trustee and its representatives provided for under this Section 7.03(a) shall be limited to one inspection of any kind contemplated by this Section 7.03(a) during any calendar year.

(b) Financial Information. So long as any of the Equipment Notes remain unpaid, the Company agrees to furnish to the Loan Trustee, each Liquidity Provider and the Policy Provider: (i) within 60 days after the end of each of the first three quarterly periods in each fiscal year of the Company, either (x) a consolidated balance sheet of the Company and its consolidated subsidiaries prepared by it as of the close of such period, together with the related consolidated statements of income for such period or (y) a report of the Company on Form 10-Q in respect of such period in the form filed with the Securities and Exchange Commission; (ii) within 120 days after the close of each fiscal year of the Company, either (x) a consolidated balance sheet of the Company and its consolidated subsidiaries as of the close of such fiscal year, together with the related consolidated statements of income for such fiscal year, certified by independent public accountants, or (y) a report of the Company on Form 10-K in respect of such year in the form filed with the Securities and Exchange Commission and (iii) within 60 days of the filing thereof, a copy of any Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission.

(c) Annual Opinion. The Company will furnish to the Loan Trustee annually (but not later than March 15th of each year) after the execution hereof until such time as the principal of, and interest on, and all other amounts with respect to, the Equipment Notes shall have been paid in full, commencing with the year 2002, an opinion of Crowe & Dunlevy, P.C., or other counsel reasonably acceptable to the Loan Trustee, stating either (i) that in the opinion of such counsel such action has been taken with respect to the recording, filing, re-recording and re-filing of this Indenture and any supplements thereto, including any financing or continuation statements, and such other filings and recordings as are necessary to maintain, for the 15-month period succeeding the date of such opinion, the perfection of the security interests created thereby and reciting the details of such action or (ii) that in the opinion of such counsel no such action is necessary to maintain, for the 15-month period succeeding the date of such opinion, the perfection of such security interests.

Section 7.04. Replacement and Pooling of Parts; Alterations, Modifications and Additions; Substitution of Engines.

(a) Replacement of Parts. The Company shall promptly replace all Parts that may

from time to time be incorporated or installed in or attached to the Airframe or any Engine and that may from time to time become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or rendered permanently unfit for use for any reason whatsoever, except as otherwise provided in Section 7.04(c) or if the Airframe or an Engine to which a Part relates has suffered an Event of Loss. In addition, the Company may remove in the ordinary course of maintenance, service, repair, overhaul or testing, any Parts, whether or not worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or rendered permanently unfit for use; provided that the Company, except as otherwise provided in Section 7.04(c), will replace such Parts as promptly as practicable. All replacement Parts shall be free and clear of all Liens (except for Permitted Liens and except in the case of replacement property temporarily installed on an emergency basis) and shall have a value and utility at least equal to the Parts replaced, assuming such replaced Parts were in the condition and repair required to be maintained by the terms hereof. Except as otherwise provided in Section 7.04(c), all Parts at any time removed from the Airframe or any Engine shall remain subject to the Lien of this Indenture no matter where located until such time as such Parts shall be replaced by parts that have been incorporated or installed in or attached to the Airframe or such Engine and that meet the requirements for replacement Parts specified above. Immediately upon any replacement Part becoming incorporated or installed in or attached to the Airframe or any Engine as above provided (except in the case of replacement property temporarily installed on an emergency basis), without further act, (i) the replaced Part shall thereupon be free and clear of all rights of the Loan Trustee and of the Lien of this Indenture and shall no longer be deemed a Part hereunder and (ii) such replacement Part shall become subject to the Lien of this Indenture and be deemed a Part of the Airframe or such Engine for all purposes to the same extent as the Parts originally incorporated or installed in or attached to the Airframe or such Engine. Upon request of the Company from time to time, the Loan Trustee shall execute and deliver to the Company an appropriate instrument confirming the release of any such replaced Part from the Lien of this Indenture.

(b) Pooling of Parts. Any Part removed from the Airframe or any Engine as provided in Section 7.04(a) may be subjected by the Company or a Person permitted to be in possession of the Aircraft to a pooling arrangement customary in the airline industry entered into in the ordinary course of the Company's or such Person's business; provided that the part replacing such removed Part shall be incorporated or installed in or attached to the Airframe or such Engine in accordance with Section 7.04(a) as promptly as practicable after the removal of such removed Part. In addition, any replacement Part when incorporated or installed in or attached to the Airframe or any Engine may be owned by any third party subject to such a pooling arrangement; provided that the Company, at its expense, as promptly thereafter as practicable, either (i) causes title to such replacement Part to vest in the Company free and clear of all Liens (except Permitted Liens), or (ii) replaces such replacement Part by incorporating or installing in or attaching to the Airframe or such Engine a further replacement Part in the manner contemplated by Section 7.04(a).

(c) Alterations, Modifications and Additions. The Company will make such

alterations and modifications in and additions to the Airframe and the Engines as may be required from time to time to meet the applicable requirements of the FAA or any applicable government of any other jurisdiction in which the Aircraft may then be registered; provided, however, that the Company may, in good faith, contest the validity or application of any such requirement in any manner that does not involve any material risk of sale, loss or forfeiture of the Aircraft and does not materially adversely affect the Loan Trustee's interest in the Aircraft. In addition, the Company, at its own expense, may from time to time add further parts or accessories and make or cause to be made such alterations and modifications in and additions to the Airframe or any Engine as the Company may deem desirable in the proper conduct of its business, including, without limitation, removal (without replacement) of Parts, provided that no such alteration, modification or addition shall materially diminish the value or utility of the Airframe or such Engine below its value or utility, immediately prior to such alteration, modification or addition, assuming that the Airframe or such Engine was then in the condition required to be maintained by the terms of this Indenture, except that the value (but not the utility) of the Airframe or any Engine may be reduced by the value of any such Parts that shall have been removed that the Company deems obsolete or no longer suitable or appropriate for use on the Airframe or any Engine. All Parts incorporated or installed in or attached or added to the Airframe or any Engine as the result of such alteration, modification or addition shall, without further act, be subject to the Lien of this Indenture. Notwithstanding the foregoing, the Company may, at any time, remove any Part from the Airframe or any Engine if such Part: (i) is in addition to, and not in replacement of or substitution for, any Part originally incorporated or installed in or attached to the Airframe or such Engine at the time of delivery thereof to the Company or any Part in replacement of, or substitution for, any such Part, (ii) is not required to be incorporated or installed in or attached or added to the Airframe or such Engine pursuant to the first sentence of this Section 7.04(c) or (iii) can be removed from the Airframe or such Engine without materially diminishing the value or utility required to be maintained by the terms of this Indenture that the Airframe or such Engine would have had at such time had such removal not occurred. Upon the removal by the Company of any Part as permitted by this Section 7.04(c), such removed Part shall, without further act, be free and clear of all rights and interests of the Loan Trustee and the Lien of this Indenture and shall no longer be deemed a Part hereunder. Upon request of the Company from time to time, the Loan Trustee shall execute and deliver to the Company an appropriate instrument confirming the release of any such removed Part from the Lien of this Indenture.

(d) Substitution of Engines. The Company shall have the right at its option at any time, on at least 30 days' prior written notice to the Loan Trustee, to substitute a Replacement Engine for any Engine. In such event, and prior to the date of such substitution, the Company shall replace such Engine hereunder by complying with the terms of Section 7.05(b) to the same extent as if an Event of Loss had occurred with respect to such Engine.

Section 7.05. Loss, Destruction or Requisition.

(a) Event of Loss with Respect to the Airframe. Upon the occurrence of an Event of Loss with respect to the Airframe or the Airframe and the Engines then installed thereon, the Company shall forthwith (and, in any event, within 15 days after such occurrence) give the Loan Trustee written notice of such Event of Loss, and, within 90 days after such Event of Loss, the Company shall give the Loan Trustee written notice of its election to perform one of the following options (it being agreed that if the Company shall not have given such notice of election within such 90-day period, the Company shall be deemed to have elected to perform the option set forth in the following clause (ii)). The Company may elect either to:

(i) on or before the Loss Payment Date (as defined below) substitute, as replacement for the Airframe or Airframe and Engines with respect to which an Event of Loss has occurred, a Replacement Airframe (together with a number of Replacement Engines equal to the number of Engines, if any, with respect to which the Event of Loss occurred), such Replacement Airframe and Replacement Engines to be owned by the Company free and clear of all Liens (other than Permitted Liens); provided that if the Company shall not perform its obligation to effect such substitution under this clause (i) on or prior to the Loss Payment Date, then the Company shall on the Loss Payment Date prepay the Equipment Notes in full in accordance with Section 2.10; or

(ii) on or before the Loss Payment Date, redeem the Equipment Notes in full in accordance with Section 2.10. The Company shall give the Loan Trustee 20 days prior written notice if it elects to redeem the Equipment Notes on any day prior to the Loss Payment Date.

The "Loss Payment Date" with respect to an Event of Loss means the Business Day next succeeding the 120th day following the date of occurrence of such Event of Loss.

If the Company elects to substitute a Replacement Airframe (or a Replacement Airframe and one or more Replacement Engines, as the case may be) the Company shall, at its sole expense, not later than the Loss Payment Date, (A) cause an Indenture Supplement for such Replacement Airframe and Replacement Engines, if any, to be delivered to the Loan Trustee for execution and, upon such execution, to be filed for recordation pursuant to the Transportation Code or the applicable laws of such other jurisdiction in which the Aircraft may then be registered, (B) cause a financing statement or statements with respect to the Replacement Airframe and Replacement Engines, if any, or other requisite documents or instruments to be filed in such place or places as necessary in order to perfect the Loan Trustee's interest therein in the United States, or in any other jurisdiction in which the Aircraft may then be registered, (C) furnish the Loan Trustee with an opinion of the Company's counsel (which may be the Company's General Counsel or such other internal counsel of the Company as shall be reasonably satisfactory to the Loan Trustee) addressed to the Loan Trustee to the effect that upon such replacement, such Replacement Airframe and Replacement Engines, if any, will be subject to the Lien of this Indenture and addressing the matters set forth in clauses (A) and (B), (D) furnish the Loan Trustee with a certificate of an independent aircraft engineer or appraiser,

certifying that the Replacement Airframe and Replacement Engines, if any, have a value and utility at least equal to the Airframe and Engines, if any, so replaced, assuming the Airframe and such Engines were in the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss, (E) furnish the Loan Trustee with evidence of compliance with the insurance provisions of Section 7.06 with respect to such Replacement Airframe and Replacement Engines, if any, and (F) furnish the Loan Trustee with an opinion of the Company's counsel (which may be the Company's General Counsel or such other internal counsel of the Company as shall be reasonably satisfactory to the Loan Trustee) to the effect that the Loan Trustee will be entitled to the benefits of Section 1110 with respect to the Replacement Airframe, provided that (i) such opinion need not be delivered to the extent that the benefits of Section 1110 were not, by reason of a change in law or governmental or judicial interpretation thereof, available to the Loan Trustee with respect to the Aircraft immediately prior to such substitution and (ii) such opinion may contain qualifications and assumptions of the tenor contained in the opinion of the Company's counsel delivered pursuant to Section 3.01 of the Participation Agreement on the Closing Date and such other qualifications and assumptions as shall at the time be customary in opinions rendered in comparable circumstances.

In the case of each Replacement Airframe or Replacement Airframe and one or more Replacement Engines subjected to the Lien of this Indenture under this Section 7.05(a), promptly upon the recordation of the Indenture Supplement covering such Replacement Airframe and Replacement Engines, if any, pursuant to the Transportation Code (or pursuant to the applicable law of such other jurisdiction in which such Replacement Airframe and Replacement Engines, if any, are registered), the Company will cause to be delivered to the Loan Trustee a favorable opinion of the Company's counsel (which may be the Company's General Counsel or such other internal counsel to the Company as shall be reasonably satisfactory to the Loan Trustee) addressed to the Loan Trustee as to the due registration of such Replacement Aircraft and the due recordation of such Indenture Supplement or such other requisite documents or instruments and the validity and perfection of the security interest in the Replacement Aircraft granted to the Loan Trustee under this Indenture.

For all purposes hereof, upon the attachment of the Lien of this Indenture thereto, the Replacement Aircraft and Replacement Engines, if any, shall become part of the Collateral, the Replacement Airframe shall be deemed an "Airframe" as defined herein, and each such Replacement Engine shall be deemed an "Engine" as defined herein. Upon compliance with clauses (A) through (F) of the second preceding paragraph, the Loan Trustee shall execute and deliver to the Company an appropriate instrument releasing such replaced Airframe and Engines (if any) installed thereon at the time such Event of Loss occurred, all proceeds (including, without limitation, insurance proceeds), the Warranty Rights in respect of such replaced Airframe and Engines (if any) and all rights relating to the foregoing, from the Lien of this Indenture and assigning to the Company all claims against third Persons for damage to or loss of the Airframe and Engines arising from the Event of Loss.

In the event that, after an Event of Loss, the Company performs the option set forth in clause (ii) of the first paragraph of this Section 7.05(a), the Loan Trustee shall execute and deliver to the Company an appropriate instrument releasing the Aircraft, all proceeds (including, without limitation, insurance proceeds), the Warranty Rights in respect of the Aircraft and all rights relating to the foregoing from the Lien of this Indenture and assigning to the Company all claims against third Persons for damage to or loss of the Aircraft arising from the Event of Loss.

(b) Event of Loss with Respect to an Engine. Upon the occurrence of an Event of Loss with respect to an Engine under circumstances in which there has not occurred an Event of Loss with respect to the Airframe, the Company shall give the Loan Trustee prompt written notice thereof and shall, within 120 days after the occurrence of such Event of Loss, cause to be subjected to the Lien of this Indenture, as replacement for the Engine with respect to which such Event of Loss occurred, a Replacement Engine free and clear of all Liens (other than Permitted Liens).

Prior to or at the time of any replacement under this Section 7.05(b), the Company will (i) cause an Indenture Supplement covering such Replacement Engine to be delivered to the Loan Trustee for execution and, upon such execution, to be filed for recordation pursuant to the Transportation Code or the applicable laws of any other jurisdiction in which the Aircraft may be registered, (ii) cause a financing statement or statements with respect to such Replacement Engine or other requisite documents or instruments to be filed in such place or places as necessary in order to perfect the Loan Trustee's interest therein in the United States, or in such other jurisdiction in which the Engine may then be registered, (iii) furnish the Loan Trustee with an opinion of the Company's counsel (which may be the Company's General Counsel or such other internal counsel to the Company as shall be reasonably satisfactory to the Loan Trustee) addressed to the Loan Trustee to the effect that, upon such replacement, the Replacement Engine will be subject to the Lien of this Indenture, (iv) furnish the Loan Trustee with a certificate of an aircraft engineer or appraiser (who may be an employee of the Company) certifying that such Replacement Engine has a value and utility at least equal to the Engine so replaced assuming such Engine was in the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss and (v) furnish the Loan Trustee with evidence of compliance with the insurance provisions of Section 7.06 with respect to such Replacement Engine. In the case of each Replacement Engine subjected to the Lien of this Indenture under this Section 7.05(b), promptly upon the recordation of the Indenture Supplement covering such Replacement Engine pursuant to the Transportation Code (or pursuant to the applicable law of such other jurisdiction in which the Aircraft is registered), the Company will cause to be delivered to the Loan Trustee an opinion of counsel to the Company (which may be the Company's General Counsel or such other internal counsel of the Company as shall be reasonably satisfactory to the Loan Trustee) addressed to the Loan Trustee as to the due recordation of such Indenture Supplement or such other requisite documents or instruments and the validity and perfection of the security interest in the Replacement Engine granted to the Loan Trustee under this Indenture. For all purposes hereof, upon the attachment of the Lien of this Indenture thereto, the



Replacement Engine shall become part of the Collateral and shall be deemed an "Engine" as defined herein. Upon compliance with clauses (i) through (v) of this paragraph, the Loan Trustee shall execute and deliver to the Company an appropriate instrument releasing such replaced Engine, any proceeds (including, without limitation, insurance proceeds), the Warranty Rights in respect of such replaced Engine and all rights relating to any of the foregoing from the Lien of this Indenture and assigning to the Company all claims against third Persons for damage to or loss of such Engine arising from the Event of Loss.

(c) Application of Payments for Event of Loss from Requisition of Title or Use. Any payments (other than insurance proceeds the application of which is provided for in Section 7.06) received at any time by the Company or by the Loan Trustee from any government or other Person with respect to an Event of Loss to the Airframe or any Engine, will be applied as follows:

(i) if such payments are received with respect to the Airframe or the Airframe and the Engines installed on the Airframe that has been or is being replaced by the Company pursuant to Section 7.05(a), such payments shall be paid over to, or retained by, the Loan Trustee and upon completion of such replacement shall be paid over to, or retained by, the Company;

(ii) if such payments are received with respect to the Airframe or the Airframe and the Engines installed on the Airframe that has not been and will not be replaced pursuant to Section 7.05(a), so much of such payments remaining after reimbursement of the Loan Trustee for costs and expenses that shall not exceed the amounts required to be paid to the Noteholders pursuant to Section 2.10 shall be applied in reduction of the Company's obligation to pay such amounts, if not already paid by the Company, or, if already paid by the Company, shall be applied to reimburse the Company for its payment of such amount and the balance, if any, of such payment remaining thereafter will be paid over to, or retained by, the Company; and

(iii) if such payments are received with respect to an Engine with regard to which an Event of Loss has occurred as contemplated by Section 7.05(b), so much of such payments remaining after reimbursement of the Loan Trustee for costs and expenses shall be paid over to, or retained by, the Company; provided that the Company shall have fully performed the terms of Section 7.05(b) with respect to the Event of Loss for which such payments are made.

(d) Requisition for Use by the Government of the Airframe and the Engines Installed Thereon. In the event of the requisition for use by any government, including, without limitation, pursuant to the CRAF Program, of the Airframe and the Engines or engines installed on the Airframe that does not constitute an Event of Loss, all of the Company's rights and obligations under this Indenture with respect to the Airframe and such Engines shall continue to the same extent as if such requisition had not occurred; provided that, notwithstanding the

foregoing, the Company's obligations other than payment obligations shall only continue to the extent feasible. All payments received by the Company or the Loan Trustee from such government for such use of the Airframe and Engines or engines shall be paid over to, or retained by, the Company.

(e) Requisition for Use by the Government of an Engine not Installed on the Airframe. In the event of the requisition for use by any government of any Engine not then installed on the Airframe, the Company will replace such Engine by complying with the terms of Section 7.05(b) to the same extent as if an Event of Loss had occurred with respect to such Engine. Upon such replacement, any payments received by the Company or the Loan Trustee from such government with respect to such requisition shall be paid over to, or retained by, the Company.

(f) Application of Payments During Existence of Event of Default. Any amount referred to in Section 7.05 that is payable to or retainable by the Company shall not be paid to or retained by the Company if at the time of such payment or retention an Event of Default or Payment Default shall have occurred and be continuing, but shall be held by or paid over to the Loan Trustee as security for the obligations of the Company under this Indenture. At such time as there shall not be continuing any such Event of Default or Payment Default, such amount shall be paid to the Company.

#### Section 7.06. Insurance.

##### (a) Aircraft Liability Insurance.

(i) Except as provided in clause (ii) of this subsection (a), and subject to the rights of the Company to establish and maintain self-insurance in the manner and to the extent specified in Section 7.06(c), the Company will carry, or cause to be carried, at no expense to the Loan Trustee, aircraft liability insurance (including, but not limited to, bodily injury, personal injury and property damage liability, exclusive of manufacturer's product liability insurance) and contractual liability insurance with respect to the Aircraft (A) in amounts that are not less than the aircraft liability insurance applicable to similar aircraft and engines in the Company's fleet on which the Company carries insurance; provided that such liability insurance shall not be less than the amount certified in the insurance report delivered to the Loan Trustee on the Closing Date, (B) of the type usually carried by corporations engaged in the same or similar business, similarly situated with the Company and owning or operating similar aircraft and engines and covering risks of the kind customarily insured against by the Company, and (C) that is maintained in effect with insurers of recognized responsibility. Any policies of insurance carried in accordance with this Section 7.06(a) and any policies taken out in substitution or replacement for any of such policies shall (A) name the Loan Trustee, the Subordination Agent, each Pass Through Trustee, each Liquidity Provider and the Policy Provider as their Interests (as defined below in this Section 7.06) may appear, as additional insured

(the "Additional Insureds"), (B) subject to the condition of clause (C) below, provide that, in respect of the interest of the Additional Insureds in such policies, the insurance shall not be invalidated by any action or inaction of the Company and shall insure the Additional Insureds' Interests as they appear, regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Company, (C) provide that, if such insurance is canceled for any reason whatever, or if any change is made in the policy that materially reduces the amount of insurance or the coverage certified in the insurance report delivered on the Closing Date to the Loan Trustee and each Liquidity Provider, or if such insurance is allowed to lapse for nonpayment of premium, such cancellation, change or lapse shall not be effective as to any Additional Insured for 30 days (seven days, or such other period as is customarily available in the industry, in the case of any war risk or allied perils coverage) after receipt by such Additional Insured of written notice from such insurers of such cancellation, change or lapse, (D) provide that the Additional Insureds shall have no obligation or liability for premiums, commissions, assessments or calls in connection with such insurance, (E) provide that the insurers shall waive any rights of (1) set-off, counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of the Additional Insureds to the extent of any moneys due to the Additional Insureds and (2) subrogation against the Additional Insureds to the extent that the Company has waived its rights by its agreements to indemnify the Additional Insureds pursuant to the Operative Documents, (F) be primary without right of contribution from any other insurance that may be carried by each Additional Insured with respect to its interests as such in the Aircraft and (G) expressly provide that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured. "Interests" as used in this Section 7.06(a) and in Section 7.06(b) with respect to any Person means the interests of such Person in the transactions contemplated by the Operative Documents. In the case of a lease or contract with any government in respect of the Aircraft or any Engine, or in the case of any requisition for use of the Aircraft or any Engine by any government, a valid agreement by such government to indemnify the Company, or an insurance policy issued by such government, against any of the risks that the Company is required hereunder to insure against shall be considered adequate insurance for purposes of this Section 7.06(a) to the extent of the risks (and in the amounts) that are the subject of such indemnification or insurance.

(ii) During any period that the Airframe or an Engine, as the case may be, is on the ground and not in operation, the Company may carry or cause to be carried as to such non-operating Airframe or Engine, in lieu of the insurance required by clause (i) above, and subject to self-insurance to the extent permitted by Subsection 7.06(c), insurance otherwise conforming with the provisions of said clause (i) except that: (A) the amounts of coverage shall not be required to exceed the amounts of airline liability insurance from time to time applicable to airframes or engines owned or leased by the

Company of the same type as such non-operating Airframe or Engine and that are on the ground and not in operation and (B) the scope of the risks covered and the type of insurance shall be the same as from time to time shall be applicable to airframes or engines owned or leased by the Company of the same type as such non-operating Airframe or Engine and that are on the ground and not in operation.

(b) Insurance Against Loss or Damage to Aircraft.

(i) Except as provided in clause (ii) of this subsection (b), and subject to the rights of the Company to establish and maintain self-insurance in the manner and to the extent specified in Section 7.06(c), the Company shall maintain, or cause to be maintained, in effect with insurers of recognized responsibility, at no expense to the Loan Trustee, all-risk aircraft hull insurance covering the Aircraft and all-risk coverage with respect to any Engines or Parts while removed from the Aircraft (including, without limitation, war risk insurance if and to the extent the same is maintained by the Company or any Permitted Lessee with respect to other aircraft owned or operated by the Company or such Permitted Lessee, as the case may be, on the same routes) that is of the type and in substantially the amount usually carried by corporations engaged in the same or similar business and similarly situated with the Company; provided that (A) such insurance (including the permitted self-insurance) shall at all times while the Aircraft is subject to this Indenture be for an amount not less than 110% of the aggregate outstanding principal amount of the Equipment Notes from time to time, (B) such insurance need not cover an Engine while attached to an airframe not owned, leased or operated by the Company and (C) such insurance covering Engines and Parts removed from an Airframe or an airframe or (in the case of Parts) an Engine need be obtained only to the extent available at reasonable cost (as reasonably determined by the Company). Any policies carried in accordance with this Section 7.06(b) and any policies taken out in substitution or replacement for any such policies shall (A) provide that any insurance proceeds up to an amount equal to the outstanding principal amount of the Equipment Notes, together with accrued but unpaid interest thereon, plus an amount equal to the interest that would accrue on the outstanding principal amount of the Equipment Notes at the Debt Rate in effect on the date of payment of such insurance proceeds to the Loan Trustee (as provided for in this sentence) during the period commencing on the day following the date of such payment to the Loan Trustee and ending on the Loss Payment Date, plus Break Amount with respect to the Series G Notes (the "Loan Amount"), payable for any loss or damage constituting an Event of Loss with respect to the Aircraft and any insurance proceeds in excess of the amount set forth on Exhibit C up to the amount of the Loan Amount for any loss or damage to the Aircraft (or Engines) not constituting an Event of Loss with respect to the Aircraft (or Engines), shall be paid to the Loan Trustee as long as the Indenture shall not have been discharged, and that all other amounts shall be payable to the Company, unless the insurer shall have received notice that an Event of Default exists, in which case all insurance proceeds for any loss or damage to the Aircraft (or Engines) up

to the Loan Amount shall be payable to the Loan Trustee, (B) subject to the conditions of clause (C) below, provide that, in respect of the interests of the Additional Insureds in such policies, the insurance shall not be invalidated by any action or inaction of the Company and shall insure the Additional Insureds' Interests as they appear, regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Company, (C) provide that if such insurance is canceled for any reason whatsoever, or if any change is made in the policy that materially reduces the amount of insurance or the coverage certified in the insurance report delivered on the Closing Date to the Loan Trustee and each Liquidity Provider, or if such insurance is allowed to lapse for nonpayment of premium, such cancellation, change or lapse shall not be effective as to the Additional Insureds for 30 days (seven days, or such other period as is customarily available in the industry, in the case of war risk or allied perils coverage) after receipt by the Additional Insureds of written notice from such insurers of such cancellation, change or lapse, (D) provide that the Additional Insureds shall have no obligation or liability for premiums, commissions, assessments or calls in connection with such insurance, (E) provide that the insurers shall waive rights of (1) setoff, counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of the Additional Insureds to the extent of any moneys due to the Additional Insureds and (2) subrogation against the Additional Insureds to the extent the Company has waived its rights by its agreement to indemnify the Additional Insureds pursuant to the Operative Documents and (F) be primary without right of contribution from any other insurance that may be carried by any Additional Insured with respect to its Interests as such in the Aircraft. In the case of a lease or contract with any government in respect of the Aircraft or any Engine, or in the case of any requisition for use of the Aircraft or any Engine by any government, a valid agreement by such government to indemnify the Company, or an insurance policy issued by such government, against any risks which the Company is required hereunder to insure against shall be considered adequate insurance for purposes of this Section 7.06(b) to the extent of the risks (and in the amounts) that are the subject of such indemnification or insurance.

(ii) During any period that the Airframe or an Engine is on the ground and not in operation, the Company may carry or cause to be carried as to such non-operating Airframe or Engine, in lieu of the insurance required by clause (i) above, and subject to self-insurance to the extent permitted by Subsection 7.06(c), insurance otherwise conforming with the provisions of said clause (i) except that the scope of the risks covered and the type of insurance shall be the same as from time to time applicable to airframes and engines owned or leased by the Company (or, if a lease is then in effect, by the Permitted Lessee) of the same type as such non-operating Airframe or Engine and that are on the ground and not in operation; provided that, subject to self-insurance to the extent permitted by Subsection 7.06(c), the Company shall maintain insurance against risk of loss or damage to such non-operating Airframe or Engine in an amount at least equal to 110% of the aggregate outstanding principal amount of the Equipment Notes

during such period that such Airframe or Engine is on the ground and not in operation.

(c) Self-Insurance. The Company may from time-to-time self-insure, by way of deductible, self-insured retention, premium adjustment or franchise or otherwise (including, with respect to insurance maintained pursuant to Subsections 7.06(a) or 7.06(b), insuring for a maximum amount that is less than the amounts set forth in Sections 7.06(a) and 7.06(b)), the risks required to be insured against pursuant to Sections 7.06(a) and 7.06(b), but in no case shall the self-insurance with respect to all of the aircraft and engines in the Company's fleet (including, without limitation, the Aircraft) exceed for any 12-month policy year 1% of the average aggregate insurable value (for the preceding policy year) of all aircraft (including, without limitation, the Aircraft) on which the Company carries insurance, unless an insurance broker of national standing shall certify that the standard among all other major United States airlines is a higher level of self-insurance, in which case the Company may self-insure the Aircraft to such higher level. In addition to the foregoing right to self-insure, the Company may self-insure to the extent of (1) any deductible per occurrence that, in the case of the Aircraft, is not in excess of the amount customarily allowed as a deductible in the industry or is required to facilitate claims handling or (2) any applicable mandatory minimum per aircraft (or if applicable per annum or other period) hull or liability insurance deductibles imposed by the aircraft or hull liability insurers.

(d) Application of Insurance Payments. All losses will be adjusted by the Company with the insurers. As between the Loan Trustee and the Company it is agreed that all insurance payments received under policies required to be maintained by the Company hereunder, exclusive of any payments received in excess of the Loan Amount for the Aircraft from such policies, as the result of the occurrence of an Event of Loss with respect to the Airframe or an Engine will be applied as follows:

(i) if such payments are received with respect to the Airframe or the Airframe and any Engines installed on the Airframe that has been or is being replaced by the Company pursuant to Section 7.05(a), such payments shall be paid over to, or retained by, the Loan Trustee and upon completion of such replacement shall be paid over to, or retained by, the Company.

(ii) if such payments are received with respect to the Airframe or the Airframe and any Engines installed on the Airframe that has not been and will not be replaced as contemplated by Section 7.05(a), so much of such payments remaining after reimbursement of the Loan Trustee for its costs and expenses as shall not exceed the amounts required to be paid by the Company pursuant to Section 2.10 shall be applied in reduction of the Company's obligation to pay such amounts, if not already paid by the Company, or, if already paid by the Company, shall be applied to reimburse the Company for its payment of such amounts and the balance, if any, of such payment remaining thereafter will be paid over to, or retained by, the Company; and

(iii) if such payments are received with respect to an Engine with regard to which an Event of Loss contemplated by Section 7.05(b) has occurred, so much of such payments remaining after reimbursement of the Loan Trustee for its costs and expenses shall be paid over to, or retained by, the Company; provided that the Company shall have fully performed the terms of Section 7.05(b) with respect to the Event of Loss for which such payments are made.

In all events, the insurance payment of any property damage loss received under policies maintained by the Company in excess of the Loan Amount for the Aircraft shall be paid to the Company.

The insurance payments for any loss or damage to the Airframe or an Engine not constituting an Event of Loss with respect to the Airframe or such Engine will be applied in payment (or to reimburse the Company) for repairs or for replacement property in accordance with the terms of Sections 7.02 and 7.04, and any balance remaining after compliance with such Sections with respect to such loss or damage shall be paid to the Company. Any amount referred to in the preceding sentence or in clause (i), (ii) or (iii) of the second preceding paragraph that is payable to the Company shall not be paid to the Company (or, if it has been previously paid directly to the Company, shall not be retained by the Company) if at the time of such payment an Event of Default or Payment Default shall have occurred and be continuing, but shall be paid to and held by the Loan Trustee as security for the obligations of the Company under this Indenture, and at such time as there shall not be continuing any such Event of Default or Payment Default, such amount shall, to the extent not theretofore applied as provided herein, be paid to the Company.

(e) Reports, Etc. On or before the Closing Date and annually upon renewal of the Company's insurance coverage, the Company will furnish to the Loan Trustee, each Liquidity Provider and the Policy Provider a report signed by a firm of independent aircraft insurance brokers appointed by the Company (which brokers may be in the regular employ of the Company), stating the opinion of such firm that the insurance then carried and maintained on the Aircraft complies with the terms hereof; provided that all information contained in such report shall be Confidential Information and shall be treated by the Loan Trustee, each Liquidity Provider and the Policy Provider and each of their affiliates and officers, directors, agents and employees in accordance with the provisions of Section 10.16. The Company will cause such firm to advise the Loan Trustee, each Liquidity Provider and the Policy Provider in writing of any act or omission on the part of the Company of which such firm has knowledge that might invalidate or render unenforceable, in whole or in part, any insurance on the Aircraft. The Company will also cause such firm to advise the Loan Trustee, each Liquidity Provider and the Policy Provider in writing as promptly as practicable after such firm acquires knowledge that an interruption of any insurance carried and maintained on the Aircraft pursuant to this Section 7.06 will occur. Such information may only be provided to other Persons in accordance with Section 10.16.

(f) Salvage Rights; Other. All salvage rights to the Airframe and each Engine shall remain with the Company's insurers at all times, and any insurance policies of the Loan Trustee insuring the Airframe or any Engine shall provide for a release to the Company of any and all salvage rights in and to the Airframe or any Engine. Neither the Loan Trustee nor any Noteholder may, directly or indirectly, obtain insurance for its own account with respect to the Airframe or any Engine if such insurance would limit or otherwise adversely affect the coverage or amounts payable under, or increase the premiums for, any insurance required to be maintained pursuant to this Section 7.06 or any other insurance maintained with respect to the Aircraft or any other aircraft in the Company's fleet.

#### ARTICLE VIII

##### SUCCESSOR AND ADDITIONAL TRUSTEES

###### Section 8.01. Resignation or Removal; Appointment of Successor.

(a) The resignation or removal of the Loan Trustee and the appointment of a successor Loan Trustee shall become effective only upon the successor Loan Trustee's acceptance of appointment as provided in this Section 8.01. The Loan Trustee or any successor thereto must resign if at any time it ceases to be eligible in accordance with the provisions of Section 8.01(c) and may resign at any time without cause by giving at least 60 days' prior written notice to the Company and each Noteholder. In addition, either the Company (so long as no Event of Default or Payment Default shall have occurred and be continuing) or a Majority in Interest of Noteholders (but only with the consent of the Company so long as no Event of Default or Payment Default shall have occurred and be continuing), may at any time remove the Loan Trustee without cause by an instrument in writing delivered to the Loan Trustee and each Noteholder, and, in case of a removal by a Majority in Interest of Noteholders, to the Company.

In the case of the resignation or removal of the Loan Trustee, the Company shall promptly appoint a successor Loan Trustee. If a successor Loan Trustee shall not have been appointed within 60 days after such notice of resignation or removal, the Loan Trustee, the Company or any Noteholder may apply to any court of competent jurisdiction to appoint a successor Loan Trustee to act until such time, if any, as a successor shall have been appointed as above provided. The successor Loan Trustee so appointed by such court shall immediately and without further act be superseded by any successor Loan Trustee appointed as above provided.

(b) Any successor Loan Trustee, however appointed, shall execute and deliver to the predecessor Loan Trustee and the Company an instrument accepting such appointment and assuming the obligations of the Loan Trustee arising from and after the time of such appointment, and thereupon such successor Loan Trustee, without further act, shall become vested with all the estates, properties, rights, powers and duties of the predecessor Loan Trustee hereunder in the trust hereunder applicable to it with like effect as if originally named the Loan Trustee herein; but nevertheless upon the written request of such successor Loan Trustee, such



predecessor Loan Trustee shall execute and deliver an instrument transferring to such successor Loan Trustee all the estates, properties, rights and powers of such predecessor Loan Trustee, and such predecessor Loan Trustee shall duly assign, transfer, deliver and pay over to such successor Loan Trustee all monies or other property and all other books and records, or true, correct and complete copies thereof, then held by such predecessor Loan Trustee hereunder.

(c) This Indenture shall at all times have a Loan Trustee, however appointed, that is a Citizen of the United States (without the use of a voting trust) and a bank or trust company having a combined capital and surplus of at least \$75,000,000 (or a combined capital and surplus in excess of \$5,000,000 and the obligations of which, whether now in existence or hereafter incurred, are fully and unconditionally guaranteed by a corporation organized and doing business under the laws of the United States or any state or territory thereof or the District of Columbia and having a combined capital and surplus of at least \$75,000,000) or a corporation with a net worth of at least \$75,000,000, if there be such an institution willing, able and legally qualified to perform the duties of the Loan Trustee hereunder upon reasonable or customary terms. If such bank, trust company or corporation publishes reports of conditions at least annually, pursuant to law or to the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 8.01(c) the combined capital and surplus of such bank, trust company or corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of conditions so published. In case at any time the Loan Trustee shall cease to be eligible in accordance with the provisions of this Section 8.01(c), the Loan Trustee shall resign immediately in the manner and with the effect specified in Section 8.01(a).

(d) Any corporation into which the Loan Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Loan Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Loan Trustee may be transferred, shall, subject to the terms of Section 8.01(c), be a successor Loan Trustee under this Indenture without further act.

#### Section 8.02. Appointment of Additional and Separate Trustees.

(a) Whenever (i) the Loan Trustee shall deem it necessary or desirable in order to conform to any law of any jurisdiction in which all or any part of the Collateral shall be situated or to make any claim or bring any suit with respect to or in connection with the Collateral, any Operative Document or any of the transactions contemplated by the Operative Documents, (ii) the Loan Trustee shall be advised by counsel satisfactory to it that it is necessary or prudent in the interests of the Noteholders (and the Loan Trustee shall so advise the Company) or (iii) the Loan Trustee shall have been requested to do so by a Majority in Interest of Noteholders, then in any such case, the Loan Trustee and, upon the written request of the Loan Trustee, the Company, shall execute and deliver an indenture supplemental hereto and such other instruments as may from time to time be necessary or advisable either (1) to constitute one or more banks or trust

companies or corporations meeting the requirements of Section 8.01(c) and approved by the Loan Trustee, either to act jointly with the Loan Trustee as additional trustee or trustees of all or any part of the Collateral or to act as separate trustee or trustees of all or any part of the Collateral, in each case with such rights, powers, duties and obligations consistent with this Indenture as may be provided in such supplemental indenture or other instruments as the Loan Trustee or a Majority in Interest of Noteholders may deem necessary or advisable, or (2) to clarify, add to or subtract from the rights, powers, duties and obligations theretofore granted any such additional or separate trustee, subject in each case to the remaining provisions of this Section 8.02. If no Event of Default has occurred and is continuing, no additional or supplemental trustee shall be appointed without the Company's consent. If an Event of Default shall have occurred and be continuing, the Loan Trustee may act under the foregoing provisions of this Section 8.02(a) without the concurrence of the Company, and the Company hereby irrevocably appoints (which appointment is coupled with an interest) the Loan Trustee as its agent and attorney-in-fact to act for it under the foregoing provisions of this Section 8.02(a). The Loan Trustee may, in such capacity, execute, deliver and perform any such supplemental indenture, or any such instrument, as may be required for the appointment of any such additional or separate trustee or for the clarification of, addition to or subtraction from the rights, powers, duties or obligations theretofore granted to any such additional or separate trustee, subject in each case to the remaining provisions of this Section 8.02. In case any additional or separate trustee appointed under this Section 8.02(a) shall become incapable of acting, resign or be removed, all the assets, property, rights, powers, trusts, duties and obligations of such additional or separate trustee shall revert to the Loan Trustee until a successor additional or separate trustee is appointed as provided in this Section 8.02(a).

(b) No additional or separate trustee shall be entitled to exercise any of the rights, powers, duties and obligations conferred upon the Loan Trustee in respect of the custody, investment and payment of monies and all monies received by any such additional or separate trustee from or constituting part of the Collateral or otherwise payable under any Operative Documents to the Loan Trustee shall be promptly paid over by it to the Loan Trustee. All other rights, powers, duties and obligations conferred or imposed upon any additional or separate trustee shall be exercised or performed by the Loan Trustee and such additional or separate trustee jointly except to the extent that applicable law of any jurisdiction in which any particular act is to be performed renders the Loan Trustee incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations (including the holding of title to all or part of the Collateral in any such jurisdiction) shall be exercised and performed by such additional or separate trustee. No additional or separate trustee shall take any discretionary action except on the instructions of the Loan Trustee or a Majority in Interest of Noteholders. No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder, except that the Loan Trustee shall be liable for the consequences of its lack of reasonable care in selecting, and the Loan Trustee's own actions in acting with, any additional or separate trustee. Each additional or separate trustee appointed pursuant to this Section 8.02 shall be subject to, and shall have the benefit of Articles IV, V, VI, VIII, IX and X hereof insofar as

they apply to the Loan Trustee. The powers of any additional or separate trustee appointed pursuant to this Section 8.02 shall not in any case exceed those of the Loan Trustee hereunder.

(c) If at any time the Loan Trustee shall deem it no longer necessary or desirable or in the event that the Loan Trustee shall have been requested to do so in writing by a Majority in Interest of Noteholders, the Loan Trustee and, upon the written request of the Loan Trustee, the Company, shall execute and deliver an indenture supplemental hereto and all other instruments and agreements necessary or proper to remove any additional or separate trustee. The Loan Trustee may act on behalf of the Company under this Section 8.02(c) when and to the extent it could so act under Section 8.02(a) hereof. In any case, the Company may remove an additional or separate trustee in the manner set forth in Section 8.01.

## ARTICLE IX

### AMENDMENTS AND WAIVERS

Section 9.01. Amendments to this Indenture without Consent of Holders. At any time after the date hereof, the Company and the Loan Trustee may enter into one or more agreements supplemental hereto and to amend the Equipment Notes, without notice to or consent of any Noteholder for any of the following purposes: (i) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company contained in any Operative Documents pursuant to Section 6.02(e) of the Participation Agreement; (ii) to cure any defect or inconsistency herein or in the Equipment Notes; (iii) to cure any ambiguity or correct any mistake; (iv) to evidence the succession of a new trustee hereunder pursuant hereto or the removal of the trustee hereunder or to provide for or facilitate the appointment of an additional or separate trustee pursuant to Section 8.02 hereof; (v) to convey, transfer, assign, mortgage or pledge any property to or with the Loan Trustee; (vi) to make any other provisions or amendments with respect to matters or questions arising hereunder or under the Equipment Notes, or to amend, modify or supplement any provision hereof or thereof, so long as such action shall not adversely affect the interests of the Noteholders, the Policy Provider or any Liquidity Provider; (vii) to correct or amplify the description of any property at any time subject to the Lien of this Indenture, or better to assure, convey and confirm unto the Loan Trustee any property subject or required to be subject to the Lien of this Indenture or to subject to the Lien of this Indenture the Airframe or Engines or any Replacement Airframe or Replacement Engine; (viii) to add to the covenants of the Company for the benefit of the Noteholders, or to surrender any rights or power herein conferred upon the Company; (ix) to add to the rights of the Noteholders; (x) to include on the Equipment Notes any legend as may be required by law or as may otherwise be necessary or advisable; (xi) to comply with any applicable requirements of the Trust Indenture Act of 1939, as amended, or any other requirements of applicable law or of any regulatory body; (xii) to provide for the issuance of New Series C Equipment Notes, New Series D Equipment Notes and/or Second New Series D Equipment Notes and/or Pass Through Certificates issued by a New Trust in connection with a Refunding and to make changes relating thereto; (xiii) to provide for the guaranty by AMR Corporation or another entity of this Indenture

or one or more Series of Equipment Notes (other than in connection with the issuance of New Series C Equipment Notes, New Series D Equipment Notes, Second New Series D Equipment Notes and Series E Equipment Notes, subject to obtaining a Ratings Confirmation) and (xiv) to provide for the issuance of Series E Equipment Notes and/or Pass Through Certificates issued by the Class E Trust and to make changes relating thereto, provided that (A) the Company shall have obtained written confirmation from each Rating Agency that the issuance of the Series E Equipment Notes would not result in a reduction of the rating for any class of Pass Through Certificates that is then rated below the then current rating for such class of Pass Through Certificates (without regard to the Policy in the case of the Class G Certificates) or a withdrawal or suspension of the rating of such class of Pass Through Certificates and (B) (1) if the Series E Equipment Notes are issued to a Class E Trust, the Pass Through Trustee thereof shall become a party to the Intercreditor Agreement as provided therein or (2) if Series E Equipment Notes are issued to any person other than a Class E Trust, the Series E Equipment Notes will be subject to the provisions of the Intercreditor Agreement that allow the "Controlling Party" (as defined in the Intercreditor Agreement), during the continuance of an "Indenture Event of Default" (as defined in the Intercreditor Agreement) to direct the Loan Trustee in taking action under this Indenture; provided further that, unless there shall have been obtained from each Rating Agency written confirmation that a supplemental agreement described in any of clauses (i) through (xiv) of this Section 9.01 would not result in a reduction of the rating for any class of Pass Through Certificates that is then rated below the then current rating for such class of Pass Through Certificates (without regard to the Policy in the case of the Class G Certificates) or a withdrawal or suspension of the rating of such class of Pass Through Certificates, if any Pass Through Certificates are then outstanding, the Company shall provide each relevant Pass Through Trustee with an opinion of counsel (y) if an Event of Default shall have occurred and be continuing, to the effect that such supplemental agreement will not cause the relevant Pass Through Trust to become an association taxable as a corporation for United States federal income tax purposes or (z) in other circumstances, to the effect that such supplemental agreement will not cause the relevant Pass Through Trust to be treated as other than a grantor trust for United States federal income tax purposes.

Section 9.02. Amendments to this Indenture with Consent of Holders.

(a) With the written consent of a Majority in Interest of Noteholders, the Company may, and the Loan Trustee shall, subject to Section 9.06, at any time and from time to time, enter into such supplemental agreements to add any provisions to or to change or eliminate any provisions of this Indenture or of any such supplemental agreements or to modify in any manner the rights and obligations of the Company, the Loan Trustee and of the Noteholders under this Indenture; provided, however, that without the consent of each Noteholder affected thereby, an amendment under this Section 9.02 may not:

(1) reduce the principal amount of, interest on, or Break Amount, Prepayment Premium or Make-Whole Amount with respect to, any Equipment Note;

(2) change the date on which any principal amount of, interest on, or Break Amount, Prepayment Premium or Make-Whole Amount with respect to, any Equipment Note, is due or payable;

(3) create any Lien with respect to the Collateral prior to or pari passu with the Lien thereon under this Indenture except such as are permitted by this Indenture, or deprive any Noteholder of the benefit of the Lien on the Collateral created by this Indenture;

(4) reduce the percentage of the outstanding principal amount of the Equipment Notes the consent of whose holders is required for any such supplemental agreement, or the consent of whose holders is required for any waiver of compliance with certain provisions of this Indenture or of certain defaults hereunder or their consequences provided for in this Indenture; or

(5) make any change in Section 4.05 or this Section 9.02, except to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of each Noteholder affected thereby.

(b) It is not necessary under this Section 9.02 for the Noteholders to consent to the particular form of any proposed supplemental agreement, but it is sufficient if they consent to the substance thereof.

(c) Promptly after the execution by the Company and the Loan Trustee of any supplemental agreement pursuant to the provisions of this Section 9.02, the Loan Trustee shall transmit by first-class mail a notice, setting forth in general terms the substance of such supplemental agreement, to all Noteholders, as the names and addresses of such Noteholders appear on the Equipment Note Register. Any failure of the Loan Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental agreement.

Section 9.03. Amendments, Waivers, Etc. of the Participation Agreement. Without the consent of a Majority in Interest of Noteholders, the respective parties to the Participation Agreement may not modify, amend or supplement such agreement, or give any consent, waiver, authorization or approval thereunder, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions thereof or of modifying in any manner the rights of the respective parties thereunder; provided, however, that, without the consent of the Loan Trustee or any Noteholder, the Participation Agreement may be modified, amended or supplemented in order (i) to cure any defect or inconsistency therein or to cure any ambiguity or correct any mistake, (ii) to amend, modify or supplement any provision thereof or make any other provision with respect to matters or questions arising thereunder or under this Indenture, provided that the making of any such other provision shall not materially adversely affect the interests of the Noteholders or (iii) to make any other change, or reflect any other matter, of the

kind referred to in clauses (i) through (xiv) of Section 9.01. Notwithstanding the foregoing, without the consent of the applicable Liquidity Provider, the Company shall not enter into any amendment, waiver or modification of or supplement or consent to the Participation Agreement which shall reduce, modify or amend any indemnities in favor of such Liquidity Provider contained therein.

Section 9.04. Revocation and Effect of Consents. Until an amendment or waiver becomes effective, a consent to it by a Noteholder is a continuing consent by the Noteholder and every subsequent Noteholder, even if notation of the consent is not made on any Equipment Note.

Section 9.05. Notation on or Exchange of Equipment Notes. The Loan Trustee may place an appropriate notation about an amendment or waiver on any Equipment Note thereafter executed. The Loan Trustee in exchange for such Equipment Notes may execute new Equipment Notes that reflect the amendment or waiver.

Section 9.06. Trustee Protected. If, in the reasonable opinion of the institution acting as Loan Trustee hereunder, any document required to be executed by it pursuant to the terms of Section 9.01 or 9.02 adversely affects any right, duty, immunity or indemnity with respect to such institution under this Indenture, such institution may in its discretion decline to execute such document.

## ARTICLE X

### MISCELLANEOUS

Section 10.01. Termination of Indenture.

(a) Upon (or at any time after):

(i) payment in full of the principal amount of, interest on, Break Amount, if any, Prepayment Premium, if any, and Make-Whole Amount, if any, with respect to, and all other amounts due under, all Equipment Notes, and provided that there shall then be no other Secured Obligations due to the Noteholders, the Indenture Indemnities and the Loan Trustee hereunder or under the Participation Agreement;

(ii) if the Series G Equipment Notes have been fully paid or redeemed, the 91st day after there has been irrevocably deposited (except as provided in Section 2.15 or 10.01(d)) with the Loan Trustee as funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Noteholders of the Series C Equipment Notes and the Series D Equipment Notes, or if the Series C Equipment Notes have also been fully paid or redeemed, the Noteholders of the Series D Equipment Notes, (A) money in an amount, (B) U.S. Government Obligations that, through the payment of interest and

principal in respect thereof in accordance with their terms, will provide (not later than one Business Day before the due date of any payment referred to below in this paragraph) money in an amount, or (C) a combination of money and U.S. Government Obligations referred to in the foregoing clause (B), sufficient, in the opinion of a nationally recognized firm of independent certified public accountants expressed in a written certification thereof delivered to the Loan Trustee, to pay in full the outstanding principal amount of and interest on all the Series C Equipment Notes and/or the Series D Equipment Notes, as applicable, on the dates such amounts are due; provided, however, that

(1) the Company shall have delivered to the Loan Trustee an opinion of counsel to the effect that there has been a change in tax law since September 24, 2002 or has been published by the Internal Revenue Service a ruling to the effect that Noteholders and the holders of the Pass Through Certificates will not recognize income, gain or loss for United States Federal income tax purposes as a result of the exercise by the Company of its option under this subsection (ii) and will be subject to United States Federal income tax on the same amounts and in the same manner and at the same times, as would have been the case if such option had not been exercised and (y) the Company shall have obtained a Ratings Confirmation with respect to the exercise by the Company of its option under this subsection (ii);

(2) all other amounts then due and payable hereunder have been paid;

(3) the Company has delivered to the Loan Trustee an officer's certificate and an opinion of counsel, each stating that all conditions precedent provided for relating to the satisfaction and discharge of this Indenture contemplated by this Section 10.01 have been complied with;

(4) such deposit will not result in a breach or violation of, or constitute an Event of Default under, this Indenture or a default or event of default under any other agreement or instrument to which the Company is a party or by which it is bound; and

(5) no Event of Default set forth in Sections 4.01(f), (g), (h) or (i) shall have occurred and be continuing on the date of such deposit or at any time during the period ending on the 91st day after the date of such deposit;

the Company and the Loan Trustee shall be deemed to have been released and discharged from their respective obligations hereunder and under the Equipment Notes (but only with respect to the Series C Equipment Notes and/or the Series D Equipment Notes in the case of clause (ii) above), and the Loan Trustee shall, if no Series of Equipment Notes other than the Series C Equipment Notes and the Series D Equipment Notes remains outstanding, upon the written

request of the Company, execute and deliver to, or as directed in writing by, the Company an appropriate instrument (in due form for recording) releasing the Aircraft and the balance of the Collateral from the Lien of this Indenture, and, in such event, this Indenture and the trusts created hereby shall terminate and this Indenture shall be of no further force or effect; provided, however, that this Indenture and the trusts created hereby shall earlier terminate and this Indenture shall be of no further force or effect upon any sale or other final disposition by the Loan Trustee of all property constituting part of the Collateral and the final distribution by the Loan Trustee of all monies or other property or proceeds constituting part of the Collateral in accordance with the terms hereof. Except as otherwise provided above, this Indenture and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof. Upon making of the deposit of the defeasance funds as described above, the right of the Company to cause redemption of the Equipment Notes shall cease.

(b) Notwithstanding the provisions of Section 10.01(a)(ii), the obligations of the Loan Trustee contained in Sections 2.01, 2.02, 2.03, 2.04, 2.05, 2.07, 2.08, 2.09, 2.13, 2.15, 2.16, 3.01, 10.01(c) and 10.01(d) of this Section 10.01, and the other rights, duties, immunities and privileges hereunder of the Loan Trustee, shall survive.

(c) All monies and U.S. Government Obligations deposited with the Loan Trustee pursuant to Section 10.01(a)(ii) shall be held in trust and applied by it, in accordance with the provisions of the related series of Equipment Notes and this Indenture, to the payment to the Noteholders of the related series of Equipment Notes of all sums due and to become due thereon for principal and interest, but such money need not be segregated from other funds except to the extent required by law.

(d) The Loan Trustee shall promptly pay or return to the Company upon request of the Company any money or U.S. Government Obligations held by it at any time that are not required for the payment of the amounts described above in Section 10.01(c) on the Equipment Notes for which money or U.S. Government Obligations have been deposited pursuant to Section 10.01(a)(ii).

Section 10.02. No Legal Title to Collateral in Noteholders. No Noteholder shall have legal title to any part of the Collateral. No transfer, by operation of law or otherwise, of any Equipment Note or other right, title and interest of any Noteholder in and to the Collateral or hereunder shall operate to terminate this Indenture or entitle such Noteholder or any successor or transferee of such holder to an accounting or to the transfer to it of any legal title to any part of the Collateral.

Section 10.03. Sale of Aircraft by Loan Trustee is Binding. Any sale or other conveyance of the Aircraft, the Airframe, any Engine or any interest therein by the Loan Trustee made pursuant to the terms of this Indenture shall bind the Noteholders and the Company and shall be effective to transfer or convey all right, title and interest of the Loan Trustee, the Company and such Noteholders in and to such Aircraft, Airframe, Engine or interest therein. No purchaser or



other grantee shall be required to inquire as to the authorization, necessity, expediency or regularity of such sale or conveyance or as to the application of any sale or other proceeds with respect thereto by the Noteholders.

Section 10.04. Indenture for Benefit of the Company, Loan Trustee and Noteholders. Nothing in this Indenture, whether express or implied, shall be construed to give any Person other than the Company, the Loan Trustee, the Noteholders or the other Indenture Indemnitees any legal or equitable right, remedy or claim under or in respect of this Indenture.

Section 10.05. 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 Indenture shall be in English and in writing, and may be given by United States mail, courier service or any other customary means of communication, and any notices shall be effective when delivered (or, if mailed, three Business Days after deposit, postage prepaid in the first class United States mail and, 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: (a) if to the Company or the Loan Trustee to its respective address (including facsimile number) set forth on Schedule I to the Participation Agreement, or (b) if to any Noteholder, addressed to such Noteholder at its address set forth in the Equipment Note Register maintained pursuant to Section 2.07 hereof.

Any party, by notice to the other parties hereto, may designate additional or different addresses for subsequent notices or communications.

Section 10.06. Severability. Any provision of this Indenture that 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 10.07. No Oral Modification or Continuing Waivers. No terms or provisions of this Indenture or of the Equipment Notes may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the Company and the Loan Trustee, in compliance with Article IX. Any waiver of the terms hereof or of any Equipment Note shall be effective only in the specific instance and for the specific purpose given.

Section 10.08. Successors and Assigns. All covenants and agreements contained herein shall bind and inure to the benefit of, and be enforceable by, each of the parties hereto and the successors and permitted assigns of each, all as herein provided. Any request, notice, direction, consent, waiver or other instrument or action by any Noteholder shall bind the successors and permitted assigns of such Noteholder. Each Noteholder by its acceptance of an Equipment Note agrees to be bound by this Indenture and all provisions of the Participation Agreement applicable

to a Noteholder.

Section 10.09. 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 10.10. Normal Commercial Relations. Anything contained in this Indenture to the contrary notwithstanding, the Loan Trustee, any Noteholder or any other party to any of the Operative Documents or the Pass Through Documents or any of their affiliates may conduct any banking or other financial transactions, and have banking or other commercial relationships, with the Company, fully to the same extent as if this Indenture were not in effect, including without limitation the making of loans or other extensions of credit to the Company for any purpose whatsoever, whether related to any of the transactions contemplated hereby or otherwise.

Section 10.11. Voting by Noteholders. All votes of the Noteholders shall be governed by a vote of a Majority in Interest of Noteholders, except as otherwise provided herein.

Section 10.12. Section 1110. It is the intention of the parties hereto that the security interest created hereby, to the fullest extent available under applicable law, entitles the Loan Trustee, on behalf of the Noteholders, to all of the benefits of Section 1110 with respect to the Aircraft.

Section 10.13. The Company's Performance and Rights. Any obligation imposed on the Company herein shall require only that the Company perform or cause to be performed such obligation, even if stated as a direct obligation, and the performance of any such obligation by any permitted assignee, lessee or transferee under an assignment, lease or transfer agreement then in effect and in accordance with the provisions of the Operative Documents shall constitute performance by the Company and, to the extent of such performance, discharge such obligation by the Company. Except as otherwise expressly provided herein, any right granted to the Company in this Indenture shall grant the Company the right to permit such right to be exercised by any such assignee, lessee or transferee. The inclusion of specific references to obligations or rights of any such assignee, lessee or transferee in certain provisions of this Indenture shall not in any way prevent or diminish the application of the provisions of the two sentences immediately preceding with respect to obligations or rights in respect of which specific reference to any such assignee, lessee or transferee has not been made in this Indenture.

Section 10.14. Counterparts. This Indenture may be executed in any number of counterparts (and each of the parties hereto shall not be required to execute the same counterpart). Each counterpart of this Indenture including a signature page or pages executed by each of the parties hereto shall be an original counterpart of this Indenture, but all of such counterparts together shall constitute one instrument.

Section 10.15. Governing Law. THIS INDENTURE HAS BEEN DELIVERED IN THE

STATE OF NEW YORK AND THIS INDENTURE, ANY INDENTURE SUPPLEMENT AND THE EQUIPMENT NOTES 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, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 10.16. Confidential Information. The term "Confidential Information" means: (a) the existence and terms of any lease of the Airframe or Engines pursuant to Section 7.02(a) and the identity of the Permitted Lessee thereunder; (b) all information obtained in connection with any inspection conducted by the Loan Trustee, the Policy Provider or their respective representatives pursuant to Section 7.03(a); (c) each certification furnished to the Loan Trustee and the Liquidity Providers pursuant to Sections 7.06(a) and 7.06(b); (d) all information contained in each report furnished to the Loan Trustee, the Policy Provider and the Liquidity Providers pursuant to Section 7.06(e); and (e) all information regarding the Warranty Rights. All Confidential Information shall be held confidential by the Loan Trustee, the Policy Provider (in the case of information obtained by it pursuant to Section 7.03(a) and the reports furnished to it pursuant to Section 7.06(e)), each Liquidity Provider (in the case of the certifications furnished to it pursuant to Sections 7.06(a) and 7.06(b) and the reports furnished to it pursuant to Section 7.06(e)) and each Noteholder and each affiliate, agent, officer, director, or employee of any thereof and shall not be furnished or disclosed by any of them to anyone other than (i) the Loan Trustee, the Policy Provider (in the case of information obtained by it pursuant to Section 7.03(a)) or any Noteholder and (ii) their respective bank examiners, auditors, accountants, agents and legal counsel, and except as may be required by an order of any court or administrative agency or by any statute, rule, regulation or order of any governmental authority.

Section 10.17. Submission to Jurisdiction. Each of the parties hereto, and by acceptance of Equipment Notes, each Noteholder, to the extent it may do so under applicable law, for purposes hereof and of all other Operative Documents hereby (a) 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 Indenture, 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 and (b) 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 Indenture or the Equipment Notes or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed by their respective officers thereof duly authorized, as of the date first above written.

AMERICAN AIRLINES, INC.

By: /s/ Leslie M. Benners

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Name: Lesile M. Benners  
Title: Managing Director, Corporate  
Finance & Banking

STATE STREET BANK AND TRUST  
COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
as Loan Trustee

By: /s/ Alison D.B. Nadeau

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Name: Alison D.B. Nadeau  
Title: Vice President

EXHIBIT A to  
INDENTURE AND SECURITY AGREEMENT

INDENTURE SUPPLEMENT NO. \_\_

INDENTURE SUPPLEMENT NO. \_\_, dated \_\_\_\_\_, \_\_\_\_ ("Indenture Supplement"), between AMERICAN AIRLINES, INC. (the "Company") and STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, not in its individual capacity but solely as Loan Trustee under the Indenture (each as hereinafter defined).

W I T N E S S E T H:

WHEREAS, the Indenture and Security Agreement, dated as of September 24, 2002 (the "Indenture"; capitalized terms used herein without definition shall have the meanings specified therefor in Annex A to the Indenture), between the Company and State Street Bank and Trust Company of Connecticut, National Association, as Loan Trustee (the "Loan Trustee"), provides for the execution and delivery of supplements thereto substantially in the form hereof which shall particularly describe the Aircraft, and shall specifically grant a security interest in the Aircraft to the Loan Trustee; and

[WHEREAS, the Indenture relates to the Airframe and Engines described in Annex A attached hereto and made a part hereof, and a counterpart of the Indenture is attached to and made a part of this Indenture Supplement;](19)

[WHEREAS, the Company has, as provided in the Indenture, heretofore executed and delivered to the Loan Trustee Indenture Supplement(s) for the purpose of specifically subjecting to the Lien of the Indenture certain airframes and/or engines therein described, which Indenture Supplement(s) is/are dated and has/have been duly recorded with the FAA as set forth below, to wit:

Date	Recordation Date	FAA Document Number](20)
- - - - -	-----	-----

NOW, THEREFORE, to secure the prompt and complete payment (whether at stated maturity, by acceleration or otherwise) of principal of, interest on, Break Amount, if any, Prepayment Premium, if any, and Make-Whole Amount, if any, with respect to, the Equipment Notes, and all other amounts payable by the Company under the Operative Documents and the

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(19) Use for Indenture Supplement No. 1 only.

(20) Use for all Indenture Supplements other than Indenture Supplement No. 1

performance and observance by the Company of all the agreements and covenants to be performed or observed by the Company for the benefit of the Noteholders and the Indenture Indemnitees contained in the Operative Documents, and in consideration of the premises and of the covenants contained in the Operative Documents, and for other good and valuable consideration given by the Loan Trustee, the Noteholders and the Indenture Indemnitees to the Company at or before the Closing Date, the receipt of which is hereby acknowledged, the Company does hereby grant, bargain, sell, convey, transfer, mortgage, assign, pledge and confirm unto the Loan Trustee and its successors in trust and permitted assigns, for the security and benefit of the Loan Trustee, the Noteholders and the Indenture Indemnitees, a first priority security interest in, and mortgage lien on, all estate, right, title and interest of the Company in, to and under the Aircraft, including the Airframe and Engines described in Annex A attached hereto, whether or not any such Engine may from time to time be installed on the Airframe or any other airframe or any other aircraft, and any and all Parts relating thereto, and, to the extent provided in the Indenture, all substitutions and replacements of, and additions, improvements, accessions and accumulations to, the Aircraft, including the Airframe, the Engines and any and all Parts (in each case other than any substitutions, replacements, additions, improvements, accessions and accumulations that constitute items excluded from the definition of Parts by clauses (b), (c) and (d) thereof) relating thereto;

To have and to hold all and singular the aforesaid property unto the Loan Trustee, and its successors and assigns, in trust for the ratable benefit and security of the Noteholders and the Indenture Indemnitees, except as otherwise provided in the Indenture, including Section 2.13 and Article III of the Indenture, without any preference, distinction or priority of any one Equipment Note over any other by reason of priority of time of issue, sale, negotiation, date of maturity thereof or otherwise for any reason whatsoever, and for the uses and purposes and subject to the terms and provisions set forth in the Indenture.

This Indenture Supplement shall be construed as supplemental to the Indenture and shall form a part thereof, and the Indenture is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

THIS INDENTURE SUPPLEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

IN WITNESS WHEREOF, the undersigned have caused this Indenture Supplement No. \_\_\_ to be duly executed by their respective duly authorized officers, on the date first above written.

AMERICAN AIRLINES, INC.

By: \_\_\_\_\_  
Name:  
Title:

STATE STREET BANK AND TRUST  
COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
as Loan Trustee

By: \_\_\_\_\_  
Name:  
Title:

DESCRIPTION OF AIRFRAME AND ENGINES

AIRFRAME

Manufacturer	Model	FAA Registration No.	Manufacturer's Serial No.
-----	-----	-----	-----

ENGINES

Manufacturer	Model	Manufacturer's Serial No.
-----	-----	-----

Each Engine is of 750 or more "rated take-off horsepower" or the equivalent of such horsepower.



EXHIBIT B to  
INDENTURE AND SECURITY AGREEMENT

LIST OF PERMITTED COUNTRIES

Argentina	Kuwait
Australia	Liechtenstein
Austria	Luxembourg
Bahamas	Malaysia
Barbados	Malta
Belgium	Mexico
Bermuda Islands	Monaco
Brazil	Morocco
British Virgin Islands	the Netherlands
Canada	Netherlands Antilles
Cayman Islands	New Zealand
Chile	Norway
Czech Republic	Paraguay
Denmark	Peoples' Republic of China
Ecuador	Philippines
Egypt	Poland
Finland	Portugal
France	Republic of China (Taiwan)
Germany	Singapore
Greece	South Africa
Grenada	South Korea
Guatemala	Spain
Hong Kong	Sweden
Hungary	Switzerland
Iceland	Thailand
India	Trinidad and Tobago
Indonesia	United Kingdom
Ireland	Uruguay
Italy	Venezuela
Jamaica	
Japan	

EXHIBIT C to  
INDENTURE AND SECURITY AGREEMENT

AIRCRAFT TYPE VALUES FOR SECTION 7.06(b)

Boeing 757-223	-	\$15,000,000
Boeing 767-323	-	\$15,000,000
Boeing 777-223	-	\$24,000,000

SCHEDULE I to  
INDENTURE AND SECURITY AGREEMENT

DESCRIPTION OF EQUIPMENT NOTES

	Original Principal Amount -----	Maturity Date -----
Series G Equipment Notes:	\$18,742,856.07	September 23, 2007
Series C Equipment Notes:	\$3,299,137.54	September 23, 2007
Series D Equipment Notes:	\$2,776,342.69	September 23, 2007

CERTAIN DEFINED TERMS

DEFINED TERM  
-----

DEFINITION  
-----

Debt Rate for Series G Equipment Notes	With respect to (i) the first Interest Period 2.42% per annum, and (ii) any subsequent Interest Period, LIBOR for such Interest Period as determined pursuant to the Reference Agency Agreement plus a margin of 0.62% per annum.
Debt Rate for Series C Equipment Notes	8.25% per annum.
Debt Rate for Series D Equipment Notes	9.50% per annum.
Prepayment Premium:	In the case of the prepayment of the unpaid principal amount of Series G Equipment Notes, an amount equal to the following percentage of the principal amount prepaid:

IF REDEEMED DURING  
THE YEAR PRIOR TO  
THE ANNIVERSARY OF  
THE CLOSING DATE  
INDICATED BELOW  
-----

PREPAYMENT  
PREMIUM  
-----

1st	1.50%
2nd	1.00%
3rd	0.50%
Thereafter	0.00%

## EQUIPMENT NOTES AMORTIZATION

## SERIES G EQUIPMENT NOTES

Payment Date	Percentage of Original Principal Amount to be Paid
December 23, 2002	0.0000000%
March 23, 2003	0.0000000%
June 23, 2003	6.4543109%
September 23, 2003	0.0000000%
December 23, 2003	0.0000000%
March 23, 2004	0.0000000%
June 23, 2004	11.9985642%
September 23, 2004	0.0000000%
December 23, 2004	0.0000000%
March 23, 2005	0.0000000%
June 23, 2005	11.9985643%
September 23, 2005	0.0000000%
December 23, 2005	0.0000000%
March 23, 2006	0.0000000%
June 23, 2006	11.9985642%
September 23, 2006	0.0000000%
December 23, 2006	0.0000000%
March 23, 2007	0.0000000%
June 23, 2007	11.9985642%
September 23, 2007	45.5514322%

SERIES D EQUIPMENT NOTES

Payment Date	Percentage of Original Principal Amount to be Paid
December 23, 2002	0.0000000%
March 23, 2003	0.0000000%
June 23, 2003	2.3172374%
September 23, 2003	2.3751682%
December 23, 2003	2.4345474%
March 23, 2004	2.4954113%
June 23, 2004	2.5577966%
September 23, 2004	2.6217416%
December 23, 2004	4.9764538%
March 23, 2005	5.1008649%
June 23, 2005	5.2283866%
September 23, 2005	5.3590964%
December 23, 2005	5.4930737%
March 23, 2006	5.6304004%
June 23, 2006	5.7711604%
September 23, 2006	5.9154394%
December 23, 2006	6.0633257%
March 23, 2007	6.2149086%
June 23, 2007	6.3702813%
September 23, 2007	23.0747063%

SCHEDULE II to  
INDENTURE AND SECURITY AGREEMENT

PASS THROUGH TRUST AGREEMENT AND  
PASS THROUGH TRUST SUPPLEMENTS

Pass Through Trust Agreement, dated as of March 21, 2002, between American Airlines, Inc. and State Street Bank and Trust Company of Connecticut, National Association, as trustee, as supplemented by Trust Supplement No. 2002-1G, dated as of September 24, 2002, Trust Supplement No. 2002-1C, dated as of September 24, 2002, and Trust Supplement No. 2002-1D, dated as of September 24, 2002.

DEFINITIONS

"Above-Cap Liquidity Agreement" means, initially, the ISDA Master Agreement, dated as of the Closing Date, between the Subordination Agent, as agent and trustee for the Class G Trust (as defined in the Intercreditor Agreement), and the initial Above-Cap Liquidity Provider, together with the Schedule and Confirmation attached thereto, relating to the Class G Certificates (as defined in the Intercreditor Agreement), and, from and after the replacement of such ISDA Master Agreement pursuant to the Intercreditor Agreement, the Replacement Above-Cap Liquidity Facility (as defined in the Intercreditor Agreement) therefor, if any, in each case as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Above-Cap Liquidity Provider" means Credit Suisse First Boston International, or any Replacement Above-Cap Liquidity Provider (as defined in the Intercreditor Agreement) that has issued a Replacement Above-Cap Liquidity Facility (as defined in the Intercreditor Agreement) pursuant to the Intercreditor Agreement.

"Additional Insureds" has the meaning specified in Section 7.06(a) of the Indenture.

"Agreement" and "Participation Agreement" mean that certain Participation Agreement, dated on or before the Closing Date, among the Company, State Street, the Pass Through Trustee under each Pass Through Trust Agreement, the Subordination Agent and the Loan Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Aircraft" means the Airframe (or any Replacement Airframe substituted therefor pursuant to Section 7.05 of the Indenture) together with the two Engines described in the Indenture Supplement originally executed and delivered under the Indenture (or any Replacement Engine that may from time to time be substituted for any of such Engines pursuant to Section 7.04 or Section 7.05 of the Indenture), whether or not any of such initial or substituted Engines may from time to time be installed on such Airframe or installed on any other airframe or on any other aircraft. The term "Aircraft" shall include any Replacement Aircraft.

"Airframe" means (a) the Boeing aircraft further described in Annex A to the Indenture Supplement (except (i) the Engines or engines from time to time installed thereon and any and all Parts related to such Engine or engines and (ii) items installed or incorporated in or attached to such aircraft that are excluded from the definition of Parts (except Engines or engines)) originally executed and delivered under the Indenture and (b) any and all related Parts. The term "Airframe" shall include any Replacement Airframe that may from time to time be substituted for the Airframe



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pursuant to Section 7.05 of the Indenture. At such time as the Replacement Airframe shall be so substituted and the Airframe for which such substitution is made shall be released from the Lien of the Indenture, such replaced Airframe shall cease to be an Airframe under the Indenture.

"American New Series D Equipment Notes" means any New Series D Equipment Notes that are purchased by a New Trust with proceeds of New Class D Certificates (as defined in Exhibit A to the Intercreditor Agreement) that are sold to a Person affiliated with the Company.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 United States Codes Section 101 et seq., as amended, or any successor statutes thereto.

"Basic Pass Through Trust Agreement" means that certain Pass Through Trust Agreement, dated as of the March 21, 2002, between the Company and State Street, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms (but does not include any Trust Supplement).

"Bills of Sale" means the FAA Bill of Sale and the Warranty Bill of Sale.

"Break Amount" means, as of any date of payment, redemption or acceleration of any Series G Equipment Note (the "Applicable Date"), an amount determined by the Reference Agent on the date that is two Business Days prior to the Applicable Date pursuant to the formula set forth below; provided, however, that no Break Amount will be payable (x) if the Break Amount, as calculated pursuant to the formula set forth below, is equal to or less than zero or (y) on or in respect of any Applicable Date that is a Payment Date.

Break Amount = Z-Y

Where:

X = with respect to any applicable Interest Period, the sum of (i) the then outstanding principal amount of such Equipment Note as of the first day of the then applicable Interest Period plus (ii) interest payable thereon during such entire Interest Period at then effective LIBOR.

Y = X, discounted to present value from the last day of the then applicable Interest Period to the Applicable Date, using then effective LIBOR as the discount rate.

Z = X, discounted to present value from the last day of the then applicable Interest Period to the Applicable Date, using a rate equal to the applicable London interbank offered rate (determined on the same basis as LIBOR) for a period commencing on the Applicable Date and ending on the last day of the then applicable Interest Period, determined by the Reference Agent as of two Business Days prior to the Applicable Date as the discount rate.

"Business Day" means (i) 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, Dallas, Texas or the city and state in which the Loan Trustee maintains its Corporate Trust Office or receives and disburses funds or (ii) solely as it relates to determination of LIBOR, any day on which commercial banks are open for general business in London, England.

"Certificated Air Carrier" means any Citizen of the United States holding an air carrier operating certificate issued by the Secretary of Transportation pursuant to Chapter 447 of Title 49 of the United States Code for aircraft capable of carrying ten or more individuals or 6,000 pounds or more of cargo or that otherwise is certified or registered to the extent required to fall within the purview of Section 1110.

"Citizen of the United States" has the meaning specified for such term in Section 40102(a)(15) of Title 49 of the United States Code or any similar legislation of the United States enacted in substitution or replacement therefor.

"Claim" has the meaning specified in Section 4.02(a) of the Participation Agreement.

"Class E Trust" has the meaning specified in the Intercreditor Agreement.

"Closing" has the meaning specified in Section 2.03 of the Participation Agreement.

"Closing Date" means the date set forth on the cover page of the Indenture.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" has the meaning specified in the granting clause of the Indenture.

"Company" means American Airlines, Inc., and its successors and permitted assigns.

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"Compulsory Acquisition" means requisition of title or other compulsory acquisition, capture, seizure, deprivation, confiscation or detention for any reason of the Aircraft by any government that results in the loss of title or use of the Aircraft by the Company (or any Permitted Lessee) for a period in excess of 180 days, but shall exclude requisition for use or hire not involving requisition of title.

"Confidential Information" has the meaning specified in Section 10.16 of the Indenture.

"Controlling Party" has the meaning specified in Section 2.06 of the Intercreditor Agreement.

"Corporate Trust Office" means the Corporate Trust Division of the Loan Trustee located at State Street Bank and Trust Company of Connecticut, National Association, 225 Asylum Street, Goodwin Square, Hartford, Connecticut, 06103, Attention: Corporate Trust Division, or such other office at which the Loan Trustee's corporate trust business shall be administered that the Loan Trustee shall have specified by notice in writing to the Company.

"CRAF Program" means the Civil Reserve Air Fleet Program authorized under 10 U.S.C. Section 9511 et seq. or any similar or substitute program under the laws of the United States.

"Debt Rate" means (i) with respect to the Series G Equipment Notes, the Original Series C Equipment Notes and the Original Series D Equipment Notes, the rate per annum specified as the "Debt Rate" in Schedule I to the Indenture, (ii) with respect to any New Series C Equipment Notes, New Series D Equipment Notes and Second New Series D Equipment Notes, the rate per annum specified as such in an Indenture Refunding Amendment applicable to such Series and (iii) with respect to any Series E Equipment Notes, the rate per annum specified in an amendment to the Indenture at the time of issuance of such Series E Equipment Notes.

"Department of Transportation" means the United States Department of Transportation and any agency or instrumentality of the United States government succeeding to its functions.

"Direction" has the meaning specified in Section 2.16 of the Indenture.

"Dollars" and "\$" mean the lawful currency of the United States.

"Engine" means (a) each of the two engines listed by manufacturer's serial number and further described in Annex A to the Indenture Supplement originally executed and delivered under the Indenture, whether or not from time to time installed on the Airframe or installed on any other airframe or on any other aircraft and (b) any Replacement Engine that may from time to time be

substituted for an Engine pursuant to Section 7.04 or 7.05 of the Indenture; together in each case with any and all related Parts. At such time as a Replacement Engine shall be so substituted and the Engine for which substitution is made shall be released from the Lien of the Indenture, such replaced Engine shall cease to be an Engine under the Indenture.

"Equipment Note" means and includes any Series G Equipment Note, Original Series C Equipment Note, Original Series D Equipment Note, Series E Equipment Note, New Series C Equipment Note, New Series D Equipment Note or Second New Series D Equipment Note, and any Equipment Note issued in exchange therefor or replacement thereof pursuant to Section 2.07 and 2.08 of the Indenture.

"Equipment Note Register" has the meaning specified in Section 2.07 of the Indenture.

"Equipment Note Registrar" has the meaning specified in Section 2.07 of the Indenture.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA as in effect at the date of the Participation Agreement and any subsequent provisions of ERISA amendatory thereof, supplemental thereto or substituted therefor.

"Event of Default" has the meaning specified in Section 4.01 of the Indenture.

"Event of Loss" means, with respect to the Aircraft, Airframe or any Engine, any of the following events with respect to such property:

(a) the loss of such property or of the use thereof due to destruction, damage beyond repair or rendition of such property permanently unfit for normal use for any reason whatsoever;

(b) any damage to such property which results in an insurance settlement with respect to such property on the basis of a total loss, a compromised total loss or a constructive total loss;

(c) the theft or disappearance of such property for a period in excess of 180 days;

(d) the requisition for use of such property by any government (other than a requisition for use by a Government or the government of the country of registry of the Aircraft) that shall have resulted in the loss of possession of such property by the Company (or any Permitted Lessee) for a period in excess of 12 consecutive months;

(e) the operation or location of the Aircraft, while under requisition for use by any government, in any area excluded from coverage by any insurance policy in effect with respect to the Aircraft required by the terms of Section 7.06 of the Indenture, unless the Company shall have obtained indemnity or insurance in lieu thereof from such government;

(f) any Compulsory Acquisition;

(g) as a result of any law, rule, regulation, order or other action by the FAA or other government of the country of registry, the use of the Aircraft or Airframe in the normal business of air transportation shall have been prohibited by virtue of a condition affecting all aircraft of the same type for a period of 18 consecutive months, unless the Company shall be diligently carrying forward all steps that are necessary or desirable to permit the normal use of the Aircraft or Airframe or, in any event, if such use shall have been prohibited for a period of three consecutive years; and

(h) with respect to an Engine only, any divestiture of title to or interest in an Engine or any event with respect to an Engine that is deemed to be an Event of Loss with respect to such Engine pursuant to Section 7.02(a)(vii) of the Indenture.

An Event of Loss with respect to the Aircraft shall be deemed to have occurred if an Event of Loss occurs with respect to the Airframe unless the Company elects to substitute a Replacement Airframe pursuant to Section 7.05(a)(i) of the Indenture.

"FAA" means the United States Federal Aviation Administration and any agency or instrumentality of the United States government succeeding to its functions.

"FAA Bill of Sale" means, collectively, (a) the bill of sale for the Aircraft on AC Form 8050-2, executed by the Manufacturer in favor of Boeing Domestic Sales Corporation and recorded with the FAA and (b) the bill of sale for the Aircraft on AC Form 8050-2, executed by Boeing Domestic Sales Corporation in favor of the Company and recorded with the FAA.

"Federal Funds 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 such day (or, if such day is not a Business Day, for the next 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 State Street from three Federal funds brokers of recognized standing selected by it.

"Government" means the government of any of Canada, France, Germany, Japan, The Netherlands, Sweden, Switzerland, the United Kingdom or the United States and any instrumentality or agency thereof.

"Indemnatee" has the meaning specified in Section 4.02(b) of the Participation Agreement.

"Indenture" means that certain Indenture and Security Agreement, dated as of the Closing Date, between the Company and the Loan Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms, including by an Indenture Refunding Amendment or an Indenture Supplement.

"Indenture Indemnatee" means (i) the Loan Trustee, (ii) State Street, (iii) so long as it holds any Equipment Note as agent and trustee of any Pass Through Trustee, the Subordination Agent, (iv) each Liquidity Provider and the Policy Provider and (v) so long as it is the holder of any Equipment Notes, each Pass Through Trustee and each of their respective directors, officers, employees, agents and servants. No holder of a Pass Through Certificate in its capacity as such shall be an Indenture Indemnatee.

"Indenture Refunding Amendment" means an amendment to the Indenture entered into for purposes of effecting a Refunding.

"Indenture Supplement" means a supplement to the Indenture, substantially in the form of Exhibit A to the Indenture, which shall particularly describe the Aircraft, and any Replacement Airframe and/or Replacement Engine included in the property subject to the Lien of the Indenture.

"Intercreditor Agreement" means that certain Intercreditor Agreement, dated as of the Closing Date, among the Pass Through Trustees, the Liquidity Providers, the Policy Provider and the Subordination Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Interest Period" means (i) in the case of the first Interest Period, the period commencing on (and including) the Closing Date and ending on (but excluding) the first Payment Date following the Closing Date and (ii) in the case of each subsequent Interest Period, the period commencing on (and including) the last day of the immediately preceding Interest Period, and ending on (but excluding) the next Payment Date.

"Interest Rate Determination Date" means, with respect to any Interest Period, the second Business Day prior to the first day of such Interest Period.

"Interests" has the meaning specified in Section 7.06(a) of the Indenture.

"Lease" means any lease permitted by the terms of Section 7.02(a) of the Indenture.

"LIBOR" means, with respect to any period, LIBOR for such period as determined pursuant to the Reference Agency Agreement.

"Lien" means any mortgage, pledge, lien, charge, claim, encumbrance, lease, sublease, sub-sublease or security interest.

"Liquidity Facilities" means, collectively, the Above-Cap Liquidity Agreement and the Primary Liquidity Facilities.

"Liquidity Provider" means, at any time, any Primary Liquidity Provider or the Above-Cap Liquidity Provider, as applicable.

"Loan Amount" has the meaning specified in Section 7.06(b) of the Indenture.

"Loan Trustee" has the meaning specified in the introductory paragraph of the Indenture.

"Loan Trustee Liens" means any Lien attributable to State Street or the Loan Trustee with respect to the Aircraft, any interest therein or any other portion of the Collateral arising as a result of (i) claims against State Street or the Loan Trustee not related to its interest in the Aircraft or the administration of the Collateral pursuant to the Indenture, (ii) acts of State Street or the Loan Trustee not permitted by, or the failure of State Street or the Loan Trustee to take any action required by, the Operative Documents or the Pass Through Documents, (iii) claims against State Street or the Loan Trustee relating to Taxes or Claims that are excluded from the indemnification provided by Section 4.02 of the Participation Agreement pursuant to said Section 4.02 or (iv) claims against State Street or the Loan Trustee arising out of the transfer by any such party of all or any portion of its interest in the Aircraft, the Collateral, the Operative Documents or the Pass Through Documents, except while an Event of Default is continuing and prior to the time that the Loan Trustee has received all amounts due to it pursuant to the Indenture.

"Loss Payment Date" has the meaning specified in Section 7.05(a) of the Indenture.

"Majority in Interest of Noteholders" means, as of a particular date of determination and subject to Section 2.16 of the Indenture, the holders of at least a majority in aggregate unpaid principal amount of all Equipment Notes outstanding as of such date (excluding any Equipment Notes held by the Company, any affiliate thereof or a Pass Through Trust the pass through

certificates issued by which are owned, directly or indirectly, by the Company, unless all Equipment Notes are held by the Company, any affiliate thereof or a Pass Through Trust the pass through certificates issued by which are owned, directly or indirectly, by the Company).

"Make-Whole Amount" means: (a) with respect to any Original Series C Equipment Note or Original Series D Equipment Note, the amount (as determined by an investment bank of national standing selected by the Company), if any, by which (i) the present value of the remaining scheduled payments of principal and interest from the redemption date to maturity of such Equipment Note computed by discounting each such payment on a semiannual basis from its respective Payment Date (assuming a 360-day year of twelve 30-day months) using a discount rate equal to the Treasury Yield exceeds (ii) the outstanding principal amount of such Equipment Note plus accrued but unpaid interest thereon to the date of redemption; (b) with respect to any New Series C Equipment Note, New Series D Equipment Note or Second New Series D Equipment Note, the amount computed in the manner set forth in an Indenture Refunding Amendment applicable to such Series; and (c) with respect to any Series E Equipment Note, the amount computed in the manner set forth in an amendment to the Indenture at the time of issuance of the Series E Equipment Notes. For purposes of determining the Make-Whole Amount, "Treasury Yield" means, at the time of determination, the interest rate (expressed as a quarterly equivalent and as a decimal and, in the case of United States Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the quarterly yield to maturity for United States Treasury securities maturing on the Average Life Date and trading in the public securities market either as determined by interpolation between the most recent weekly average yield to maturity for two series of United States Treasury securities trading in the public securities markets, (A) one maturing as close as possible to, but earlier than, the Average Life Date and (B) the other maturing as close as possible to, but later than, the Average Life Date, in each case as published in the most recent H.15(519) or, if a weekly average yield to maturity for United States Treasury securities maturing on the Average Life Date is reported on the most recent H.15(519), such weekly average yield to maturity as published in such H.15(519). "H.15(519)" means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the Federal Reserve System. The date of determination of a Make-Whole Amount shall be the third Business Day prior to the applicable redemption date and the "most recent H.15(519)" means the H.15(519) published prior to the close of business on the third Business Day prior to the applicable redemption date. "Average Life Date" means, for each Equipment Note to be redeemed, the date which follows the redemption date by a period equal to the Remaining Weighted Average Life at the redemption date of such Equipment Note. "Remaining Weighted Average Life" of an Equipment Note, at the redemption date of such Equipment Note, means the number of days equal to the quotient obtained by dividing: (i) the sum of the products obtained by multiplying (A) the amount of each then remaining installment of principal, including



the payment due on the maturity date of such Equipment Note, by (B) the number of days from and including the redemption date to but excluding the scheduled payment date of such principal installment by (ii) the then unpaid principal amount of such Equipment Note.

"Manufacturer" means The Boeing Company, a Delaware corporation, and its successors and assigns.

"Manufacturer's Consent" means the Manufacturer's Consent and Agreement to Assignment of Warranties, dated as of the Closing Date, substantially in the form of Exhibit E to the Participation Agreement.

"Mortgage Convention" means the Convention on the International Recognition of Rights in Aircraft as in effect on the date hereof or as hereafter amended, modified or supplemented.

"New Series" has the meaning specified in Exhibit A to the Intercreditor Agreement.

"New Series C Equipment Notes" means Equipment Notes that are issued as a New Series in connection with a Refunding of the Original Series C Equipment Notes, in the original principal amount and maturities and bearing interest as specified in Schedule I to the applicable Indenture Refunding Amendment under the heading "Series C Equipment Notes".

"New Series D Equipment Notes" means Equipment Notes that are issued as a New Series in connection with a Refunding of the Original Series D Equipment Notes, in the original principal amount and maturities and bearing interest as specified in Schedule I to the applicable Indenture Refunding Amendment under the heading "Series D Equipment Notes".

"New Trust" has the meaning specified in Exhibit A to the Intercreditor Agreement.

"Noteholder" means any Person in whose name an Equipment Note is registered on the Equipment Note Register (including, for so long as it is the registered holder of any Equipment Notes, the Subordination Agent on behalf of the Pass Through Trustees pursuant to the provisions of the Intercreditor Agreement).

"Noteholder Liens" means any Lien attributable to any Noteholder on or against the Aircraft, any interest therein or any portion of the Collateral, arising out of any claim against such Noteholder that is not related to the Operative Documents or Pass Through Documents, or out of any act or omission of such Noteholder that is not related to the transactions contemplated by, or that

constitutes a breach by such Noteholder of its obligations under, the Operative Documents or the Pass Through Documents.

"Operative Documents" means, collectively, the Participation Agreement, the Indenture, each Indenture Supplement, the Manufacturer's Consent and the Equipment Notes.

"Original Series C Equipment Notes" means Equipment Notes issued on the Closing Date and designated as "Series C Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in Schedule I to the Indenture under the heading "Series C Equipment Notes."

"Original Series D Equipment Notes" means Equipment Notes issued on the Closing Date and designated as "Series D Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in Schedule I to the Indenture under the heading "Series D Equipment Notes."

"Other Party Liens" means any Lien attributable to the Pass Through Trustee (other than in its capacity as Noteholder), the Subordination Agent (other than in its capacity as Noteholder), any Liquidity Provider or the Policy Provider on or against the Aircraft, any interest therein, or any portion of the Collateral arising out of any claim against such party that is not related to the Operative Documents or Pass Through Documents, or out of any act or omission of such party that is not related to the transactions contemplated by, or that constitutes a breach by such party of its obligations under, the Operative Documents or the Pass Through Documents.

"Participation Agreement" has the meaning set forth under the definition of "Agreement".

"Parts" means any and all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature (other than (a) complete Engines or engines, (b) any items leased by the Company or any Permitted Lessee, (c) cargo containers and (d) components or systems installed on or affixed to the Airframe that are used to provide individual telecommunications or electronic entertainment to passengers aboard the Aircraft) so long as the same shall be incorporated or installed in or attached to the Airframe or any Engine or so long as the same shall be subject to the Lien of the Indenture in accordance with the terms of Section 7.04 thereof after removal from the Airframe or any such Engine.

"Pass Through Certificates" means the pass through certificates issued by the Pass Through Trustees.

"Pass Through Documents" means the Pass Through Trust Agreements, the Intercreditor Agreement, the Liquidity Facilities, the Policy Provider Agreement and the Policy.

"Pass Through Trust" means each of the separate grantor trusts then holding Equipment Notes, which grantor trusts have been or will be created pursuant to the Pass Through Trust Agreements to facilitate certain of the transactions contemplated by the Operative Documents.

"Pass Through Trust Agreement" means each of the separate Trust Supplements relating to the Pass Through Trusts, together in each case with the Basic Pass Through Trust Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Pass Through Trustee" has the meaning specified in the introductory paragraph to the Participation Agreement and also includes any New Trustee (as defined in Exhibit A to the Intercreditor Agreement).

"Pass Through Trustees" means, collectively, the Pass Through Trustees under each Pass Through Trust Agreement.

"Past Due Rate" means, with respect to a particular Series, a rate per annum equal to the then applicable Debt Rate plus 1% and, in any case other than with respect to a particular Series, the Debt Rate for the Series G Equipment Notes plus 1%.

"Payment Date" means, for any Equipment Note, each March 23, June 23, September 23 and December 23 commencing with December 23, 2002 (or, in the case of a Series G Note, if any such day is not a Business Day, the immediately succeeding Business Day).

"Payment Default" means the occurrence of an event that would give rise to an Event of Default under Section 4.01(a) of the Indenture upon the giving of notice or the passing of time or both.

"Permitted Investments" means each of (a) direct obligations of the United States and agencies thereof; (b) obligations fully guaranteed by the United States; (c) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States or one of the states thereof having combined capital and surplus and retained earnings of at least \$100,000,000 and having a rating of A, its equivalent or better by Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P") (or,

if neither such organization shall rate such institution at any time, by any nationally recognized rating organization in the United States); (d) commercial paper of any holding company of a bank, trust company or national banking association described in clause (c); (e) commercial paper of companies having a rating assigned to such commercial paper by either Moody's or S&P (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States) equal to either of the two highest ratings assigned by such organization; (f) Dollar-denominated certificates of deposit issued by, or time deposits with, the European subsidiaries of (i) any bank, trust company or national banking association described in clause (c), or (ii) any other bank or financial institution described in clause (h) or (i) below; (g) United States-issued Yankee certificates of deposit issued by, or bankers' acceptances of, or commercial paper issued by, any bank having combined capital and surplus and retained earnings of at least \$100,000,000 and headquartered in Canada, Japan, the United Kingdom, France, Germany, Switzerland or The Netherlands and having a rating of A, its equivalent or better by Moody's or S&P (or, if neither such organization shall rate such institution at any time, by any nationally recognized rating organization in the United States); (h) Dollar-denominated time deposits with any Canadian bank having a combined capital and surplus and retained earnings of at least \$100,000,000 and having a rating of A, its equivalent or better by Moody's or S&P (or, if neither such organization shall rate such institution at any time, by any nationally recognized rating organization in the United States); (i) Canadian Treasury Bills fully hedged to Dollars; (j) repurchase agreements with any financial institution having combined capital and surplus and retained earnings of at least \$100,000,000 collateralized by transfer of possession of any of the obligations described in clauses (a) through (i) above; (k) bonds, notes or other obligations of any state of the United States, or any political subdivision of any state, or any agencies or other instrumentalities of any such state, including, but not limited to, industrial development bonds, pollution control revenue bonds, public power bonds, housing bonds, other revenue bonds or any general obligation bonds, provided that, at the time of their purchase, such obligations are rated A, its equivalent or better by Moody's or S&P (or, if neither such organization shall rate such obligations at any time, by any nationally recognized rating organization in the United States); (l) bonds or other debt instruments of any company, if such bonds or other debt instruments, at the time of their purchase, are rated A, its equivalent or better by Moody's or S&P (or, if neither such organization shall rate such obligations at such time, by any nationally recognized rating organization in the United States); (m) mortgage backed securities guaranteed by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association or rated AAA, its equivalent or better by Moody's or S&P (or, if neither such organization shall rate such obligations at any time, by any nationally recognized rating organization in the United States) or, if unrated, deemed to be of a comparable quality by the Loan Trustee; (n) asset-backed securities rated A, its equivalent or better by Moody's or S&P (or, if neither such organization shall rate such obligations

at any time, by any nationally recognized rating organization in the United States) or, if unrated, deemed to be of a comparable quality by the Loan Trustee; and (o) such other investments approved in writing by the Loan Trustee; provided that, the instruments described in the foregoing clauses shall have a maturity no later than the earliest date when such investments may be required for distribution. Any of the investments described herein may be made through or with, as applicable, the bank acting as Pass Through Trustee or Loan Trustee or any of their affiliates.

"Permitted Lessee" means any Person to whom the Company is permitted to lease the Airframe or any Engine pursuant to Section 7.02(a) of the Indenture.

"Permitted Lien" has the meaning specified in Section 7.01 of the Indenture.

"Person" means any person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof.

"Policy" means the Financial Guaranty Insurance Policy No. 37875, issued as of the Closing Date by the Policy Provider in favor of the Subordination Agent, for the benefit of the Class G Certificateholders (as defined in the Intercreditor Agreement), as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Policy Provider" means MBIA Insurance Corporation, a New York-domiciled stock insurance company.

"Policy Provider Agreement" means the Insurance and Indemnity Agreement, dated as of the Closing Date, among the Company, the Subordination Agent, the Class G Trustee and the Policy Provider, including the related Policy Provider Fee Letter referred to therein, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Prepayment Premium" is defined in Schedule I to the Indenture.

"Primary Liquidity Facilities" means the two Revolving Credit Agreements, each dated as of the Closing Date, each between the Subordination Agent, as agent and trustee for the applicable Pass Through Trust, and the initial Primary Liquidity Provider, and from and after the replacement of either such agreement pursuant to the Intercreditor Agreement (including any replacement of the Revolving Credit Agreement relating to the Pass Through Trust holding the Original Series C Equipment Notes in connection with a Refunding thereof), the Replacement Primary Liquidity

Facility (as defined in the Intercreditor Agreement) therefor, if any, in each case as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Primary Liquidity Provider" means WestLB AG, a joint stock company organized under the laws of Germany, acting through its New York Branch, or any Replacement Primary Liquidity Provider (as defined in the Intercreditor Agreement) that has issued a Replacement Primary Liquidity Facility (as defined in the Intercreditor Agreement) to replace a Primary Liquidity Facility pursuant to the Intercreditor Agreement.

"Purchase Agreement" means the Purchase Agreement as described in Schedule I to the Participation Agreement.

"Rating Agencies" has the meaning specified in the Intercreditor Agreement.

"Ratings Confirmation" has the meaning specified in the Intercreditor Agreement.

"Reference Agency Agreement" means the Reference Agency Agreement, dated as of the Closing Date, among State Street, as reference agent thereunder, the Subordination Agent, the Loan Trustee and the Company.

"Reference Agent" means State Street as reference agent under the Reference Agency Agreement, and any entity which may from time to time be acting as reference agent under the Reference Agency Agreement.

"Refunding" has the meaning specified in Exhibit A to the Intercreditor Agreement.

"Related Indemnitee Group" has the meaning specified in Section 4.02(b) of the Participation Agreement.

"Replacement Aircraft" means the Aircraft of which a Replacement Airframe is part.

"Replacement Airframe" means a Boeing aircraft of the model further described in Annex A to the Indenture Supplement dated the Closing Date or a comparable or improved model of the Manufacturer (except (a) Engines or engines from time to time installed thereon and any and all Parts related to such Engine or engines and (b) items excluded from the definition of Parts (except Engines or engines)), that shall have been made subject to the Lien of the Indenture pursuant to Section 7.05 thereof, together with all Parts relating to such aircraft.

"Replacement Engine" means an engine of the make and model specified in Annex A to the Indenture Supplement dated the Closing Date (or an engine of the same or another manufacturer of a comparable or an improved model and suitable for installation and use on the Airframe with the other Engine (or any other Replacement Engine being substituted simultaneously therewith)) that shall have been made subject to the Lien of the Indenture pursuant to Section 7.04 or Section 7.05 thereof, together with all Parts relating to such engine.

"Responsible Officer" means, with respect to the Company, its Chairman of the Board, its President, any Senior Vice President, the Chief Financial Officer, any Vice President, the Treasurer, the Secretary or any other management employee (a) whose power to take the action in question has been authorized, directly or indirectly, by the Board of Directors of the Company, (b) working under the supervision of such Chairman of the Board, President, Senior Vice President, Chief Financial Officer, Vice President, Treasurer or Secretary and (c) whose responsibilities include the administration of the transactions and agreements contemplated by the Participation Agreement and the Indenture.

"Second New Series D Equipment Notes" means Equipment Notes that are issued as a New Series in connection with a Refunding of any American New Series D Equipment Notes, in the original principal amount and maturities and bearing interest as specified in Schedule I to the applicable Indenture Refunding Amendment.

"Section 1110" means Section 1110 of the Bankruptcy Code, as in effect on the Closing Date or any successor or analogous section of the federal bankruptcy law in effect from time to time.

"Secured Obligations" has the meaning specified in Section 2.06 of the Indenture.

"Series" means any series of Equipment Notes, including the Series G Equipment Notes, the Series C Equipment Notes, the Series D Equipment Notes or the Series E Equipment Notes.

"Series C Equipment Notes" means the Original Series C Equipment Notes or, following a Refunding of the Original Series C Equipment Notes, New Series C Equipment Notes.

"Series D Equipment Notes" means (a) the Original Series D Equipment Notes, or (b) following a Refunding of the Original Series D Equipment Notes, the New Series D Equipment Notes, or (c), following a Refunding of the American New Series D Equipment Notes, the Second New Series D Equipment Notes.

"Series E Equipment Notes" means Equipment Notes, if any, issued and designated as "Series E Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in an amendment to the Indenture at the time of issuance of the Series E Equipment Notes.

"Series G Equipment Notes" means Equipment Notes issued and designated as "Series G Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in Schedule I to the Indenture under the heading "Series G Equipment Notes."

"State Street" has the meaning specified in the introductory paragraph to the Participation Agreement.

"Subordination Agent" has the meaning specified in the introductory paragraph to the Participation Agreement.

"Tax" and "Taxes" means all governmental fees (including, without limitation, license, filing and registration fees) and all taxes (including, without limitation, franchise, excise, stamp, value added, income, gross receipts, sales, use and property taxes), withholdings, assessments, levies, imposts, duties or charges, of any nature whatsoever, together with any related penalties, fines, additions to tax or interest thereon imposed, withheld, levied or assessed by any country, taxing authority or governmental subdivision thereof or therein or by any international authority, including any taxes imposed on any Person as a result of such Person being required to collect and pay over withholding taxes.

"Transportation Code" means that portion of Title 49 of the United States Code comprising those provisions formerly referred to as the Federal Aviation Act of 1958, as amended, or any subsequent legislation that amends, supplements or supersedes such provisions.

"Trust Supplements" means those agreements supplemental to the Basic Pass Through Trust Agreement referred to in Schedule II to the Participation Agreement.

"Underwriting Agreement" means that certain Underwriting Agreement, dated as of September 17, 2002, among the Company and the underwriters named therein, relating to the purchase of the Class G Certificates (as defined in the Intercreditor Agreement) by such underwriters, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.



"United States" means the United States of America.

"U.S. Government Obligations" means securities that are direct obligations of the United States for the payment of which its full faith and credit is pledged which are not callable or redeemable, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligations or a specific payment of interest on or principal of any such U.S. Government Obligations held by such custodian for the account of the holder of a depository receipt so long as such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of interest on or principal of the U.S. Government Obligations evidenced by such depository receipt.

"Warranty Bill of Sale" means, collectively, (a) the warranty (as to title) bill of sale covering the Aircraft, executed by the Manufacturer in favor of Boeing Domestic Sales Corporation and specifically referring to each Engine, as well as the Airframe, constituting a part of the Aircraft and (b) the warranty (as to title) bill of sale covering the Aircraft, executed by Boeing Domestic Sales Corporation in favor of the Company and specifically referring to each Engine, as well as the Airframe, constituting a part of the Aircraft.

"Warranty Rights" means the Warranty Rights as described in Schedule I to the Participation Agreement.

[AIRCRAFT INFORMATION SERVICES, INC. LOGO]

September 13, 2002

Ms. Leslie Benners  
Managing Director, Corporate Finance  
& Banking  
American Airlines, Inc.  
4333 Amon Carter Boulevard  
Mail Drop 5662  
Fort Worth, Texas 76155

Re: American Airlines, Inc. ("American") eight Boeing 757-223 aircraft,  
two Boeing 757-223ER aircraft, six Boeing 767-300ER aircraft and  
three Boeing 777-223ER aircraft

Ladies and Gentleman:

We hereby consent to (i) the use of the report prepared by us with respect to the aircraft referred to above, (ii) the summary of such report under the headings (a) "Summary -- Equipment Notes and the Aircraft," (b) "Risk Factors -- Risk Factors Relating to the Certificates and the Offering -- Appraisals and Realizable Value of the Aircraft" and (c) "Description of the Aircraft and the Appraisals -- The Appraisals" and (iii) references to our firm under the headings "Description of the Aircraft and the Appraisals -- The Appraisals" and "Experts" in American's preliminary Prospectus Supplement expected to be dated on or about September 16, 2002 and American's final Prospectus Supplement, in each case relating to the offering of American Airlines, Inc. Pass Through Certificates, Series 2002-1.

Aircraft Information Services, Inc.

/s/ John D. McNicol

By: John D. McNicol  
Vice President Appraisals & Forecasts  
ISTAT Certified Appraiser

HEADQUARTERS, 26072 MERIT CIRCLE, SUITE 123, LAGUNA HILLS, CA 92653  
TEL: 949-582-8888 FAX: 949-582-8887 E-MAIL: AISINews@aol.com

September 13, 2002

Ms. Leslie Benners  
Managing Director, Corporate Finance  
& Banking  
American Airlines, Inc.  
4333 Amon Carter Boulevard  
Mail Drop 5662  
Fort Worth, Texas 76155

Re: American Airlines, Inc. ("American") eight Boeing 757-223  
aircraft, two Boeing 757-223ER aircraft, six Boeing 767-323ER  
aircraft and three Boeing 777-223ER aircraft

Ladies and Gentlemen:

We hereby consent to (i) the use of the report prepared by us with respect to the aircraft referred to above, (ii) the summary of such report under the headings (a) "Summary -- Equipment Notes and the Aircraft," (b) "Risk Factors -- Risk Factors Relating to the Certificates and the Offering -- Appraisals and Realizable Value of the Aircraft" and (c) "Description of the Aircraft and the Appraisals -- The Appraisals" and (iii) references to our firm under the headings "Description of the Aircraft and the Appraisals -- The Appraisals" and "Experts" in American's preliminary Prospectus Supplement expected to be dated on or about September 16, 2002 and American's final Prospectus Supplement, in each case relating to the offering of American Airlines, Inc. Pass Through Certificates, Series 2002-1.

AvSOLUTIONS, Inc.

By: /s/ SCOTT E. DANIELS  
Its: Director -- Asset Management

[MBA LOGO]

[Morten Beyer & Agnew letterhead]

September 13, 2002

Ms. Leslie Benners  
Managing Director, Corporate Finance  
& Banking  
American Airlines, Inc.  
4333 Amon Carter Boulevard  
Mail Drop 5662  
Fort Worth, Texas 76155

Re: American Airlines, Inc. ("American") eight Boeing 757-223 aircraft,  
two Boeing 757-223ER aircraft, six Boeing 767-300ER aircraft and three  
Boeing 777-223ER aircraft

Ladies and Gentlemen:

We hereby consent to (i) the use of the report prepared by us with respect to the aircraft referred to above, (ii) the summary of such report under the headings (a) "Summary -- Equipment Notes and the Aircraft," (b) "Risk Factors -- Risk Factors Relating to the Certificates and the Offering -- Appraisals and Realizable Value of the Aircraft" and (c) "Description of the Aircraft and the Appraisals -- The Appraisals" and (iii) references to our firm under the headings "Description of the Aircraft and the Appraisals -- The Appraisals" and "Experts" in American's preliminary Prospectus Supplement expected to be dated on or about September 16, 2002 and American's final Prospectus Supplement, in each case relating to the offering of American Airlines, Inc. Pass Through Certificates, Series 2002-1.

Morten Beyer & Agnew

/s/ Bryson P. Monteleone

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By: Bryson P. Monteleone  
Its: Vice President Operations, CFO

[PricewaterhouseCoopers LOGO]

PricewaterhouseCoopers LLP  
1177 Avenue of the Americas  
New York NY 10036  
Telephone (646) 471-4000  
Facsimile (646) 471-4100

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus Supplement of American Airlines Inc., relating to Pass Through Certificates, Series 2002-1G comprising part of the Registration Statement (No. 333-84292) of American Airlines Inc., of our reports, dated February 1, 2002, each of which is included or incorporated by reference in MBIA Inc.'s Annual Report on Form 10-K for the year ended December 31, 2001, relating to our audits of: the consolidated financial statements of MBIA Inc. and Subsidiaries as of December 31, 2001 and 2000 and for each of the three years in the period ended December 31, 2001; the consolidated financial statement schedules of MBIA Inc. and Subsidiaries as of December 31, 2001 and 2000 and for each of the three years in the period ended December 31, 2001; and, the consolidated financial statements of MBIA Insurance Corporation and Subsidiaries as of December 31, 2001 and 2000 and for each of the three years in the period ended December 31, 2001. We also consent to the reference to our firm under the caption "Experts" in the Prospectus Supplement.

PricewaterhouseCoopers LLP

September 16, 2002

## SCHEDULE I

The following documents relating to one Boeing 757-223 aircraft bearing United States registration number N604AA (hereinafter referred to as "N604AA") have been provided in this filing: (a) Participation Agreement, dated as of September 24, 2002, among American Airlines, Inc. ("American"), State Street Bank and Trust Company of Connecticut, National Association, as trustee under each of the Pass Through Trust Agreements (the "Pass Through Trustee"), State Street Bank and Trust Company of Connecticut, National Association, as subordination agent (the "Subordination Agent"), as loan trustee (the "Loan Trustee"), and in its individual capacity as set forth therein ("State Street"); (b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee; and (c) Form of Series 2002-1 Equipment Notes.

The corresponding documents listed below are substantially identical in all material respects to the documents relating to N604AA, with the following exceptions: (1) conforming changes have been made to reflect the appropriate United States registration number of each aircraft (e.g., N605AA, N606AA, N680AN, etc.), the appropriate model of each aircraft (i.e., 757-223, 767-323, 777-223) and the appropriate manufacturer's serial number of each aircraft; (2) the description and original principal amounts of the equipment notes set forth on Schedule II to each Participation Agreement and Schedule I to each Indenture and Security Agreement differ; (3) the dollar amount set forth in Exhibit C to each Indenture and Security Agreement differs according to the model of each aircraft, (4) conforming changes have been made to reflect the appropriate engines relating to each aircraft (i.e., Rolls-Royce RB211-535E4B-47, Rolls-Royce RB211-535E4B, General Electric CF6-80C2B6, Rolls-Royce RB211-TRENT-892-17); (5) the definitions of "FAA Bill of Sale" and "Warranty Bill of Sale" set forth in Annex A to each Participation Agreement and Indenture and Security Agreement differ; and (6) the definitions of "Purchase Agreement" and "Warranty Rights" set forth in Schedule I to each Participation Agreement differ.

- (1)(a) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 757-223 aircraft bearing United States registration number N605AA ("N605AA").
- (1)(b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N605AA.
- (1)(c) Form of Series 2002-1 Equipment Notes relating to N605AA.
- (2)(a) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State

Street, relating to one Boeing 757-223 aircraft bearing United States registration number N606AA ("N606AA").

- (2)(b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N606AA.
- (2)(c) Form of Series 2002-1 Equipment Notes relating to N606AA.
- (3)(a) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 757-223 aircraft bearing United States registration number N680AN ("N680AN").
- (3)(b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N680AN.
- (3)(c) Form of Series 2002-1 Equipment Notes relating to N680AN.
- (4)(a) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 757-223 aircraft bearing United States registration number N176AA ("N176AA").
- (4)(b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N176AA.
- (4)(c) Form of Series 2002-1 Equipment Notes relating to N176AA.
- (5)(a) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 757-223 aircraft bearing United States registration number N177AN ("N177AN").
- (5)(b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N177AN.
- (5)(c) Form of Series 2002-1 Equipment Notes relating to N177AN.
- (6)(a) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 757-223 aircraft bearing United States registration number N173AN ("N173AN").

- (6)(b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N173AN.
- (6)(c) Form of Series 2002-1 Equipment Notes relating to N173AN.
- (7)(a) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 757-223 aircraft bearing United States registration number N172AJ ("N172AJ").
- (7)(b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N172AJ.
- (7)(c) Form of Series 2002-1 Equipment Notes relating to N172AJ.
- (8)(a) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 757-223 aircraft bearing United States registration number N608AA ("N608AA").
- (8)(b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N608AA.
- (8)(c) Form of Series 2002-1 Equipment Notes relating to N608AA.
- (9)(a) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 757-223 aircraft bearing United States registration number N609AA ("N609AA").
- (9)(b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N609AA.
- (9)(c) Form of Series 2002-1 Equipment Notes relating to N609AA.
- (10)(a) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 767-323 aircraft bearing United States registration number N389AA ("N389AA").
- (10)(b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N389AA.
- (10)(c) Form of Series 2002-1 Equipment Notes relating to N389AA.



- (11)(a) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 767-323 aircraft bearing United States registration number N390AA ("N390AA").
- (11)(b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N390AA.
- (11)(c) Form of Series 2002-1 Equipment Notes relating to N390AA.
- (12)(a) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 767-323 aircraft bearing United States registration number N391AA ("N391AA").
- (12)(b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N391AA.
- (12)(c) Form of Series 2002-1 Equipment Notes relating to N391AA.
- (13)(a) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 767-323 aircraft bearing United States registration number N392AN ("N392AN").
- (13)(b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N392AN.
- (13)(c) Form of Series 2002-1 Equipment Notes relating to N392AN.
- (14)(a) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 767-323 aircraft bearing United States registration number N393AN ("N393AN").
- (14)(b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N393AN.
- (14)(c) Form of Series 2002-1 Equipment Notes relating to N393AN.
- (15)(a) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 767-323 aircraft bearing United States registration number N395AN ("N395AN").

- (15)(b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N395AN.
- (15)(c) Form of Series 2002-1 Equipment Notes relating to N395AN.
- (16)(a) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 777-223 aircraft bearing United States registration number N785AN ("N785AN").
- (16)(b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N785AN.
- (16)(c) Form of Series 2002-1 Equipment Notes relating to N785AN.
- (17)(a) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 777-223 aircraft bearing United States registration number N786AN ("N786AN").
- (17)(b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N786AN.
- (17)(c) Form of Series 2002-1 Equipment Notes relating to N786AN.
- (18)(a) Participation Agreement, dated as of September 24, 2002, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 777-223 aircraft bearing United States registration number N795AN ("N795AN").
- (18)(b) Indenture and Security Agreement, dated as of September 24, 2002, between American and the Loan Trustee, relating to N795AN.
- (18)(c) Form of Series 2002-1 Equipment Notes relating to N795AN.